

2/05

TC 98-057

DOCKET NO.

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

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
2/23 98	Filed and Racketed;
2/26 98	TC Fax Filing,
4/3 98	Revised Tariff;
6/4 98	Order Granting COA;
6/4 98	Racket Closed



TELECARD REGULATORY SERVICES
JERRY W. HENDRICKS

TC 98-057

February 20, 1998

RECEIVED
FEB 23 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

South Dakota Public Utilities Commission
Harlan Best
State Capitol
500 East Capitol Street
Pierre, SD 57501-5070

RE: Application of SmartStop, Inc. for Public Convenience and Necessity

Dear Harlan:

Enclosed, please find an original and 10 copies of the application and tariff of SmartStop, Inc. to Resell Telecommunications Services throughout the state of South Dakota along with a check in the sum of \$250.00.

I am also enclosing an additional copy of this letter to be stamped as filed and returned to this office.

If there are any questions or comments concerning this application, please don't hesitate to contact me.

Sincerely,

Rebecca Scribner
Assistant

enclosures

Suite 23
11655 SW Allen Blvd.
Beaverton, Oregon 97005-4849

Telephone: (503) 641-5169
FAX: (503) 643-1572

BEFORE THE
PUBLIC UTILITY COMMISSION
OF
SOUTH DAKOTA

RECEIVED
FEB 21 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

In the Matter of the Application of)
SmartStop, Inc. for a) Application No. _____
Certificate of Public Convenience & Necessity To)
Operate As A Reseller Of Telecommunications)
Services Within the Commonwealth of South Dakota)

APPLICATION FOR CERTIFICATE OF AUTHORITY
OF SMARTSTOP, INC.

SmartStop, Inc. ("Applicant"), hereby respectfully applies to the South Dakota Public Utility Commission for a Certificate of Public Convenience and Necessity to operate as a Reseller of resold competitive telecommunications services within the Commonwealth of South Dakota. Applicant has applied to provide resold long distance services in the states of Oregon, Washington, California, Pennsylvania, Rhode Island, Arkansas, Texas, Arizona, New Mexico, Georgia, Alabama, Connecticut, Illinois, Florida, New York and Idaho, and is in the process of filing, as required, in the remaining contiguous 48 states. Applicant seeks statewide authority to serve , 800 WATS, and 1+ prepaid telecard services COCOT (COPT) and IPP to the general public.

In support of this application SmartStop, Inc. states as follows:

- (1) Applicant is a Corporation formed under the laws of the State of Oregon on April 9, 1997. (Exhibit 1)

- (2) The legal name and address of Applicant and its principal representative are:

Mr. Larry A. Bauman
President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, OR 97221
(503) 672-5160 (tel)
(503) 672-5161 (fax)

Customer Service 1-800-717-5485

- (3) Questions, comments and notices concerning this application should be addressed to:

Jerry W. Hendricks
Consultant
Telecard Regulatory Services
11655 SW Allen Blvd., #23
Beaverton, Oregon 97005-4849
(503) 641-5169
FAX (503) 643-1572

- (4) State and Form of Organization; Officers, Directors and Shareholders:

SmartStop, Inc. is a for profit corporation organized under the laws of the State of Oregon on April 9, 1997. A copy of the Articles of Incorporation are attached hereto as Exhibit 1. Evidence of Applicant's authority to transact business as a foreign corporation appears at Exhibit 2. A list of the executive officers, the board of directors, and the principal shareholders of SmartStop, Inc. is attached as Exhibit 3.

- (5) Description of Service:

SmartStop, Inc. seeks a Certificate of Registration to operate as a reseller of telecommunications services throughout the entire state. Such authority would include twenty-four (24) hour origination and termination intrastate interLATA and intraLATA calls for customers, and to operate as a Travel and Prepaid Calling Card reseller and

Independent Payphone Provider (IPP). SmartStop is not applying for authorization to provide Operator services. SmartStop seeks to provide interexchange telecommunications services, including switched and dedicated access long distance communications service. Calls are rated based on the duration of the call.

SmartStop seeks to provide long distance services at rates which are competitive with the services of other interexchange carriers and requests that the Commission grant Applicant competitive status as a competitive telecommunications provider.

SmartStop seeks to provide the following specific services:

Prepaid Calling Card Service: "SmartStop Phone Card" calling card service is a product that is neither time of day nor distance sensitive while calling within the United States. (see "Service Offerings" below). This service permits use of a prepaid "SmartStop Phone Card" for placing long distance calls. Users may purchase these cards at a variety of retail outlets or through other distribution channels. SmartStop calling cards are available at a face values of \$5.00, \$10.00, \$20.00, and \$50.00. A call is placed by dialing an 800 number to obtain access to SmartStop's network. The caller is prompted by an automated voice response system to enter Customer's account number, and then to enter the terminating telephone number.

SmartStop Voice Mail: Is a feature of the SmartStop Travel Service and SmartStop Prepaid Calling Card Service that allows a customer to access their account through an 800 number to leave and/or retrieve messages of up to sixty (60) seconds in length. Messages may be saved for a maximum of for (4) days. Calls are billed in one (1) minute or thirty (30) second increments for billing purposes.

SmartStop will not bill for uncompleted calls. A customer can expect a call completion rate of not less than ninety-nine percent (99%) during peak use periods for all FGD services ("1+" dialing).

SmartStop will provide IPP (COCOT/COPT) services subject to the availability of the necessary facilities and or equipment. Calls are charged in full minute increments with a four minute at \$0.25 per minute. Local calls are charged at \$0.35 per minute, with no time limitations.

SmartStop will provide Travel Service, which allows the Customer to call an 800 number and use an authorization code to gain access to SmartStop's network from any of the forty-eight (48) contiguous states. There is no installation fee or monthly fee. Calls are billed in full minute increments for billing purposes.

SmartStop's processor tracks the call duration and destination for rating purposes on a real time basis. The total price of each call, including

applicable taxes, is deducted from the prepaid amount on the caller's SmartStop card. Should the balance on the card approach zero, the caller is so advised, and, if desired, the caller may follow voice prompts to reach a live customer service representative who will aid the user in accomplishing a recharge.

Special features are available for use with any SmartStop card. These features include speed calling capability for two (2) digit dialing of up to ten (10) numbers. In addition, multiple calls can be made without re-dialing an access number or account number.

SmartStop offers universal origination from anywhere in the United States, and termination both domestically and internationally. Availability of termination may be limited by SmartStop's operating authority limits, or by service availability for international direct dialing.

The company will utilize its existing relationships with truck stops to secure exclusive rights to establish, own and maintain the voice and data communications networks at participating truck stops. The fourteen Rip Griffin Truck and Travel Centers and the Jubitz truck stop will be the first installations. Each of the existing locations contracting with Jubitz are potential SmartStop locations. The Company intends to establish relationships with approximately 1,200 truck stops throughout the United States.

(6) Geographic Area to be Served in South Dakota:

SmartStop, Inc. will offer universal origination and termination throughout the entire State of South Dakota.

(7) Proposed South Dakota Tariff:

SmartStop, Inc. has included an informational tariff for South Dakota which is attached hereto as Exhibit 4.

(8) Financial Qualifications:

SmartStop, Inc. is a corporation that was formed between two corporations, Jubitz, Inc., and BRG, Inc. The former corporation contributed the ongoing business of DriveLine to the corporation, which has a value of \$9,600,000 as an ongoing business, determined by an independent investment broker. BRG, Inc., contributed \$3,735,253 in cash for the operations of the business. Between the ongoing business contributed by Jubitz, and the cash for operations provided by BRG, SmartStop has sufficient assets and capital to provide the services sought to be provided under the terms of the application. SmartStop, Inc.'s only owned equipment is that which rates calls and deducts the appropriate charges from a user's card, which equipment is located in the State of Oregon.

Financial statements showing the company's financial position are attached. The information contained in these financial statements is proprietary and commercially sensitive.

(9) Technical and Managerial Qualifications:

The SmartStop, Inc. executives bring to the organization extensive technical and managerial experience which SmartStop, Inc. will draw on in its day-to-day operations.

The combined telecommunications experience of SmartStop, Inc.'s management team will enable SmartStop, Inc. to provide reliable, quality service to its customers.

Larry Bauman

Mr. Bauman has been the President of SmartStop, Inc. since their organization date of April 9, 1997.

Mr. Bauman has been the Data & Telecommunications Systems Manager for Jubitz Corporation since 1988. In that position, Mr. Bauman was responsible for the day to day operations of all existing corporate telephony traffic for their 5 locations (over 100 million minutes annually), and future communication products and services, such as Frame relays, fiber optics and voice over frame. He was also responsible for profit and loss for the Jubitz North Portland facility.

In 1991, Mr. Bauman developed and introduced the Driveline™ prepaid calling card, currently the top selling cars in the truck stop market place. He is also a Member of Lucent Users Group, AT&T Inbound Conference Group and NATSO

Victor Stibolt

Mr. Stibolt has been the Assistant Secretary for SmartStop, Inc., since their organization date of April 9, 1997. He has been a member of the Oregon State Bar since 1976 and is a former partner of DWT, a 60-lawyer firm in Portland, Oregon, specializing in business law and finance.

Mr. Stibolt Joined Jubitz Corporation in 1991 as General Counsel. In that position Mr. Stibolt was responsible for assuring that the Corporation preformed within legal boundaries. He was also the head of contract review and Human resources.

Prior to Joining Jubitz Corporation, Mr. Stibolt was president and Chief Operating Officer of Stibco, Inc., a specialty catalog business.

Mark Griffin

Mr. Griffin has been the Secretary for SmartStop, Inc., since their organization date of April 9, 1997.

Mr. Griffin has been the Executive Vice President and General Counsel for The Griffin Companies, which include Travel Center Development Company, Texaco Wholesale Distributorship and Fuel Marketing and Trading since 1981.

Mr. Griffin was awarded a Doctor of Jurisprudence in 1979 from Texas Tech University School of Law and in 1972 received his BA in science from the University of Texas.

From 1997 to 1981, Mr. Griffin was employed by Hance, Thompson, Thomas & Sawyer where he was engaged in criminal and insurance defense litigation. Lubbock Christian University employed Mr. Griffin as an Adjunct Professor of Law from 1982 to 1985.

Mr. Griffin's Professional Memberships are The State Bar of Texas since 1979, Lubbock County Bar Association since 1979 and Texas Republican County Chairman's Association from 1986 to 1990.

Mr. Griffin is involved in Civic activities such as Leadership Lubbock Program, Board of Trustees of Lubbock children's home, Lubbock Rotary Club and Chairman of the Board of Trustees at St. Mary's of the Plains Hospital. He is also Director of the Lubbock Independent School District Foundation, Member of the Cerebral Palsy Center Advisory Council, Director of the Texas Guaranteed Student Loan Corporation from 1990 to 1993 and Director of the Jim Burkeholder Family Learning Center since 1994.

Mark Gram

Mr. Gram is the Treasurer of SmartStop, Inc., since their organization date of April 9, 1997. Mr. Gram has been the Chief Financial Officer for Jubitz Corporation. Prior to joining Jubitz in 1996, he was Vice President and Chief Financial Officer of Capitol

Credit, Inc.. From 1980 through 1986, he was an audit Manager at Arthur Andersen & Co. a International Public Accounting Firm

Mr. Gram was subsequently Chief Financial Officer for Portland Fixture Limited Partnership, an Oregon Based shopping center developer and owner.

Mr. Gram received his BS in Accounting from the University of Massachusetts at Amherst in 1980, and has served as a board member on the March of Dimes Birth defect foundation, Lewis and Clark Chapter and is a member of the Board of Directors of the Oregon Club of Portland, an alumni group of the University of Oregon.

David Coulson

Mr. Coulson has been actively involved in the Telecommunications Industry for over 45 years.

He retired from the U.S. Navy in 1970 with a degree in Electronic Engineering. During his travels with the Navy, Mr. Coulson became interested in the Automated Teller Machines that were so popular in Japan. He joined with Diebold Corporation and spent the next 10 years in the development and marketing of ATM's. Diebold has grown to become the world's largest supplier of Automated Tellers.

In 1968, when Payphone deregulation became a reality, Mr. Coulson became a founding partner in Digital Access Communications, an IIP with headquarters in Seattle, Washington. Today the Corporation represents over 3000 payphones throughout the Northwest. Mr. Coulson was a charter member of Northwest Payphone Association and the American Public Communications Council.

In 1995, after years of success in Europe, interest in Smart Card technology began to grow in the U.S. Confident of the merging of Smart Card technology with payphones, Mr. Coulson retired from his position as CEO of Digital Access to found Coulson Associates. Their stated mission is to assist the IPP industry in the implementation of

Smart Card technology in all aspects of Public Communications. The unique combination of Automated Teller and IIP experience makes Coulson Associates ideally suited to perform these services.

Mr. Coulson has testified as an expert witness before the Washington Utility and Transportation Commission on behalf of the Northwest Payphone Association in their successful rate case against US West Communications.

(9) Public Convenience and Necessity Does Favor The Granting of SmartStop, Inc.' Application

SmartStop, Inc. service is in a unique area in telecommunications, and has a variety of applications. The company will provide both telecard services as well as serving as an IIP provider.

In addition to offering a unique service, SmartStop, Inc. will be competing with other established carriers who offer services such as calling cards. SmartStop, Inc.'s services will, therefore, also enhance competition in the telecommunications marketplace.

Customers will benefit by the ability to prepay for telecommunications services and by the use of SmartStop, Inc.' state of the art technology for real time rating and charging of calls. In addition, SmartStop, Inc. will provide the convenience of a calling card and access to a variety of enhanced services. SmartStop, Inc.' services will also be available to users who might not otherwise qualify to obtain telecommunications services. SmartStop, Inc.' services are, therefore, in the public interest.

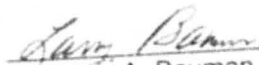
CONCLUSION

SmartStop, Inc. is prepared to offer services upon the granting of this Application. By this application and exhibits, SmartStop, Inc. demonstrates that it has the technical, managerial, and financial resources and ability to conduct this business for the benefit of the public in South Dakota and throughout the United States.

WHEREFORE, for the foregoing reasons, SmartStop, Inc. respectfully requests that this Honorable Commission grant this petition for a Certificate of Territorial Authority to enable it to resell long-distance telecommunications in the State of South Dakota.

Respectfully submitted,

SmartStop, Inc.


By: Larry A. Bauman, President

DATED: February 20, 1998

Articles of Incorporation are attached hereto.

CERTIFICATE

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, PHIL KEISLING, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

That the attached Document File for:

SMARTSTOP, INC.

is a true copy of the original documents
that have been filed with this office.

In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.

PHIL KEISLING, Secretary of State



By

Catherine K. Staples

Catherine K. Staples

October 28, 1997

569396-80

Ref. #3821

ARTICLES OF INCORPORATION
OF
SMARTSTOP, INC.

FILED
APR - 9 1997
OREGON
SECRETARY OF STATE

The undersigned natural person of the age of eighteen (18) years or more, acting as an Incorporator under the Oregon Business Corporation Act, adopts the following Articles of Incorporation:

ARTICLE I

The name of this corporation is SmartStop, Inc. and its duration shall be perpetual

ARTICLE II

The purposes for which the corporation is organized are to engage in any lawful activities for which corporations may be organized under the Act.

ARTICLE III

1. The aggregate number of shares which the corporation shall have the authority to issue is as follows:
 - A. Twenty-Five Million (25,000,000) shares of no par common voting stock; and
 - B. Ten Million (10,000,000) shares of no par preferred stock having preferences to be designated by resolution of the directors of the corporation.
2. Shareholders shall have pre-emptive rights to acquire shares to the extent provided by the Act.
3. No Shareholder shall be entitled to cumulate his votes for election of Directors.
4. At any meeting of the Shareholders, the holders of a majority of all the outstanding voting shares of the capital stock of this corporation, present in person or represented by proxy, shall constitute a quorum of the Shareholders for all purposes.
5. The corporation shall have the right to purchase its own shares as provided by the Act.

Sally
4/9

569396-80

3. The indemnification referred to in the various sections of this Article shall be deemed to be in addition to and not in lieu of any other rights to which those indemnified may be entitled under any statute, rule of law or equity, agreement, vote of the Shareholders or Board of Directors or otherwise.

ARTICLE VII

The name and address of the person to whom the Corporation Division may mail notices required by the Act is:

Name

Address

DWT Oregon Corp.

1300 SW Fifth Avenue, Suite 2300, Portland, OR 97201

ARTICLE IX

The name and address of the incorporator is:

Name

Address

David C. Baca

1300 SW Fifth Avenue, Suite 2300, Portland, OR 97201

ARTICLE X

The person to contact about this filing is:

Name

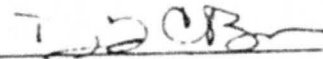
Telephone Number

Linda Lufkin

(503) 241-2300

I, the undersigned Incorporator, declare under penalties of perjury that I have examined the foregoing and to the best of my knowledge and belief, it is true, correct and complete.

DATED this 9th day of April, 1997.



David C. Baca, Incorporator

NEXT

DOCUMENT (S)

BEST IMAGE

POSSIBLE



Phone: (503) 986-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Ref. # 4188

Articles of Amendment—Business/Professional/Nonprofit

For office use only

Check the appropriate box below:

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1, 2, 3, 4, 6, 7)
☐ NONPROFIT CORPORATION
(Complete only 1, 2, 3, 5, 6, 7)

FILED

JUN 26 1997

OREGON
SECRETARY OF STATE

Registry Number: 569396-80

Attach Addition if Sheet if Necessary
Please Type or Print Legibly in Black Ink

- 1) NAME OF CORPORATION PRIOR TO AMENDMENT SMARTSTOP, INC.
- 2) STATE THE ARTICLE NUMBER(S) AND SET FORTH THE ARTICLE(S) AS IT IS AMENDED TO READ. (Attach a separate sheet if necessary.)
ARTICLE III, Section 2, is amended to read: "Shareholders shall have no pre-
emptive rights to acquire shares to the extent provided by the Act."
- 3) THE AMENDMENT WAS ADOPTED ON: June 26, 1997
(If more than one amendment was adopted, identify the date of adoption of each amendment.)

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

- ☐ Shareholder action was required to adopt the amendment(s). The vote was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

- ☐ Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the board of directors without shareholder action.

- ☒ The corporation has not issued any shares of stock. Shareholder action was not to adopt the amendment(s). The amendment(s) was adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

- ☐ Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

- ☐ Membership approval was required. The membership vote was as follows:

Class or series of shares	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION

Printed Name

David C. Baca

Signature

[Signature]

Title

Incorporator

7) CONTACT NAME

Dona Sabers

DAYTIME PHONE NUMBER

(503) 361-2300

FEES

Make check for \$10 payable to
Corporation Division

NOTE: Filing fees may be paid
with VISA or MasterCard. The
last number and number of state
should be submitted. A
separate check for other
jurisdiction.

EXHIBIT 2

Application for Authority to Transact Business as a Foreign Corporation is being prepared for filing with the South Dakota Secretary of State's office. Evidence of Corporate Qualification shall be filed with the Commission upon receipt. Applicant files this Application less such evidence, in the interest of time.

OFFICER AND DIRECTOR INFORMATION IS AS FOLLOWS:

Larry A. Bauman President
5440 SW Westgate Drive, Suite 217 Director
Portland, OR 97221

Mark Griffin Secretary
5202 04th Street
Lubbock, TX 79416

Victor D. Stibolt
5440 SW Westgate Drive, Suite 217
Portland, OR 97221

Mark Gram Treasurer
5440 SW Westgate Drive, Suite 217
Portland, OR 97221

SHAREHOLDER INFORMATION IS AS FOLLOWS:

Name and <u>Address</u>	Percentage of <u>Voting Control</u>
----------------------------	--

Jubitz Corporation 33 NE Middlefield Rd. Portland, Oregon 97211	70%
---	-----

B.R.G., Inc. 5440 SW Westgate Dr., #217 Portland, OR 97221	30%
--	-----

Jubitz Corporation Shareholders:

M. Albin Jubitz, Jr. 33 NE Middlefield Rd. Portland, OR 97211	50%
---	-----

Frederick D. Jubitz 33 NE Middlefield Rd. Portland, OR 97211	50%
--	-----

B.R.G., Inc. Shareholder:

B.R. Griffin

100%

5440 SW Westgate Dr., #217

Portland, OR 97221

SmartStop, Inc., is an Oregon Corporation that was formed April 9, 1997. The corporation is owned equally by Jubitz Corporation, an Oregon corporation founded in 1952, and B.R.G., Inc., a Texas corporation formed in 1962.

Jubitz Corporation is owned 100% by the Jubitz family. Jubitz Corporation began as a small truck leasing operation. However, it evolved into a single truck stop. The business has grown to a full service complex dedicated to the needs of today's professional drivers. The truck stop has 24 hour sales and service, a tire and retreading business. Jubitz has evolved into providing information for the trucking industry. That service is known as DAT Services, and provides the nation's largest information source for the trucking industry, providing information on freight loads and empty trucks, and distributes information in a multitude of ways, including phone, fax, PC modem and satellite.

Jubitz began offering prepaid calling cards to commercial truck drivers in 1993 through their established DAT Services truck stop marketing channel. The cards were marketed under the brand names DriveLine and DriveLine Plus, which was retailing 47.5 million minutes in the fiscal year ended September, 1996.

B.R.G., Inc., a Texas corporation formed in 1962. The sole shareholder of this corporation is owned by B.R. Griffin. B.R.G. is a holding company whose assets are the Rip Griffin Truck Service Center, Inc., a Texas corporation. This latter corporation is principally engaged in the operation of full service truck/travel centers in the western US.

The corporation is headquartered in Lubbock, Texas, and presently operates nine truck centers in Texas, California, Colorado, New Mexico, Arizona and Wyoming. The corporation employs approximately 1,400 employees.

Mr. B.R. Griffin has developed the Rip Griffin Truck Service Center network from one truck stop with limited fuel and food services to truck and travel centers providing a full range of products and travel related services to both truckers and individual travelers. The company is working to build a network of full service truck and travel centers in the Western United States, servicing long distance interstate truckers, including large fleet operators, independents and individual travelers. The centers are planned for locations on major interstate highways at intervals of approximately 500 miles. It is believed that quality service, good food, clean facilities and reasonable prices will attract repeat professional driver. A typical center consists of six separate profit centers, including diesel fuel terminals, restaurants, convenience store, gift shops, tire and mechanic shops and miscellaneous.

The services and truck stops that will be involved in the SmartStop Network are such as to acquire a high contact rate with truck drivers, who are the primary market for the prepaid calling cards offered by SmartStop. It is expected that SmartStop will generate substantial exclusive revenue from truck drivers stopping at the participating SmartStop truck stops.

Proposed Rates:

Attached hereto.

SMARTSTOP, INC.
Financial Sheets

Price Waterhouse LLP



Report of Independent Accountants

December 5, 1997

To the Board of Directors and Shareholders of
SmartStop, Inc.

In our opinion, the accompanying balance sheet and the related statements of income, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of SmartStop, Inc. at September 30, 1997, and the results of its operations and its cash flows for the period from inception (April 9, 1997) through September 30, 1997, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

Price Waterhouse LLP

SmartStop, Inc.
Balance Sheet
September 30, 1997

Assets

Cash and cash equivalents	\$ 3,468,212
Account receivable from related party (Note 5)	229,935
Deposits	98,200
Other assets	35,091
Total current assets	<u>3,831,438</u>
Equipment	27,978
Deferred income taxes (Note 3)	5,642
Total assets	<u>\$ 3,865,058</u>

Liabilities and Shareholders' Equity

Liabilities:

Accounts payable	\$ 25,605
Income taxes payable (Note 3)	25,724
	<u>51,329</u>

Commitments and contingencies (Note 6)

Shareholders' equity (Note 4):

Preferred stock, no par value; 10,000,000 shares authorized, no shares issued and outstanding	-
Common stock, no par value; 25,000,000 shares authorized, 2,590,476 shares issued and outstanding	3,752,584
Retained earnings	61,145
Shareholders' equity	<u>3,813,729</u>

Total liabilities and shareholders' equity	<u>\$ 3,865,058</u>
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The accompanying notes are an integral part of these financial statements.

SmartStop, Inc.**Statement of Income****Period From Inception (April 9, 1997) Through September 30, 1997**

Revenues	\$ 667,876
Cost of revenues	<u>337,295</u>
Gross profit	330,581
Sales and marketing expenses (Note 5)	86,377
General and administrative expenses (Note 5)	<u>199,046</u>
Operating income	45,158
Interest income (Note 5)	<u>36,069</u>
Income before income taxes	81,227
Provision for income taxes (Note 3)	<u>20,082</u>
Net income	<u>\$ 61,145</u>

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

SmartStop, Inc.**Statement of Shareholders' Equity****Period From Inception (April 9, 1997) Through September 30, 1997**

	Common stock		Retained
	Shares	Amount	earnings
Cash proceeds from common stock issued	2,590,476	\$ 4,000,000	\$ -
Costs of common stock issued (Note 4)		(247,416)	
Net income for the period			61,145
Balance, September 30, 1997	2,590,476	\$ 3,752,584	\$ 61,145

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

SmartStop, Inc.**Statement of Cash Flows****Period From Inception (April 9, 1997) Through September 30, 1997**

Cash flows from operating activities:

Net income	\$ 61,145
Adjustment to reconcile net income to net cash used by operating activities:	
Deferred income taxes	(5,642)
Changes in:	
Account receivable from related party	(229,935)
Deposits	(98,200)
Other assets	(35,091)
Accounts payable	25,605
Income taxes payable	25,724
Net cash used by operating activities	<u>(256,394)</u>

Cash flows from investing activity:

Capital expenditures	<u>(27,978)</u>
----------------------	-----------------

Cash flows from financing activities:

Net cash proceeds from issuance of common stock	<u>3,752,584</u>
Net increase in cash and cash equivalents	3,468,212
Cash and cash equivalents at beginning of period	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 3,468,212</u>

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

1. Organization

SmartStop, Inc. (the "Company") was incorporated on April 9, 1997 under the laws of the State of Oregon and commenced principal operations on August 1, 1997. Jubitz Corporation contributed certain technology and intangible assets (primarily DriveLine PLUS®, its prepaid calling card business) and BRG, Inc. contributed \$4,000,000 into the Company. The Jubitz contribution was recorded at its historical cost basis of zero, as required by generally accepted accounting principles. The initial allocation of the Company's common stock was based on a valuation completed by an independent investment banker.

SmartStop's objective is to develop and provide telecommunication products and services to truck stops, truck drivers, and commercial fleets.

2. Summary of Significant Accounting Policies

Management 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 the 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.

Cash equivalents

Management considers as cash equivalents all highly liquid short-term investments with a maturity of three months or less when purchased.

Revenue recognition

The Company has licensed its DriveLine PLUS® product in connection with concession sales rights granted to a third party. Such rights give the third party the exclusive ability to produce and sell to end users all prepaid calling cards marketed by the Company to truck stop locations. The Company holds the exclusive right as between the parties to market prepaid calling cards to truck stop locations. The third party licensee has the right to coordinate its marketing and sale of calling cards with the Company's marketing and truck stop location contract agreements. The Company earns a percentage of the prepaid calling card revenue collected by the third party and recognizes revenue when such cards are sold. When revenue is recognized, the Company accrues the commission expense it must pay to truck stop location operators for providing calling card vending locations.

Equipment

Equipment is recorded at cost. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is determined using the straight-line method over useful lives of three to five years. No depreciation expense was recorded for the period ended September 30, 1997 as the acquired assets were not placed in service as of September 30, 1997.

Income taxes

The Company accounts for income taxes using the asset and liability approach prescribed by Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Under this approach, deferred income taxes are calculated for the expected future tax consequences of temporary differences between the book and tax bases of the Company's assets and liabilities.

SmartStop, Inc.
Notes to Financial Statements
September 30, 1997

3. Income Taxes

For the period ended September 30, 1997, the provision for income taxes consists of:

Currently payable:	
Federal	\$ 19,276
State	<u>6,448</u>
	<u>25,724</u>
Deferred:	
Federal	(4,671)
State	<u>(971)</u>
	<u>(5,642)</u>
Provision for income tax expense	<u>\$ 20,082</u>

Total deferred tax assets at September 30, 1997 amounted to \$5,642 and related to expenses not currently deductible for tax purposes.

The provision for income taxes differs from the amount computed by applying the typical statutory federal income tax rate to pre-tax income as a result of the effect of graduated federal tax rates offset by state income taxes.

4. Shareholders' Equity

Contributed capital

The majority shareholder of the Company contributed technology and intangible assets in exchange for 1,828,571 common shares of the Company. In accordance with generally accepted accounting principles, such assets were transferred to the Company at the majority shareholder's historical cost basis of zero. This non-cash transaction has been excluded from the statement of cash flows.

4. Shareholders' Equity (Continued)

Stock warrant

On August 1, 1997, the Company issued a warrant to purchase 29,714 shares of the Company's common stock to its investment banker for services rendered. The warrant is exercisable at a price of \$5.25 per share at any time prior to the earlier of July 30, 2002, the announcement of a public offering by the Company of any class of capital stock, or consummation of a merger, reorganization, or sale of substantially all of the assets of the Company. The warrant was not exercised during the period ended September 30, 1997 and remains outstanding. The Company valued the warrant at approximately \$41,000 based upon its terms. The issuance of the warrant was a non-cash transaction and has been excluded from the statement of cash flows. The value of the warrant is included as a cost of common stock issuance and as paid-in capital in the Company's financial statements, with no net effect on shareholders' equity.

Preferred stock

The Company has 10,000,000 shares of no par preferred stock authorized of which there are no shares issued and outstanding as of September 30, 1997. The preferred stock will have preferences to be designated by resolution of the directors of the Company. These preferences have not yet been established.

5. Related Party Transactions

For the period ended September 30, 1997, the majority shareholder of the Company provided the Company with accounting, marketing and administrative services. These services were charged to the Company at the related party's cost and aggregated \$137,832. These expenses are included in operating expenses in the Company's statement of income.

At September 30, 1997, the amount due from related party amounting to \$229,935 represented revenue collected by the majority shareholder on the Company's behalf, net of the related expenses paid on the Company's behalf. As of September 30, 1997, the Company was operationally dependent upon the majority shareholder to provide accounting, marketing and other administrative services. Subsequent to September 30, 1997, the Company hired numerous employees, including a Chief Executive Officer, and expects to become self-reliant during fiscal 1998.

Interest received from a shareholder for the period ended September 30, 1997 amounted to \$14,416.

6. Subsequent Event

Commitments and contingencies

Subsequent to September 30, 1997, the Company entered into purchase commitments for equipment amounting to \$1,241,550.

The Company intends to implement an incentive stock option plan, and subsequent to September 30, 1997, has committed to grant 166,000 options to certain employees.

TITLE SHEET

**LONG DISTANCE RESOLD
TELECOMMUNICATIONS SERVICES**

In the State of South Dakota

by

SmartStop, Inc.

This tariff applies to the Long Distance Telecommunications Services furnished by SmartStop, Inc. between one or more points in the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 5440 SW Westgate Drive, Suite 217, Portland, Oregon 97221.

Issued:

Effective:

Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

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FEB 23 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

CHECK SHEET

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

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	16	Original
2	Original	17	Original
3	Original	18	Original
4	Original	17	Original
5	Original	18	Original
6	Original	19	Original
7	Original	20	Original
8	Original	21	Original
9	Original	22	Original
10	Original	23	Original
11	Original	24	Original
12	Original	25	Original
13	Original	26	Original
14	Original	27	Original
15	Original		

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TABLE OF CONTENTS

Title Sheet	1
Check Sheet.....	2
Table of Contents	3
Application of Tariff.....	5
Symbols.....	5
Tariff Format.....	6
Section 1. Technical Terms and Abbreviations	7
Access Line	7
Authorization Code.....	7
Charitable Calling Card	7
Collectible Calling Card	7
Calling Card.....	8
Common Carrier	8
Credit Card Calls	8
Daytime	8
Debit Card Calls	8
Evening	8
Local Access and Transport Area (LATA).....	8
Measured Charge.....	8
Night.....	8
Postpaid Calling Card.....	9
SDPUC.....	9
Subscriber	9
SmartStop	9
SmartStop Calling Card.....	9
Telecommunications.....	9
Section 2. Rules and Regulations	10
2.1 Terms of Tariff	10
2.2 Use of Services	11
2.3 Liability of SmartStop	12
2.4 Responsibilities of the Subscriber	14

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5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

2.5 Cancellation or Interruption of Services.....	15
2.6 Billing Arrangements	16
2.7 Validation of Credit	16
2.8 Contested Charges	17
2.9 Taxes.....	18
2.10 Deposits	18
2.11 Directory Assistance.....	18
Section 3. Description of Service.....	19
3.1 General Description of Services	19
3.2 Prepaid Phone Card Service	19
3.3 Charitable Card Service	19
3.4 Collectible Card Service	19
3.5 Postpaid Card Service.....	19
3.6 Calculation of Usage Rates	20
3.7 Minimum Call Completion Rate	20
3.8 Service Offerings	20
3.8.1 SmartStop Prepaid Phone Card Service	20
3.8.2 SmartStop Postpaid Card Service.....	22
Section 4 Rates and Charges	23
4.1 SmartStop Phone Card Rates	23
4.2 Charges Computation	23
4.3 Rate Schedules	24
4.3.1 Postpaid Card Service.....	24
4.3.2 Prepaid Card Service	25
4.3.3 Charitable Prepaid Card Service.....	26
4.3.4 Collectible Prepaid Card Service.....	27

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Portland, Oregon, 97221

APPLICATION OF TARIFF

This tariff contains the regulations and changes applicable to intrastate interexchange telecommunications resellers services provided by SmartStop, Inc., to customers within the State of South Dakota.

SYMBOLS

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

- D - Delete or Discontinue
- I - Change Resulting In An Increase in Rates
- M - Moved From Another Tariff Location
- N - New
- R - Change Resulting In A Reduction in Rates
- T - Change In Text or Regulation But No Change In Rate or Charge

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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 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the South Dakota Public Utilities Commission ("SDPUC"). For example, the 2nd revised Sheet 10 cancels the 1st revised Sheet 10.

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

2.

2.1.

2.1.1.A.

2.1.1.A.1.

D. Check Sheets - When a tariff filing is made with the SDPUC, 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 pages 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 the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). 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 SDPUC.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

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

Authorization Code - A numerical code, one or more of which may be assigned to a subscriber, to enable SmartStop to identify the origin of the service User so it may rate and process the call. All authorization codes shall be the sole property of SmartStop and no Subscriber shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

Charitable Calling Card - A debit calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to against the debit account of that card. Calls charged to a SmartStop-issued debit travel card will be charged against the debit account. A portion of the price of each card is dedicated to an associated charity.

Collectible Calling Card - A debit calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to against the debit account of that card. Calls charged to a SmartStop-issued debit travel card will be charged against the debit account. A portion of the price of each card is allocated to the collectible value of the card, including, but not limited to payment of royalties associated with images, trademarks and trade names used in association with the card.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Cont'd)

Calling Card - A debit calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to against the debit account of that card. Calls charged to a SmartStop-issued debit travel card will be charged against the debit account.

Common Carrier - A company or entity providing telecommunications services to the public.

Credit Card Calls - Calls for which charges are billed not to the originating telephone number, but to a credit card, such as VISA, MasterCard, or American Express.

Daytime - From 5:00 a.m. up to, but not including, 5:00 p.m. Monday through Friday.

Debit Card Calls - Calls for which charges are billed not to the originating telephone number but are deducted from the remaining prepaid value of the debit card. Company debit card calls do not result in a bill being sent to the subscriber.

Evening - From 5:00 p.m. up to, but not including, 10:00 p.m. Sunday through Friday, and all holidays (unless night rates apply).

Local Access and Transport Area (LATA) - The term "Local Access Transport Area" denotes a geographical area within which a local exchange company provides communications services.

Measured Charge - A charge assessed on a per minute basis in calculating the charges due for a completed call.

Night - From 10:00 p.m. up to, but not including, 5:00 a.m. (the next day), and from 10:00 p.m. Friday up to, but not including, 5:00 a.m. Monday.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Cont'd)

Postpaid Calling Card - A travel card service to which users may subscribe. Payment for charges to such card are made at the time of billing, after the service has been rendered. A customer who elects to use this service will pay the tariffed rates for calls charged to the card. Charges for such calls appear on the Subscriber's regular monthly bill.

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

Subscriber/User - The person or legal entity which enters into arrangements for SmartStop' telecommunications services and is responsible for payment of SmartStop' services and/or the party utilizing the services of SmartStop and responsible for the payment of charges.

SmartStop - The term "SmartStop" shall mean SmartStop, Inc.

SmartStop Calling Card - A credit or debit calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to a credit or debit account. Calls charged to a SmartStop-issued credit card will appear on the Subscriber's regular monthly bill. Calls charged to a SmartStop-issued debit travel card will be charged against the debit account.

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

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SECTION 2. RULES AND REGULATIONS

2.1 Terms of Tariff

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by SmartStop for telecommunications between points within the State of South Dakota. SmartStop's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.1.2 The services of SmartStop are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but do involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers who may be subject to the jurisdiction of this commission.
- 2.1.3 The rates and regulations contained in this tariff apply only to the services furnished by SmartStop and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of SmartStop
- 2.1.4 The services of SmartStop are furnished to purchasers of SmartStop Phone cards. The purchase of a card makes available to the purchasing subscriber SmartStop's nationwide services, including the intrastate services offered under the terms and conditions of this tariff.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Use of Services

- 2.2.1 SmartStop's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of SmartStop's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another, or in such a way as to unreasonably interfere with use by others, is prohibited.
- 2.2.3 The use of SmartStop's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, false calling or credit cards or false SmartStop Phone Cards or false numbers of such cards, is prohibited.
- 2.2.4 SmartStop's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 SmartStop does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6 SmartStop's services may be denied for nonpayment of charges or for other violations of this tariff.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of SmartStop

- 2.3.1 SmartStop shall not be liable for loss or damage sustained by reason of any failure in or breakdown of facilities associated with SmartStop services or for any interruption or delay of services, whatever shall be the cause of such failure, breakdown, or interruption, and whether negligent or otherwise, and however long it shall last. In no event shall SmartStop's liability for any service exceed the charges applicable under this tariff to such service.
- 2.3.2 SmartStop shall be indemnified and saved harmless by any subscriber, user or by any other entity against claims for libel, slander or the infringement of copyright arising from the material transmitted over its services; and against all other claims arising out of any act or omission of a subscriber or of any other entity in connection with the services provided by SmartStop
- 2.3.3 SmartStop is not liable for any act or omission of any entity furnishing facilities or services connected with or provided in conjunction with the services of SmartStop.
- 2.3.4 SmartStop shall not be liable for any personal injury, or death of any person or persons, nor for any loss or damage sustained by reason of acts, mistakes, omissions, errors or defects in providing its services, whatever shall be the cause, and whether negligent or otherwise.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

- 2.3.5 SmartStop shall not be liable for and shall be indemnified and saved harmless by any subscriber, user or other entity from any and all loss, claims, demands, suits, or other action or any liability whatever, whether suffered, made, instituted, or asserted by any subscriber, user or any other entity or any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any subscriber, user or any other entity of any other property whether owned or controlled by the subscriber, user or others, caused or claimed to have been caused, directly or indirectly, by any act or omission of the subscriber, user or others or by any installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of services, facilities or equipment provided by SmartStop which is not the direct result of SmartStop's negligence. No agents or employees of any other entity shall be deemed to be the agents or employees of SmartStop
- 2.3.6 SmartStop shall not be liable for any failure of performance due to causes beyond its control, including, without being limited to, acts of God, fires, floods or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppage or other labor difficulties, acts or omissions of other carriers, and any law, order, regulation or other action of any governing authority or agency thereof.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber

- 2.4.1 The subscriber is responsible for payment for use of SmartStop Phone Cards and for complying with tariff regulations. The subscriber is also responsible for the payment of charges for calls which the subscriber elects to continue following notification that the prepaid amount on the SmartStop calling card then in use has been fully used.
- 2.4.2 The subscriber must pay SmartStop for replacement or repair of damage to the equipment or facilities of SmartStop caused by negligence or willful act of the subscriber or others, by improper use of the services, or by use of equipment provided by the subscriber or others.
- 2.4.3 The subscriber is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.4 The subscriber is responsible for establishing its identity as often as necessary during the course of a call.
- 2.4.5 The subscriber is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber

- 2.4.1 The subscriber is responsible for payment for use of SmartStop Phone Cards and for complying with tariff regulations. The subscriber is also responsible for the payment of charges for calls which the subscriber elects to continue following notification that the prepaid amount on the SmartStop calling card then in use has been fully used.
- 2.4.2 The subscriber must pay SmartStop for replacement or repair of damage to the equipment or facilities of SmartStop caused by negligence or willful act of the subscriber or others, by improper use of the services, or by use of equipment provided by the subscriber or others.
- 2.4.3 The subscriber is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.4 The subscriber is responsible for establishing its identity as often as necessary during the course of a call.
- 2.4.5 The subscriber is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Cancellation or Interruption of Services

2.5.1 Without incurring liability, SmartStop may immediately discontinue services to a subscriber or may withhold the provision of ordered or contracted services:

- (A) For nonpayment of any sum due SmartStop for the use of SmartStop Phone Cards, or for nonpayment of any sum due SmartStop following full use of the prepaid amount on a SmartStop calling card.
- (B) For violation of any of the provisions of this tariff,
- (C) For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over SmartStop's services, or
- (D) By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting SmartStop from furnishing its services.

2.5.2 Without incurring liability, SmartStop may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of SmartStop's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5.3 Service may be discontinued by SmartStop, without notice to the subscriber, by blocking traffic to certain countries, cities, or exchanges, or by blocking calls using certain customer authorization code, when SmartStop deems it necessary to take such action to prevent unlawful use of its service. SmartStop will restore service as soon as it can be provided without undue risk, and will, upon request by the customer affected, assign a new account number to replace the one that has been deactivated.

2.6 Billing Arrangements

2.6.1 SmartStop Card Calls: Charges for calls of this type will be prepaid upon purchase by the subscriber of a SmartStop Phone Card. SmartStop customer service agents will have itemized call detail information on-line in order to answer customers' questions. Upon verification that the caller is a SmartStop customer, written itemization of charges can be obtained from customer service.

2.6.2 Credit Card Call: Itemization of charges posted to credit cards will be included on the subscriber's regular monthly statement from the card-issuing company.

2.7 Validation of Credit SmartStop reserves the right to validate the credit worthiness of users through available

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SECTION 2. RULES AND REGULATIONS (Cont'd)

verification procedures. Where a requested billing method cannot be validated, the user may be required to provide an acceptable alternate billing method or SmartStop may refuse to place the call.

- 2.8 Contested Charges: All bills are presumed accurate, and shall be absolutely binding on the Subscriber unless objection is received by SmartStop within thirty (30) days after such bills are rendered. In the case of a billing dispute between the Subscriber and SmartStop for service furnished to the Subscriber, Smart Stop's Customer Service may be reached at 1-800-717-5485, 24 hours per day, or the subscriber may contact SmartStop at the following address:

SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, OR 97221

If such dispute cannot be settled to the satisfaction of the subscriber, the Subscriber may take the following course of action within thirty (30) days of the billing date:

- 2.8.1 First, the Subscriber may request, and Carrier will provide, an in-depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.8.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of SmartStop, the Subscriber may file an appropriate complaint with the SDPUC. The Commission's address is:

South Dakota Public Utilities Commission
500 East Capitol Street
Pierre, South Dakota 57501-5070
(605) 773-3201

2.9 Taxes: All federal, state and local taxes (e.g., excise tax, gross receipts tax, sales tax, municipal utilities tax) are calculated at the time of each call and included in the amount deducted for each call. Taxes are not included in the quoted rates.

2.10 Deposits: SmartStop does not require a deposit from the Subscriber.

2.11 Directory Assistance: SmartStop does not provide Directory Assistance.

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SECTION 3. DESCRIPTION OF SERVICE

- 3.1 General Description of Services: SmartStop provides interexchange telecommunications services, including switched access long distance communications service. Calls are rated based on the duration of the call.
- 3.2 Prepaid Phone Card Service: Prepaid Phone Card Service is a product that is neither time of day nor distance sensitive while calling within the United States, that provides prepaid calling card service (see "Service Offerings" below).
- 3.3 Charitable Card Service: Charitable Card Service is designed primarily as a prepaid card used in conjunction with governmentally registered charitable organizations for the purpose of fund raising. Each card user is charged an additional designated amount that is dedicated to the charitable organization sponsoring the card.
- 3.4 Collectible Card Service: Collectible Card Service is designed primarily as a prepaid card marketed for its collectible value rather than its MTS value. Each card has a value of 10-20% that is designated as the collectible value, and is used to pay royalties, copyrights and other promotion fees in conjunction with licenses, endorsements and images that may be associated with the card.
- 3.5 Postpaid Card Service: A travel card service to which users may subscribe. Payment for charges to such card are made at the time of billing, after the service has been rendered. A customer who elects to use this service will pay the tariffed rates for calls charged to the card. Charges for such calls appear on the Subscriber's regular monthly bill.

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SECTION 3. DESCRIPTION OF SERVICE(Cont'd)

3.6 Calculation of Usage Rates: Billing for calls placed over the SmartStop network is based on the distance and duration of the call. Billing is in one minute increments. Calls are rounded up to the next minute. Timing of each call begins as specified below, and ends when either the calling party or the called party hangs up.

3.6.1 Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. SmartStop will not bill for uncompleted calls.

3.7 Minimum Call Completion Rate A customer can expect a call completion rate of not less than 90% during peak use periods for all FG D services ("1+" dialing). Under normal circumstances, the call completion rate should be no less than 99%.

3.8 Service Offerings

3.8.1 SmartStop Prepaid Phone Card Service. This service permits use of a prepaid SmartStop Phone Card for placing long distance calls. Users may purchase SmartStop cards at a variety of retail outlets or through other distribution channels.

3.8.1.A SmartStop Phone Cards are available at a face value ranging from \$10.00 to \$50.00. A call is placed by dialing an 800 number

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SECTION 3. DESCRIPTION OF SERVICES (Cont'd)

to obtain access to SmartStop's network. The caller is prompted by an automated voice response system to enter his/her account number, and then to enter the terminating telephone number.

3.8.1.B SmartStop's processor tracks the call duration and destination for rating purposes on a real time basis. The total price of each call, including applicable taxes, is deducted from the prepaid amount on the caller's SmartStop card. Should the balance on the card approach zero, the caller is so advised, and, if desired, the caller may enter a valid account number on a separate SmartStop card or may enter a valid commercial credit card number to continue the call. Callers may also add value to a SmartStop card by arranging to charge a credit card on a regular basis.

3.8.1.C Special features are available for use with the SmartStop card. These features include speed calling capability for two digit dialing of up to ten numbers. In addition, multiple calls can be made without re-dialing an access number or account number.

3.8.1.D SmartStop offers universal origination from anywhere in the United States, and termination both domestically and internationally. Availability of termination may be limited by SmartStop's operating authority limits, or by service availability for international direct dialing.

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SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

SECTION 3. DESCRIPTION OF SERVICES (Cont'd)

- 3.8.2 SmartStop Postpaid Card Service. A travel card service to which users may subscribe. Payment for charges to such card are made at the time of billing, after the service has been rendered. A customer who elects to use this service will pay the tariffed rates for calls charged to the card. Charges for such calls appear on the Subscriber's regular monthly bill.

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SECTION 4. RATES AND CHARGES

4.1 SmartStop Phone Card Rates

4.1.1 SmartStop will enter agreements with retailers or other distributors of the SmartStop card to discount the price of cards purchased by a particular retailer or other distributor in order to induce the distributor to offer the cards to end users. These distribution arrangements will not affect the rates charged to end users of the cards.

4.1.2 SmartStop may enter special arrangements with certain customers who purchase cards in volume directly from SmartStop. The discount will consist of reductions of price for the denomination of card or cards being purchased.

4.2 Charges Computation

4.2.1 Calls processed by SmartStop are rated and charged in increments of one "unit". One unit equals one minute of usage. Calls are generally rated using the rate plan designated and chosen for the particular card being utilized to place a call.

4.2.2 Chargeable time begins when the called party answers and a connection has been established. Chargeable time ends when either party "hangs up" thereby releasing the network connection. Calls are measured and billed in one minute increments; fractional minutes of use are rounded up to the next full minute. Calls beginning in one rate period and ending in another will be billed at the rate applicable to at the beginning of the call. Consumers using SmartStop

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SECTION 4. RATES AND CHARGES (Cont'd)

services will not be charged for unanswered or uncompleted calls.

4.2.3 All prepaid calling cards expire twelve (12) months after the date of first use.

4.3 Rate Schedules

4.3.1: Postpaid Card Service: Postpaid travel card service is available to Subscribers of Smart Stop's long distance services. Customers will reach Smart Stop's network via a toll free number. A customer who elects to use this service will pay the tariffed rates for calls charged to the card. Charges for such calls appear on the Subscriber's regular monthly bill. Card calls are billed in one minute initial and additional increments.

Per Minute Rates:	Plan 1 Rate	\$0.25
Per Minute Rates:	Plan 2 Rate	\$0.33
Per Minute Rates:	Plan 3 Rate	\$0.50

The amount to be deducted from a calling card for each minute of use shall be the rate, determined in accordance with the calling plan and rate as set forth below, in effect and applicable to a particular card. The end user shall be notified by the distributor or other provider as to the rate plan in effect for each such card at the time of the purchase of the card.

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SECTION 4. RATES AND CHARGES (Cont'd)

- 4.3.2 Prepaid Card Service: Prepaid card service is a prepaid long distance calling card service under which Users purchase cards in predetermined amounts for long distance usage. As Users access the service their usage and required taxes are automatically deducted from the remaining card balance. Prepaid card calls are billed in one minute initial and additional increments.

For calls placed anywhere in the United States, the following rates apply:

Rate per Minute:

Per Minute Rates:	Plan 1 Rate	\$0.25
Per Minute Rates:	Plan 2 Rate	\$0.33
Per Minute Rates:	Plan 3 Rate	\$0.50

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SECTION 4. RATES AND CHARGES (Cont'd)

- 4.3.3 Charitable Prepaid Card Service: Charitable Prepaid card service is a prepaid long distance calling card service under which Users purchase cards in predetermined amounts for long distance usage. As Users access the service their usage is automatically deducted from the remaining card balance. Prepaid card calls are billed in one minute initial and additional increments. This service also deducts a charitable value per minute in one minute initial and additional increments, which is also deducted from the remaining debit balance of the card.

Per Minute Telecommunications Rates:

Per Minute Rates:	Plan 1 Rate	\$0.25
Per Minute Rates:	Plan 2 Rate	\$0.33
Per Minute Rates:	Plan 3 Rate	\$0.50

Per Minute Charitable Rate up to: \$0.20

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SECTION 4. RATES AND CHARGES (Cont'd)

- 4.3.4 Collectible Prepaid Card Service: Collectible Prepaid card service is a prepaid long distance calling card service under which Users purchase cards in predetermined amounts for long distance usage. As Users access the service their usage is automatically deducted from the remaining card balance. Prepaid card calls are billed in one minute initial and additional increments. This service also deducts a value allocated to the collectible value of the card, on a per minute basis, in one minute initial and additional increments, which is also deducted from the remaining debit balance of the card.

Per Minute Telecommunications Rates:

Per Minute Rates:	Plan 1 Rate	\$0.25
Per Minute Rates:	Plan 2 Rate	\$0.33
Per Minute Rates:	Plan 3 Rate	\$0.50

Per Minute Collectible Rate up to: \$0.50

Rev M 1/6/98

Issued:

Effective:.

Larry A. Bauman, President
SmartStop, Inc.
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Portland, Oregon, 97221

Price Waterhouse LLP



Report of Independent Accountants

December 5, 1997

To the Board of Directors and Shareholders of
SmartStop, Inc.

In our opinion, the accompanying balance sheet and the related statements of income, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of SmartStop, Inc. at September 30, 1997, and the results of its operations and its cash flows for the period from inception (April 9, 1997) through September 30, 1997, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

Price Waterhouse LLP

SmartStop, Inc.
Balance Sheet
September 30, 1997

Assets	
Cash and cash equivalents	\$ 3,468,212
Account receivable from related party (Note 5)	229,935
Deposits	98,200
Other assets	35,091
Total current assets	<u>3,831,438</u>
Equipment	27,978
Deferred income taxes (Note 3)	5,642
Total assets	<u>\$ 3,865,058</u>

Liabilities and Shareholders' Equity

Liabilities:	
Accounts payable	\$ 25,605
Income taxes payable (Note 3)	25,724
	<u>51,329</u>
Commitments and contingencies (Note 6)	
Shareholders' equity (Note 4):	
Preferred stock, no par value; 10,000,000 shares authorized, no shares issued and outstanding	-
Common stock, no par value; 25,000,000 shares authorized, 2,590,476 shares issued and outstanding	3,752,584
Retained earnings	61,145
Shareholders' equity	<u>3,813,729</u>
Total liabilities and shareholders' equity	<u>\$ 3,865,058</u>

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

SmartStop, Inc.**Statement of Income****Period From Inception (April 9, 1997) Through September 30, 1997**

Revenues	\$ 667,876
Cost of revenues	<u>337,295</u>
Gross profit	330,581
Sales and marketing expenses (Note 5)	86,377
General and administrative expenses (Note 5)	<u>199,046</u>
Operating income	45,158
Interest income (Note 5)	<u>36,069</u>
Income before income taxes	81,227
Provision for income taxes (Note 3)	<u>20,082</u>
Net income	<u>\$ 61,145</u>

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

SmartStop, Inc.**Statement of Shareholders' Equity****Period From Inception (April 9, 1997) Through September 30, 1997**

	Common stock		Retained earnings
	Shares	Amount	
Cash proceeds from common stock issued	2,590,476	\$ 4,000,000	\$ -
Costs of common stock issued (Note 4)		(247,416)	
Net income for the period			61,145
Balance, September 30, 1997	2,590,476	\$ 3,752,584	\$ 61,145

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

SmartStop, Inc.
Statement of Cash Flows
Period From Inception (April 9, 1997) Through September 30, 1997

Cash flows from operating activities:	
Net income	\$ 61,145
Adjustment to reconcile net income to net cash used by operating activities:	
Deferred income taxes	(5,642)
Changes in:	
Account receivable from related party	(229,935)
Deposits	(98,200)
Other assets	(35,091)
Accounts payable	25,605
Income taxes payable	25,724
Net cash used by operating activities	<u>(256,394)</u>
Cash flows from investing activity:	
Capital expenditures	<u>(27,978)</u>
Cash flows from financing activities:	
Net cash proceeds from issuance of common stock	<u>3,752,584</u>
Net increase in cash and cash equivalents	3,468,212
Cash and cash equivalents at beginning of period	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 3,468,212</u>

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

SmartStop, Inc.
Notes to Financial Statements
September 30, 1997

1. Organization

SmartStop, Inc. (the "Company") was incorporated on April 9, 1997 under the laws of the State of Oregon and commenced principal operations on August 1, 1997. Jubitz Corporation contributed certain technology and intangible assets (primarily DriveLine PLUS®, its prepaid calling card business) and BRG, Inc. contributed \$4,000,000 into the Company. The Jubitz contribution was recorded at its historical cost basis of zero, as required by generally accepted accounting principles. The initial allocation of the Company's common stock was based on a valuation completed by an independent investment banker.

SmartStop's objective is to develop and provide telecommunication products and services to truck stops, truck drivers, and commercial fleets.

2. Summary of Significant Accounting Policies

Management 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 the 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.

Cash equivalents

Management considers as cash equivalents all highly liquid short-term investments with a maturity of three months or less when purchased.

Revenue recognition

The Company has licensed its DriveLine PLUS® product in connection with concession sales rights granted to a third party. Such rights give the third party the exclusive ability to produce and sell to end users all prepaid calling cards marketed by the Company to truck stop locations. The Company holds the exclusive right as between the parties to market prepaid calling cards to truck stop locations. The third party licensee has the right to coordinate its marketing and sale of calling cards with the Company's marketing and truck stop location contract agreements. The Company earns a percentage of the prepaid calling card revenue collected by the third party and recognizes revenue when such cards are sold. When revenue is recognized, the Company accrues the commission expense it must pay to truck stop location operators for providing calling card vending locations.

Equipment

Equipment is recorded at cost. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is determined using the straight-line method over useful lives of three to five years. No depreciation expense was recorded for the period ended September 30, 1997 as the acquired assets were not placed in service as of September 30, 1997.

Income taxes

The Company accounts for income taxes using the asset and liability approach prescribed by Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Under this approach, deferred income taxes are calculated for the expected future tax consequences of temporary differences between the book and tax bases of the Company's assets and liabilities.

SmartStop, Inc.
Notes to Financial Statements
September 30, 1997

3. Income Taxes

For the period ended September 30, 1997, the provision for income taxes consists of:

Currently payable:	
Federal	\$ 19,276
State	6,448
	<u>25,724</u>
Deferred:	
Federal	(4,671)
State	(971)
	<u>(5,642)</u>
Provision for income tax expense	\$ 20,082

Total deferred tax assets at September 30, 1997 amounted to \$5,642 and related to expenses not currently deductible for tax purposes.

The provision for income taxes differs from the amount computed by applying the typical statutory federal income tax rate to pre-tax income as a result of the effect of graduated federal tax rates offset by state income taxes.

4. Shareholders' Equity

Contributed capital

The majority shareholder of the Company contributed technology and intangible assets in exchange for 1,828,571 common shares of the Company. In accordance with generally accepted accounting principles, such assets were transferred to the Company at the majority shareholder's historical cost basis of zero. This non-cash transaction has been excluded from the statement of cash flows.

SmartStop, Inc.
Notes to Financial Statements
September 30, 1997

4. Shareholders' Equity (Continued)

Stock warrant

On August 1, 1997, the Company issued a warrant to purchase 29,714 shares of the Company's common stock to its investment banker for services rendered. The warrant is exercisable at a price of \$5.25 per share at any time prior to the earlier of July 30, 2002, the announcement of a public offering by the Company of any class of capital stock, or consummation of a merger, reorganization, or sale of substantially all of the assets of the Company. The warrant was not exercised during the period ended September 30, 1997 and remains outstanding. The Company valued the warrant at approximately \$41,000 based upon its terms. The issuance of the warrant was a non-cash transaction and has been excluded from the statement of cash flows. The value of the warrant is included as a cost of common stock issuance and as paid-in capital in the Company's financial statements, with no net effect on shareholders' equity.

Preferred stock

The Company has 10,000,000 shares of no par preferred stock authorized of which there are no shares issued and outstanding as of September 30, 1997. The preferred stock will have preferences to be designated by resolution of the directors of the Company. These preferences have not yet been established.

5. Related Party Transactions

For the period ended September 30, 1997, the majority shareholder of the Company provided the Company with accounting, marketing and administrative services. These services were charged to the Company at the related party's cost and aggregated \$137,832. These expenses are included in operating expenses in the Company's statement of income.

At September 30, 1997, the amount due from related party amounting to \$229,935 represented revenue collected by the majority shareholder on the Company's behalf, net of the related expenses paid on the Company's behalf. As of September 30, 1997, the Company was operationally dependent upon the majority shareholder to provide accounting, marketing and other administrative services. Subsequent to September 30, 1997, the Company hired numerous employees, including a Chief Executive Officer, and expects to become self-reliant during fiscal 1998.

Interest received from a shareholder for the period ended September 30, 1997 amounted to \$14,416.

6. Subsequent Event

Commitments and contingencies

Subsequent to September 30, 1997, the Company entered into purchase commitments for equipment amounting to \$1,241,550.

The Company intends to implement an incentive stock option plan, and subsequent to September 30, 1997, has committed to grant 166,000 options to certain employees.

NEXT

DOCUMENT (S)

BEST IMAGE

POSSIBLE

Telecard Regulatory Services, Inc.

11655 SW Allen Blvd. #23
Beaverton, Oregon 97005-4849
(503) 541-5159

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South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (605) 773-3705
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

02/20/98 through 02/26/98

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			
TC98-055	Application by Western Tele-Communications, Inc./Retail Sales Group d/b/a People Link by TCI for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant seeks to provide intrastate toll service from points of origin in South Dakota to destination points in South Dakota, other parts of the United States, and foreign countries. Applicant intends to offer these services under a variety of means, initially by means of prepaid debit calling cards. Applicant intends to provide services as a non-facilities based carrier, and will not construct any new facilities in South Dakota to implement the authority sought herein. Applicant does not intend to provide local exchange service. Applicant's Prepaid Calling Card will be offered at a fixed dollar amount."	02/20/98	03/13/98
TC98-056	Application by North Dakota Long Distance for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) Applicant seeks to provide "long distance services which include prepaid calling cards, travel cards, 10XXX, international calling, and 800/888# service....North Dakota Long Distance will resell the above listed services through a contract with WorldCom. NDLD does not own or maintain any lines."	02/23/98	03/13/98
TC98-057	Application by SmartStop, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/KC) "Applicant seeks...authority to serve, 800 WATS, and 1+ prepaid telecard services COCOT (COPT) and IPP to the general public....Such authority would include twenty-four hour origination and termination intrastate interLATA and intraLATA calls for customers, and to operate as a Travel and Prepaid Card reseller and Independent Payphone Provider (IPP). SmartStop is not applying for authorization to provide Operator services."	02/23/98	03/13/98
TC98-058	Application by Nova Telecom, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/KC) "Applicant is a reseller which intends to offer 1+ direct dialing, 800 toll free, travel card and prepaid calling card service through the resale of telephone services provided by facilities-based interexchange carriers."	02/23/98	03/13/98
TC98-059	Application by CSI Corp for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "Applicant proposes to offer switched and dedicated access "1+" long distance telecommunications services suitable for voice and limited data applications in the state of South Dakota. The applicant does not propose to provide alternative operator services."	02/23/98	03/13/98

TC98-060	Application by U.S. Telco, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant plans to provide on a resale basis, pre-paid monthly recurring, flat-rate local exchange service, including extended area service, toll restriction, call control options, tone dialing, custom calling services, and any other services available on a resale basis from U S WEST, the underlying incumbent local exchange carriers. Applicant will not construct, own or lease any facilities for the provision of its local services. Applicant hereby requests authority to provide interexchange telecommunications services throughout the state of South Dakota. Applicant intends to provide local exchange and interexchange telecommunications services in those areas currently served by U S WEST and any other relevant incumbent facilities-based LECs."	02/25/98	03/13/98
PETITION TO UTILIZE NEGOTIATED AGREEMENT			
TC98-061	Dakota Telecom, Inc. and Dakota Telecommunications Systems, Inc. filed a petition to utilize, in its entirety, the negotiated agreement between Sprint Communications Company, L.P. and U S WEST Communications, Inc. which was filed for approval with the Commission on August 27, 1997, and which was approved by the Commission, subject to minor revisions, on November 18, 1997. (Staff: HB/KC)	02/25/98	

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 terryn@puc.state.sd.us. Faxing the address to the Commission at 605-773-3809.



TeleCard Regulatory Services, Inc.

March 31, 1998

RECEIVED

APR 03 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dave Jacobson
South Dakota Public Utilities Commission
State Capitol
500 East Capitol Street
Pierre, SD 57501-5070

RE: SmartStop, Inc.

Dear Mr. Jacobson:

I am enclosing a revised tariff for review for the above captioned applicant. It appears that we erroneously used the wrong template in the preparation of the South Dakota tariff. The rate for the first four minutes does not, however change. The rate to be charged is for direct dialed coin calls. The rate will appear on the placard on each telephone in large letters. Underlying service and operator services are provided by AT&T. Customers will be able to access the carrier of their choice. The rate appears in the now revised tariff on the last page. I believe that the question concerning AOS becomes moot because operator services implies the intervention of the operator, and the calls tariffed are direct dial long distance intra-state and interstate calls.

Definitions for evening and night do not appear in the revised tariff. We no longer are seeking approval of a rate plan, but do have variance in the rates based upon the cost of the purchase of the cards. All reference to charitable and collectible cards has been eliminated.

SmartStop has never been denied registration or certification in any state. Please replace the attached revised tariff for the one originally submitted. I am also enclosing an additional ten copies of the tariff as revised. Please advise if there is anything which I must do to allow further review of the application and tariff of SmartStop.

Thank you for your attention to these matters.

Sincerely,


Jerry W. Hendricks
Consultant

RECEIVED

APR 03 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

TITLE SHEET

**LONG DISTANCE RESOLD
TELECOMMUNICATIONS SERVICES**

In the State of South Dakota

by

SmartStop, Inc.

This tariff applies to the Long Distance Telecommunications Services furnished by SmartStop, Inc. between one or more points in the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 5440 SW Westgate Drive, Suite 217, Portland, Oregon 97221.

issued:

Effective:

Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

CHECK SHEET

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

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	16	Original
2	Original	17	Original
3	Original	18	Original
4	Original	17	Original
5	Original	18	Original
6	Original	19	Original
7	Original	20	Original
8	Original	21	Original
9	Original	22	Original
10	Original	23	Original
11	Original	24	Original
12	Original	25	Original
13	Original	26	Original
14	Original	27	Original
15	Original		

Issued:

Effective:

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SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	3
Application of Tariff	5
Symbols	5
Tariff Format	6
Section 1. Technical Terms and Abbreviations	7
Access Line	7
Account Number	7
AmBest Calling Card	7
COCOT	7
COPT	7
Common Carrier	7
Customer	7
Debit Card Calls	7
DriveLine Plus Calling Card	7
Independent Payphone Provider	7
LEC	7
Local Access and Transport Area	8
Measured Charge	8
SmartStop Card Calls	8
SmartStop	8
Telecommunications	8
TransCard Calling Card	8
Section 2. Rules and Regulations	9
2.1 Terms of Tariff	9
2.2 Use of Services	10
2.4 Responsibilities of Subscriber	13
2.5 Cancellation or Interruption of Services	14
2.6 Billing Arrangements	15
2.7 Billing of Calls	16

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2.8 Validation of Credit	16
2.9 Contested Charges	16
2.10 Taxes.....	17
2.11 Deposits	17
2.12 Directory Assistance.....	17
Section 3. Description of Service.....	18
3.1 General Description of Services	18
3.2 Calling Card Service.....	18
3.3 Calculation of Usage Rates	18
3.4 Minimum Call Completion Rate	19
3.6 Service Offerings	19
Section 4 Rates and Charges	21
4.1 SmartStop Communications Calling Card Rates.....	21
4.2 Charges Computation	21
4.3 Rate Schedules	24
4.3.1 DriveLine PLUS Calling Card Card Service	24
4.3.2 AmBest Calling Card Service	25
4.3.3 TransCard Calling Card Service.....	26
4.3.4 COCOT, COPT and IPP Service.....	27

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APPLICATION OF TARIFF

This tariff contains the regulations and changes applicable to intrastate interexchange telecommunications resellers services provided by SmartStop, Inc., to customers within the State of South Dakota.

SYMBOLS

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

- D - Delete or Discontinue
- I - Change Resulting In An Increase in Rates
- M - Moved From Another Tariff Location
- N - New
- R - Change Resulting In A Reduction in Rates
- T - Change In Text or Regulation But No Change In Rate or Charge

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SmartStop, Inc.
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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 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the South Dakota Public Utilities Commission ("SDPUC"). For example, the 2nd revised Sheet 10 cancels the 1st revised Sheet 10.

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

2.

2.1.

2.1.1.A.

2.1.1.A.1.

D. Check Sheets - When a tariff filing is made with the SDPUC, 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 pages 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 the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). 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 SDPUC.

Issued:

Effective:

Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

Section 1. TECHNICAL TERMS AND ABBREVIATIONS

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

Account Number - A numerical code, one or more of which may be assigned to a customer, to enable SmartStop to identify the service user so it may rate and process the call.

AmBest Calling Card - A prepaid calling card that offers speed dial and voicemail function.

COCOT - A Company Owned Coin Operated Telephone.

COPT - A Coin Operated Pay Telephone.

Common Carrier - A Company or entity providing telecommunications services to the public.

Customer - The calling party utilizing the services of SmartStop and responsible for the payment of charges.

Debit Card Calls - Calls for which charges are billed not to the originating telephone number but are deducted from the face value of the debit card. Company debit card calls do not result in a bill being sent to the customer.

DriveLine Plus Calling Card - - A prepaid calling card that is specifically designed to be sold to truck drivers. It offers speed dial and voicemail functions, and provides other services unique to truck drivers.

IPP - An Independent Payphone Provider.

LEC - Used throughout this tariff to mean "Local Exchange Carrier".

Issued:

Effective:.

Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Cont'd).

Local Access and Transport Area (LATA) - The term "Local Access Transport Area" denotes a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communications services.

Measured Charge - A charge assessed on a per minute basis in calculating the charges due for a completed call.

SmartStop Card Calls- Calls for which charges are billed not to the originating telephone number, but to a SmartStop Phone Card.

SmartStop - Used throughout this tariff to mean SmartStop, Inc.

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

TransCard Calling Card - - A prepaid calling card that offers speed dial and voicemail functions.

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SECTION 2. RULES AND REGULATIONS

2.1 Terms of Tariff

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by SmartStop for telecommunications between points within the State of Texas. SmartStop's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.1.2 The services of SmartStop are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but do involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers who may be subject to the jurisdiction of this commission.
- 2.1.3 The rates and regulations contained in this tariff apply only to the services furnished by SmartStop and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of SmartStop.
- 2.1.4 The services of SmartStop are furnished to purchasers of SmartStop Phone cards. The purchase of a card makes available to the purchasing subscriber SmartStop's nationwide services, including the intrastate services offered under the terms and conditions of this tariff.

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SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon. 97221

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Use of Services

- 2.2.1 SmartStop's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of SmartStop's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another, or in such a way as to unreasonably interfere with use by others, is prohibited.
- 2.2.3 The use of SmartStop's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, false calling or credit cards or false SmartStop Calling Cards or false numbers of such cards, is prohibited.
- 2.2.4 SmartStop's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 SmartStop does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6 SmartStop's services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 If a SmartStop Card is inactive for any 6-month period, an inactivity fee of \$2.00 per month will be assessed against the remaining balance on the card on a monthly basis until the card exhausts or is reused.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

- 2.2.8 A purchaser of a SmartStop card may obtain a refund of any unused portion of a card by returning the card to the company, with a written request for such refund.
- 2.2.9 A purchaser of a SmartStop Card is responsible for all losses in the event that the card is lost, stolen, or used by an unauthorized person. In the event a card is lost or stolen, a purchaser may contact Customer Relations and have the unused portion of a card balance transferred to a new card and identification number.
- 2.2.10 SmartStop may refuse or terminate service to customers in violation of State of Texas statutes or Texas Public Services Commission rules.

2.3 Liability of SmartStop

- 2.3.1 SmartStop shall not be liable for loss or damage sustained by reason of any failure in or breakdown of facilities associated with SmartStop or for any interruption or delay of services, whatever shall be the cause of such failure, breakdown, or interruption, and whether negligent or otherwise, and however long it shall last. In no event shall SmartStop's liability for any service exceed the charges applicable under this tariff to such service.
- 2.3.2 SmartStop shall be indemnified and saved harmless by any subscriber, user or by any other entity against claims for libel, slander or the infringement of copyright arising from the material transmitted over its services; and against all other claims arising out of any act or omission of a subscriber or of any other entity in connection with the services provided by SmartStop.

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SmartStop, Inc.
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SECTION 2. RULES AND REGULATIONS (Cont'd)

- 2.3.3 SmartStop is not liable for any act or omission of any entity furnishing facilities or services connected with or provided in conjunction with the services SmartStop.
- 2.3.4 SmartStop shall not be liable for any personal injury, or death of any person or persons, nor for any loss or damage sustained by reason of acts, mistakes, omissions, errors or defects in providing its services, whatever shall be the cause, and whether negligent or otherwise.
- 2.3.5 SmartStop shall not be liable for and shall be indemnified and saved harmless by any subscriber, user or other entity from any and all loss, claims, demands, suits, or other action or any liability whatever, whether suffered, made, instituted, or asserted by any subscriber, user or any other entity or any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any subscriber, user or any other entity of any other property whether owned or controlled by the subscriber, user or others, caused or claimed to have been caused, directly or indirectly, by any act or omission of the subscriber, user or others or by any installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of services, facilities or equipment provided by SmartStop which is not the direct result of SmartStop's negligence. No agents or employees of any other entity shall be deemed to be the agents or employees of SmartStop.

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Larry A. Bauman, President
SmartStop, Inc.
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Portland, Oregon, 97221

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3.6 SmartStop shall not be liable for any failure of performance due to causes beyond its control, including, without being limited to, acts of God, fires, floods or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppage or other labor difficulties, acts or omissions of other carriers, and any law, order, regulation or other action of any governing authority or agency thereof.

2.4 Responsibilities of the Subscriber

2.4.1 The subscriber is responsible for payment for use of SmartStop Calling Card Cards and for complying with tariff regulations. The subscriber is also responsible for the payment of charges for calls which the subscriber elects to continue following notification that the prepaid amount on the SmartStop calling card then in use has been fully used. The subscriber is responsible for payment of all card calls on direct and LEC-billed cards.

2.4.2 The subscriber must pay SmartStop for replacement or repair of damage to the equipment or facilities of SmartStop caused by negligence or willful act of the subscriber or others, by improper use of the services, or by use of equipment provided by the subscriber or others.

2.4.3 The subscriber is responsible for compliance with the applicable regulations set forth in this tariff.

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Larry A. Bauman, President
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Portland, Oregon, 97221

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4.4 The subscriber is responsible for establishing its identity as often as necessary during the course of a call.

2.4.5 The subscriber is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.

2.5 Cancellation or Interruption of Services

2.5.1 SmartStop may immediately discontinue services to a subscriber or may withhold the provision of ordered or contracted services:

- (A) For nonpayment of any sum due SmartStop for the use of SmartStop Calling Card Cards, or for nonpayment of any sum due SmartStop following full use of the prepaid amount on a SmartStop calling card.
- (B) For violation of any of the provisions of this tariff,
- (C) For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over SmartStop's services, or
- (D) By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting SmartStop from furnishing its services.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

- 2.5.2 SmartStop may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of SmartStop's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by SmartStop, without notice to the subscriber, by blocking traffic to certain countries, cities, or exchanges, or by blocking calls using certain customer authorization code, when SmartStop deems it necessary to take such action to prevent unlawful use of its service. SmartStop will restore service as soon as it can be provided without undue risk, and will, upon request by the customer affected, assign a new account number to replace the one that has been deactivated.
- 2.5.4 If SmartStop chooses to add dial tone or other direct access services in addition to prepaid and postpaid telephone cards, sections 2.5.5, 2.5.6, and 2.5.7 would apply.

2.6 Billing Arrangements

- 2.6.1 SmartStop Card Calls: Charges for calls of this type will be prepaid upon purchase by the subscriber of a SmartStop Calling Card. SmartStop customer service agents will have itemized call detail information on-line in order to answer customers' questions. Upon verification that the caller is a SmartStop customer, written itemization of charges can be obtained from customer service.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.6.2 Credit Card Call: Itemization of charges posted to credit cards will be included on the subscriber's regular monthly statement from the card-issuing company, or a monthly statement in the case of LEC and direct billed Cards.

2.7 Billing of Calls: All charges due by the subscriber are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. Adjustments to customers' bills should be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

2.8 Validation of Credit SmartStop reserves the right to validate the credit worthiness of users through available verification procedures. Where a requested billing method cannot be validated, the user may be required to provide an acceptable alternate billing method or SmartStop may refuse to place the call.

2.9 Contested Charges: All bills are presumed accurate, and shall be absolutely binding on the Subscriber unless objection is received by SmartStop days after such bills are rendered. In the case of a billing dispute between the Subscriber and SmartStop for service furnished to the Subscriber, which cannot be settled with mutual satisfaction, the Subscriber can take the following course of action:

2.9.1 First, the Subscriber may request, and Carrier will provide, an in-depth review of the disputed amount by contacting customer service at: 1-800-717-5485. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.9.2 If a user is not satisfied with SmartStop's resolution of a disputed charge, the user may contact the SDPUC. The Commission's address is:

South Dakota Public Utilities Commission
500 East Capitol Street
Pierre, South Dakota 57501-5070
(605) 773-3201

2.10 Taxes: All federal, state and local taxes (e.g., excise tax, gross receipts tax, sales tax, municipal Service tax) are included in the amount deducted for each call that is placed through a prepaid telephone calling card.

2.11 Deposits: SmartStop does not require a deposit from the Subscriber.

2.12 Directory Assistance: SmartStop does not provide Directory Assistance.

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Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

SECTION 3. DESCRIPTION OF SERVICE

- 3.1 General Description of Services: SmartStop provides interexchange telecommunications services, including switched and dedicated access long distance communications service. Calls are rated based on the duration of the call. SmartStop also provides COCOT, COPT and IPP services.
- 3.2 Calling Card Service: Calling Card Service is a product that is neither time of day nor distance sensitive while calling within the United States, that provides prepaid calling card service (see "Service Offerings" below).
- 3.3 Calculation of Usage Rates: Billing for a call placed over the SmartStop network is based on the duration of the call. Billing is in increments set forth in the rate schedules. Calls are rounded up to the next full increment. Timing of each call begins as specified below, and ends when either the calling party or the called party hangs up.
- 3.3.1 When Billing Charges Begin and End for Phone Calls: The Customer's long distance usage charge is based on the actual usage of the Company's network. Usage begins when the called party picks up the receiver, (i.e. when 2-way communication, often referred to as "conversation time" is possible.). When the called party picks up it is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

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SmartStop, Inc.
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SECTION 3. DESCRIPTION OF SERVICE (Cont'd)

3.4 Minimum Call Completion Rate: A customer can expect a call completion rate of not less than 99% during peak use periods for all FG D services ("1+" dialing).

3.5 Service Offerings

3.5.1 SmartStop Calling Card Service: This service permits use of a prepaid SmartStop Calling Card for placing long distance calls. Users may purchase these cards at a variety of retail outlets or through other distribution channels. SmartStop Calling Cards are available at face values of \$5.00 to \$50.00. A call is placed by dialing an 800 number to obtain access to SmartStop's network. The caller is prompted by an automated voice response system to enter his/her account number, and then to enter the terminating telephone number.

3.5.1.A SmartStop's processor tracks the call duration and destination on its calling card products for rating purposes on a real time basis. The total price of each call, including applicable taxes, is deducted from the prepaid amount on the caller's SmartStop card. Should the balance on the card approach zero, the caller is so advised, and, if desired, the caller may follow voice prompts to reach a live operator who will aid the user in accomplishing a recharge.

3.5.1.B Special features are available for use with some SmartStop cards. These features include speed-calling capability for two-digit dialing of up to ninety numbers. In addition, multiple calls can be made without re-dialing an access number or account number.

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SECTION 3. DESCRIPTION OF SERVICE (Cont'd)

3.5.1.C SmartStop offers universal origination from anywhere in the United States and termination both domestically and internationally. Availability of termination may be limited by SmartStop's operating authority limits, or by service availability for international direct dialing. Not all of SmartStop's cards will have international termination ability.

3.5.1.D Customers reselling or rebilling telecommunication services must have a certificate of Public Convenience and Necessity as an interexchange carrier from the South Dakota Public Utilities Commission

3.6.1 SmartStop provides COCOT, COPT and IPP services. All interstate services, operator services and directory services shall be provided by SmartStop's underlying carrier. Intrastate calls are charged in full minute increments, with a four (4) minute minimum.

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Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

SECTION 4. RATES AND CHARGES

4.1 SmartStop Calling Card Rates

- 4.1.1 SmartStop will enter agreements with retailers or other distributors of a SmartStop card to discount the price of cards purchased by a particular retailer or other distributor in order to induce the distributor to offer the cards to end users. These distribution arrangements will not affect the rates charged to end users of the cards.
- 4.1.2 SmartStop may enter special arrangements with certain customers who purchase cards in volume directly from SmartStop. The discount will consist of reductions of price for the denomination of card or cards being purchased.

4.2 Charges Computation

- 4.2.1 Calls processed by SmartStop are rated and charged in accordance with the rate schedules set forth herein.

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Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

SECTION 4. RATES AND CHARGES

4.1 SmartStop Calling Card Rates

4.1.1 SmartStop will enter agreements with retailers or other distributors of a SmartStop card to discount the price of cards purchased by a particular retailer or other distributor in order to induce the distributor to offer the cards to end users. These distribution arrangements will not affect the rates charged to end users of the cards.

4.1.2 SmartStop may enter special arrangements with certain customers who purchase cards in volume directly from SmartStop. The discount will consist of reductions of price for the denomination of card or cards being purchased.

4.2 Charges Computation

4.2.1 Calls processed by SmartStop are rated and charged in accordance with the rate schedules set forth herein.

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SECTION 4. RATES AND CHARGES (Cont'd)

- 4.2.2 Chargeable time begins when the called party answers and a connection has been established. Chargeable time ends when either party "hangs up" thereby releasing the network connection. Calls are measured and billed in increments set forth in the rate table for each service offering; fractional minutes of use are rounded up to the next full increment. Calls beginning in one rate period and ending in another will be billed at the rate applicable to at the beginning of the call. Consumers using SmartStop will not be charged for unanswered or uncompleted calls.
- 4.2.3 All Calling Card Cards other than LEC billed, Credit billed cards and direct billed cards expire six (6) months after the date of last use, or last recharge, whichever is later. Credit calling cards (LEC and direct billed) and those continually recharged would not expire.
- 4.2.4 Call detail history is available on any particular card for a charge of \$5.00 per request; provided however, detail is not available for periods in excess of nine months from the date of request.
- 4.2.5 Hearing and Speech Impaired Persons: Intrastate toll message rates for TDD users shall be evening and night calls.
- 4.2.6 Telecommunications Relay Service: For intrastate toll calls received from the relay service, the Company will, when billing relay calls, discount relay service calls by 50 percent of the otherwise applicable rate for a voice nonrelay call except that

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SECTION 4. RATES AND CHARGES (Cont'd)

where either the calling or called party indicates that either party is both visually hearing and visually impaired, the call shall be discounted 60 percent off the otherwise applicable rate for the voice nonrelay call. The above discounts apply only to time sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

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SmartStop, Inc.
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SECTION 4. RATES AND CHARGES (Cont'd)4.3 Rate Schedules

- 4.3.1: "DriveLine PLUS" Calling Card Service: A prepaid calling card service that is offered to truck drivers. The service includes access to special services that are uniquely useful to truck drivers, including voice mail, load services and road condition information. Customers will reach SmartStop's network via a toll free number. A customer who elects to use this service will pay the tariffed rates for calls charged to the card. Card calls are billed in one-minute initial and additional increments.

Per Minute Rates:

DriveLine Plus Calling Card:

Per Minute Rates:

	<u>Face</u>	<u>Rate</u>
Card cost	\$10.00	\$0.33
Card Cost	\$20.00	\$0.33
Card Cost	\$40.00	\$0.31

All cards recharge at the rate of \$0.25 per minute.

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SmartStop, Inc.
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SECTION 4. RATES AND CHARGES (Cont'd)

- 4.3.2 "AmBest Calling Card" Service: Prepaid card service is a prepaid long distance calling card service. As Users access the service their usage is automatically deducted from the remaining card balance. These prepaid cards are decremented in 1 minute increments.

Per Minute Rates:

	<u>Face</u>	<u>Rate</u>
Card cost	\$5.00	\$0.33
Card cost	\$10.00	\$0.33
Card cost	\$20.00	\$0.25

Recharges are available in \$10.00 and \$20.00 increments with recharges being at the rate of \$0.25

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SECTION 4. RATES AND CHARGES (Cont'd)

- 4.3.3 "TransCard Calling Card" Service: Prepaid card service is a prepaid long distance calling card service. As Users access the service their usage is automatically deducted from the remaining card balance. These prepaid cards are decremented in 1 minute increments.

Per Minute Rates:

	<u>Face</u>	<u>Rate</u>
Card cost	\$5.00	\$0.33
Card cost	\$10.00	\$0.33
Card cost	\$20.00	\$0.31
Card cost	\$30.00	\$0.28
Card cost	\$40.00	\$0.28
Card cost	\$50.00	\$0.28

Recharges are available with recharges being at the rate of \$0.25 per minute

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Larry A. Bauman, President
SmartStop, Inc.
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SECTION 4. RATES AND CHARGES (Cont'd)

4.3.4 COCOT, COPT AND IPP Service: - SmartStop is in the business of providing Company Owned Coin Operated Telephones, Coin Operated Pay Telephones and Independent Payphone Provider services. All interstate services, operator services and directory services shall be provided by SmartStop's underlying carrier. Intrastate long distance calls are charged in full minute increments, with a four (4) minute minimum.

Intrastate long distance flat rate, for all periods: \$0.25 per minute.
Local Calls: \$0.35

Rev'n 03/31/98

Issued:

Effective:.

Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

SECTION 4. RATES AND CHARGES (Cont'd)

4.3.4 COCOT, COPT AND IPP Service: - SmartStop is in the business of providing Company Owned Coin Operated Telephones, Coin Operated Pay Telephones and Independent Payphone Provider services. All interstate services, operator services and directory services shall be provided by SmartStop's underlying carrier. Intrastate long distance calls are charged in full minute increments, with a four (4) minute minimum.

Intrastate long distance flat rate, for all periods: \$0.25 per minute.
Local Calls: \$0.35

Rev'n 03/31/98

Issued:

Effective:.

Larry A. Bauman, President
SmartStop, Inc.
5440 SW Westgate Drive, Suite 217
Portland, Oregon, 97221

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

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

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC98-057

On February 23, 1998, 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 SmartStop, Inc. (SmartStop)

Applicant seeks authority to serve 800 WATS and 1+ prepaid telecard services COCOT (COPT) and IPP to the general public. Such authority would include twenty-four hour origination and termination intrastate interLATA and intraLATA calls for customers, and to operate as a Travel and Prepaid Card reseller and Independent Payphone Provider (IPP). SmartStop is not applying for authorization to provide Operator services. A proposed tariff was filed by SmartStop.

On February 26, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of March 13, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled May 28, 1998, meeting, the Commission considered SmartStop's request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

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 SmartStop has met the legal requirements established for the granting of a certificate of authority. SmartStop 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 SmartStop's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that SmartStop's application for a certificate of authority is hereby granted. It is

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

Dated at Pierre, South Dakota, this 4th day of June, 1998.

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 Alicia Kaelbo

Date 6/8/98

(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 May 28, 1998
Docket No. TC98-057

This is to certify that

SMARTSTOP, 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 4th day of June, 1998.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:



James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SmartStop, Inc
5440 SW Westgate Dr., Suite 217
Portland, Oregon 97221

Phone: 503-672-5160
Fax: 503-672-5161
Toll Free: 87-SMARTSTOP



July 29, 1998

South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

RE SmartStop, Inc
Docket No. TC98-057

Dear Commission

This letter is to inform the Commission and its staff of the changes that recently took place in our company. The following is a list of all changes.

Main Telephone Number (503) 296-7000

Becky Scribner
Regulatory Administrator (503) 296-7170

Most Recent List of Officers and Directors:

E. M. Evers
President, CEO, Director
5440 SW Westgate Drive, Suite 217
Portland, OR 97221

Larry A. Bauman
Vice President, Director
5440 SW Westgate Drive, Suite 150
Portland, OR 97221

Mark Griffin
Secretary, Director
5202 4th Street
Lubbock, TX 79416
800-333-9330

Victor Stibolt
Assistant Secretary
5440 SW Westgate Drive, Suite 150
Portland, OR 97221

Mark Gram
Treasurer
440 SW Westgate Drive, Suite 150
Portland, OR 97221

Please file this appropriately with the application already on file in your office. If you should have any questions, Please don't hesitate to contact me. Thank you for your cooperation.

Sincerely,

Rebecca Scribner
SmartStop, Inc.
Regulatory Administrator

RECEIVED

AUG 03 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION