

**In the Matter of _____ IN THE MATTER OF THE

_____ APPLICATION OF RDST, INC. FOR A
CERTIFICATE OF AUTHORITY TO
PROVIDE TELECOMMUNICATIONS
SERVICES IN SOUTH DAKOTA**

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
4/21/99	Filed and docketed;
4/23/99	Weekly Filings;
5/28/99	Surety Bond;
2/25/99	Order Denying COA;
7/19/99	Surety Bond;
7/20/99	Docket Closed.

TC 99-044

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

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

April 18, 1999

VIA AIRBORNE EXPRESS

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

RECEIVED

APR 21 1999

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Re: RDST, Inc.

Dear Mr. Bullard:

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

Please note that Exhibit A, the Certificate of Authority from the Secretary of State, is not attached. We have applied for the certificate and will forward a copy to the commission upon receipt.

In order to expedite the processing of this application, I would like to suggest that all requests for information by the analyst be made by either telephone or facsimile. I will make every effort to respond on the day of the request.

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

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

Respectfully submitted,


Lance J.M. Steinhart
Attorney for RDST, Inc.

Enclosures

cc: Debra L. Burgess

**APPLICATION FOR REGISTRATION
OF RDST, INC.
FILED WITH THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE)
APPLICATION OF)
RDST, INC.)
FOR AN ORDER)
AUTHORIZING THE REGISTRATION)
OF APPLICANT AS A)
TELECOMMUNICATIONS COMPANY)

Docket No. _____

APPLICATION

Application is hereby made to the South Dakota Public Utilities Commission for an Order authorizing RDST, Inc.

("Applicant") to register as a telecommunications company within the State of South Dakota. The following information is furnished in support thereof:

1. Name, Address and Telephone Number of Applicant:

RDST, Inc.
8100 Jetstar Drive, Suite 100
Irving, Texas 75063
Telephone: (972) 929-1920

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

3. Applicant's corporate information:

Applicant was incorporated in the State of Texas on June 5, 1998 as Canmax Telecom, Inc. and changed its name to RDST, Inc. on March 25, 1999. The company is a wholly-owned subsidiary of Ardis Telecom & Technologies, Inc. ("Ardis"). A copy of the Applicant's Articles of Incorporation, as amended, is attached hereto as Exhibit A. A copy of Applicant's Certificate of Authority to transact business as a foreign corporation in the State of South Dakota is attached hereto as Exhibit B.

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

National Registered Agents, Inc.
300 South Phillips Avenue, Ste. 300
Sioux Falls, SD 57102

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

Name and Address	Shares Owned	Percentage of all Shares Issued and Outstanding and Voting Control
Ardis Telecom & Technologies, Inc. 8100 Jetstar Drive Suite 100 Irving, Texas 75063 (972) 929-1920	1,000	100%

4. Partnership Information:

Not Applicable.

5. Description of Services Applicant intends to offer:

Applicant is a reseller which intends to offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, travel card and prepaid calling card service.

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

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

7. Geographic Areas in which services will be offered:

Applicant intends to provide services on a statewide basis.

8. Financial Qualifications:

Applicant is financially qualified to provide intrastate interexchange telecommunications services within South Dakota. In particular, Applicant has adequate access to the capital necessary to fulfill any obligations it may undertake with respect to the provision of intrastate telecommunications services in the State of South Dakota. See Exhibit C, which is

attached hereto, Ardis' Consolidated Balance Sheets as of January 31, 1999 and January 31, 1998, and Consolidated Statement of Operations for 3 months ended January 31, 1999 and January 31, 1998, which demonstrate that Applicant has the financial ability to provide the services that it proposes to offer.

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

All inquiries regarding regulatory matters should be addressed to:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063
Telephone: (972) 929-1920
Facsimile: (972) 929-1036
E-Mail: debbieb@canmaxtel.com

All inquiries regarding complaints should be addressed to:

Donna Miles, Customer Service Manager
8100 Jetstar Drive, Suite 100
Irving, Texas 75063
Telephone: (800) 480-2006
Facsimile: (972) 929-1036
E-Mail: donnam@canmaxtel.com

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

10. Regulatory Status:

Applicant is currently in the process of obtaining all required authorizations from the state regulatory agencies. Applicant is currently authorized to provide service in Iowa, Michigan, Montana, New Jersey, Pennsylvania, Texas, Utah, Virginia, and Wyoming.

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

11. Description of Marketing

Applicant intends to market its services to primarily to small to mid-sized businesses and residential customers. All sales personnel will have telecommunications service experience. Applicant will market through direct sales by employees and agents. Applicant does not intend to engage in multilevel marketing. A copy of Applicant's marketing materials are attached hereto as Exhibit D.

12. Cost Support:

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

13. Federal Tax Identification Number:

75-2777065

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

None

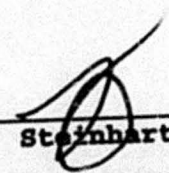
15. Tariff

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

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

DATED this 19th day of April, 1999.

RDST, Inc.

By: 
Lance J.M. Steinhart, Its Counsel

6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097
(770) 232-9200

STATE OF TEXAS

COUNTY OF DALLAS

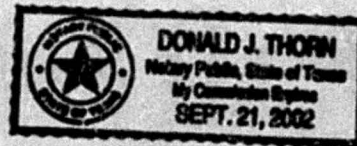
Debra L. Burgess, being first duly sworn, deposes and says that she is the Vice President and Secretary of RDST, Inc., the Applicant in the proceeding entitled above, that she has read the foregoing application and knows the contents thereof; that the same are true of her knowledge, except as to matters which are therein stated on information or belief, and to those matters she believes them to be true.

Debra L. Burgess
Debra L. Burgess

Subscribed and sworn to before this 30 day of March, 1999.

Donald J. Thorn
Notary Public

My Commission expires: Sept. 21, 2002



LIST OF EXHIBITS

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

EXHIBIT A - ARTICLES OF INCORPORATION



The State of Texas

SECRETARY OF STATE

IT IS HEREBY CERTIFIED that the attached is/are true and correct copies of the following described document(s) on file in this office:

RDST, INC.
FORMERLY: CANMAX TELECOM, INC.
FILE NO. 1493294

ARTICLES OF INCORPORATION

JUNE 5, 1998

IT IS HEREBY FURTHER CERTIFIED that the records of this office reveal the subsequent filing of an AMENDMENT which was filed on MARCH 25, 1999. A copy of the document is unavailable at this time because it is being processed for permanent retention as a public record.



IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on March 30, 1999.

Elton Bomer
Secretary of State

BAM

**ARTICLES OF INCORPORATION
OF
CANMAX TELECOM, INC.**

FILED
In the Office of the
Secretary of State of Texas
JUN 05 1998

Corporation Section

ARTICLE I

The name of the Corporation is **CANMAX TELECOM, INC.**

ARTICLE II.

The period of duration of the Corporation is perpetual.

ARTICLE III

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE IV.

The aggregate number of shares which the Corporation shall have authority to issue is Ten Thousand Shares (10,000) of the par value of one cent (\$0.01) each. The shares are designated Common Stock and have identical rights and privileges in every respect.

ARTICLE V.

The Corporation will not commence business until it has received for the issuance of shares consideration of the value of One Thousand Dollars (\$1,000.00) consisting of money, labor done or property actually received.

ARTICLE VI.

The street address of its initial registered office is 150 W. Carpenter Freeway, Irving, Texas 75039, and the name of its initial registered agent at such address is Roger D. Bryant.

ARTICLE VII.

The number of directors shall be fixed by the Bylaws of the Corporation, but shall in no event be less than one (1). The number of directors constituting the initial board of directors is one (1), and the name and address of the person who is to serve as director until the first annual meeting of the shareholders, or until his successor is elected and qualified, is:

employees benefit plan, or other enterprise, against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorneys fees) actually incurred by such person in connection with such action, suit, or proceeding, and (ii) advance reasonable expenses to such person in connection with such action, suit or proceeding. The rights provided in this Article shall not be deemed exclusive of any other rights permitted by law, to which such person may be entitled under any provision of the Bylaws, a resolution of shareholders or directors, an agreement or otherwise.

ARTICLE XII

1. A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director of the Corporation, except to the extent a director is found liable for (a) a breach of the director's duty of loyalty to the Corporation or its shareholders, (b) an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law, (c) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office, or (d) an act or omission for which the liability of a director is expressly provided by an applicable statute.

2. If the laws of Texas are hereafter amended to authorize further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation, in addition to the limitation on the personal liability provided herein, shall be limited to the fullest extent permitted by the laws of Texas as amended. Any repeal or modification of this Article XII by the shareholders of the Corporation shall be prospective only and shall not adversely affect any limitation on the personal liability of a director at the time of such repeal or modification.

ARTICLE XIII.

The name and address of the incorporator is:

Name

William L. Rivers

Address

Arce & Hadlem
1717 Main Street, Ste. 4100
Dallas, Texas 75201



William L. Rivers,
Incorporator

EXHIBIT B - CERTIFICATE OF AUTHORITY

EXHIBIT C - MARKETING MATERIAL

EXHIBIT D - FINANCIAL INFORMATION

1999 1st Qtr. Financials

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ARDIS TELECOM & TECHNOLOGIES, INC.
AND SUBSIDIARIES
(Formerly Canmax, Inc)

CONSOLIDATED BALANCE SHEETS

	January 31, 1999 (Unaudited)	OCTOBER 31, 1998
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,270,680	\$ 207,609
Trade accounts receivable	731,388	292,086
Inventory	212,354	229,672
Prepaid expenses and other	90,197	29,002
Current portion of long-term receivable	204,586	177,845
Current assets of discontinued operations	—	2,305,502
Total current assets	<u>3,509,805</u>	<u>3,241,716</u>
PROPERTY AND EQUIPMENT, net	65,491	59,138
PROPERTY AND EQUIPMENT OF DISCONTINUED OPERATIONS, net	—	524,849
LONG-TERM RECEIVABLE, net of current portion	343,104	397,851
OTHER ASSETS	9,722	17,387
LONG-TERM ASSETS OF DISCONTINUED OPERATIONS	—	1,049,641
TOTAL ASSETS	<u>\$ 3,928,122</u>	<u>\$ 5,290,579</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	\$ 355,670	\$ 622,836
Accrued liabilities	155,515	227,578
Deferred revenue	23,425	46,033
Advances from shareholder	500,000	1,500,000
Current liabilities of discontinued operations	—	1,683,591
Note payable - current	35,195	—
Total current liabilities	<u>1,069,805</u>	<u>4,080,038</u>
LONG-TERM LIABILITIES		
Long-term payables	7,006	—
Long-term payables of discontinued operations	—	146,693
Total long-term liabilities	<u>7,006</u>	<u>146,693</u>
SHAREHOLDERS' EQUITY		
Common stock, no par value per share, 3.001 par value per share 44,169,100 shares authorized; 6,861,005 shares, par value 3.001 per share, and 8,111,005, no par value per share, issued and outstanding at January 31, 1999 and October 31, 1998, respectively	24,938,974	24,858,809
Accumulated deficit	(22,082,244)	(23,789,345)
Foreign currency translation adjustment	(5,419)	(5,416)
Total shareholders' equity	<u>2,851,311</u>	<u>1,063,848</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 3,928,122</u>	<u>\$ 5,290,579</u>

See accompanying notes.

ARDIS TELECOM & TECHNOLOGIES, INC.
AND SUBSIDIARIES
(Formerly Cammax, Inc)

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED January 31,	
	1999	1998
REVENUES		
Prepaid phone cards and other	\$1,542,719	\$ ---
Total revenues	<u>1,542,719</u>	<u>---</u>
COSTS AND EXPENSES		
Prepaid phone cards and other	1,417,221	---
Sales & marketing	220,098	---
General & administrative	420,721	---
Depreciation and amortization	<u>10,363</u>	<u>---</u>
Total cost of revenues	<u>2,068,403</u>	<u>---</u>
OTHER INCOME (EXPENSES)		
Interest expense	(139,968)	---
Interest income	<u>38,978</u>	<u>---</u>
Total other expense	<u>(890)</u>	<u>---</u>
NET LOSS FROM CONTINUING OPERATIONS	<u>(526,574)</u>	<u>---</u>
DISCONTINUED OPERATIONS		
Income (loss) from operation of software business, net of income taxes of 30	218,376	(358,333)
Gain on sale of software business, net of income taxes of 30	<u>2,015,494</u>	<u>---</u>
NET INCOME (LOSS)	<u>\$1,707,296</u>	<u>\$ (358,333)</u>
BASIC EARNINGS (LOSS) PER SHARE:		
Continuing operations	\$ (0.08)	\$ ---
Discontinued operations	0.34	(0.08)
Net earnings (loss)	<u>0.26</u>	<u>(0.08)</u>
DILUTED EARNINGS (LOSS) PER SHARE:		
Continuing operations	\$ (0.08)	\$ ---
Discontinued operations	0.34	(0.08)
Net earnings (loss)	<u>0.26</u>	<u>(0.08)</u>
SHARES USED IN THE CALCULATION OF PER SHARE AMOUNTS:		
Basic common shares	6,627,309	6,627,309
Dilutive impact of stock options and warrants	<u>---</u>	<u>---</u>
Diluted common shares	<u>6,627,309</u>	<u>6,627,309</u>

See accompanying notes.

**ARDIS TELECOM & TECHNOLOGIES, INC.
AND SUBSIDIARIES
(Formerly Canmax, Inc)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)**

	<u>THREE-MONTHS ENDED JANUARY 31,</u>	
	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$1,707,296	\$ (558,533)
Adjustments to reconcile net income (loss) to net cash provided (used) by continuing operating activities:		
Loss (income) from discontinued operations	(218,378)	558,533
Gain on disposal of software business	(2,015,494)	--
Stock issued for services	74,225	--
Warrants issued for services	5,942	--
Depreciation and amortization	10,363	--
(Increase) decrease in:		
Trade accounts receivable	(439,302)	--
Inventory	16,719	--
Prepaid expenses and other	(65,362)	--
Other assets	7,665	--
Increase (decrease) in:		
Trade accounts payable	(267,166)	--
Accrued liabilities	(50,509)	--
Deferred revenue	(72,608)	--
Net cash provided by operating activities from continuing operations	<u>(1,256,408)</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds for sale of software business	3,769,917	--
Purchase of property and equipment	(12,552)	--
Payments on note receivable	<u>6,452</u>	<u>--</u>
Net cash used in investing activities of continuing operations	<u>3,763,817</u>	<u>--</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of convertible debenture-shareholder	(1,000,000)	--
Payments on notes payable	<u>(9,011)</u>	<u>--</u>
Net cash provided by (used in) financing activities of continuing operations	<u>(1,009,011)</u>	<u>--</u>
Cash provided by (used in) discontinued operations	<u>564,873</u>	<u>312,004</u>
NET INCREASE (DECREASE) IN CASH	2,063,071	312,004
Cash at beginning of period	<u>207,608</u>	<u>128,871</u>
Cash at end of period	<u><u>2,270,680</u></u>	<u><u>\$ 440,875</u></u>
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
Cash paid for interest	\$ 39,868	\$ 9,200
Offset of accounts payable against notes receivable	\$ 21,554	\$ --
Stock issued for services	\$ 74,225	\$ --

See accompanying notes.

ARDIS TELECOM & TECHNOLOGIES, INC.
AND SUBSIDIARIES
(Formerly Canmax, Inc)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three month period ended January 31, 1999 are not necessarily indicative of the results that may be expected for the year ending October 31, 1999. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K/A for the year ended October 31, 1998.

A predecessor to ARDIS Telecom & Technologies, Inc. (the "Company" or "Ardis") was incorporated on July 10, 1986 under the Company Act of the Province of British Columbia, Canada, and subsequently changed its name to "International Retail Systems Inc." On August 7, 1992, this predecessor company renounced its original province of incorporation and elected to continue its domicile under the laws of the State of Wyoming, and on November 30, 1994, its name was changed to "Canmax Inc." On February 1, 1999 this predecessor company reincorporated under the laws of the State of Delaware and changed its name to "ARDIS Telecom & Technologies, Inc."

During 1998 the Company began competing in the telecommunications market through its wholly-owned subsidiary, Canmax Telecom, Inc. ("Telecom"). Telecom's operations include mainly sales and distribution of prepaid domestic and international calling cards to wholesale and retail customers. In August 1998, the Company entered into an agreement with PT-1 Communications, Inc. ("PT-1"). The agreement provides for PT-1 to supply long distance telecom and debit services, for use in the Company's marketing and distribution of domestic and international prepaid long distance calling cards. PT-1 is currently the sole source of these services to the Company.

The Company, through its wholly owned subsidiary Canmax Retail Systems, Inc., ("CRSI") developed and provided enterprise wide technology solutions to the convenience store and retail petroleum industries, its "Software Business." On December 7, 1998, the Company obtained shareholder approval for the sale of, and sold, the assets of its Software Business. The results of operations of the Software Business through December 7, 1998 have been presented in the financial statements as discontinued operations. Results of operations in prior years have been restated to reclassify the Software Business as discontinued operations. The measurement date for the sale is December 7, 1998, the date the shareholders approved the transaction.

NOTE B - CONCENTRATION OF CREDIT RISK AND SIGNIFICANT CUSTOMERS

DISCONTINUED OPERATIONS:

The Company derived its sales primarily from customers in the retail petroleum market. Canmax performed periodic credit evaluations of its customers and generally did not require collateral. Billed receivables were generally due within 30 days. Credit losses have historically been insignificant.

The Company's revenues were concentrated in The Southland Corporation ("Southland"), which accounted for approximately 86% and 84% of the Company's total discontinued revenue for the three month period ended January 31, 1999 and 1998, respectively. The Company's revenues derived from its relationship with Southland included products and services provided directly by the Company to Southland and indirectly through MCR Corporation ("MCR") to Southland pursuant to

ARDIS TELECOM & TECHNOLOGIES, INC.
AND SUBSIDIARIES
(Formerly Canmax, Inc)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE B - CONCENTRATION OF CREDIT RISK AND SIGNIFICANT CUSTOMERS (Continued)

MCR's contract with Southland. No other customer accounted for over 10% of Ardis's total revenues.

CONTINUING OPERATIONS:

Two customers accounted for approximately 45% of revenues during the three month period ended January 31, 1999, and approximately 48% of the trade accounts receivable balance at January 31, 1999. The Company generally does not require collateral. The Company has a note receivable from its prior subsidiary, USCommunications Services, Inc. totaling \$549,690. The note is secured by a lien on all of USC's assets and bears interest at 12% with principal in monthly installments maturing June 15, 2001. Management provides an allowance for doubtful accounts, which reflects its estimate of the uncollectible receivables. In the event of non-performance the maximum exposure to the Company is the recorded amount of the receivable at the balance sheet date.

NOTE C - CONVERTIBLE DEBENTURES

On December 15, 1997, the Company executed a convertible loan agreement (the "Original Agreement") with a shareholder, Founders Equity Group, Inc. ("Founders"), which provided financing of up to \$500,000. Funds obtained under the loan agreement are collateralized by all assets of the Company and bear interest at 10%. Required payments are for interest only and are due monthly beginning February 1, 1998. Borrowings under the loan agreement originally matured January 1, 1999, unless otherwise redeemed or converted. Under the terms of the loan agreement, Founders may exercise its right at any time to convert all, or in multiples of \$25,000, any part of the borrowed funds into Common Stock at a conversion price of \$1.25 per share. The conversion price is subject to adjustment for certain events and transactions as specified in the loan agreements. Additionally, the outstanding principal amount is redeemable at the option of the Company at 110% of par.

On February 11, 1998, the Company and Founders executed a loan commitment letter (the "Loan Commitment") which provided for multiple advance loans of up to \$2 million upon terms similar to the Original Agreement; however, indebtedness outstanding under the Loan Commitment was convertible into shares of Common Stock at a conversion price equal to the average closing prices of the Common Stock over the five-day trading period immediately preceding the date of each advance. As consideration for the Loan Commitment, the Company paid a commitment fee of \$10,000.

As of March 31, 1998, Founders (and certain of its affiliates) entered into the First Restated Loan Agreement (the "Loan Agreement") which consolidated all rights and obligations of the Company to Founders under the Original Agreement and the Loan Commitment. Amounts advanced under the Loan Agreement bear interest at the rate of 12% per annum, are secured by a lien on all other Company's assets and are convertible into shares of Common Stock, at the option of Founders, at \$0.80 per share. On August 25, 1998, Founders agreed to release its lien on all of the Company's assets upon the consummation of the sale of the Software Business. As consideration for the release, the Company agreed, upon the consummation of the sale, to repay \$1.0 million of the \$1.5 million currently outstanding under the Loan Agreement, and to allow Founders to convert, at the Company's option, the remaining \$0.5 million plus accrued but unpaid interest outstanding under the Loan Agreement into shares of Common Stock at a conversion price of \$1.50 per share.

ANDIS TELECOM & TECHNOLOGIES, INC.
AND SUBSIDIARIES
(Formerly Canam, Inc)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE C - CONVERTIBLE DEBENTURES (Continued)

On February 5, 1998, Founders and the Company entered into a financial consulting agreement pursuant to which Founders agreed to provide financial advisory and consulting services to the Company, and the Company agreed to pay to Founders a fee equal to 3% of the value of the consideration received in any sale or merger of any division or subsidiary of the Company. As a result of this agreement, Founders received \$120,000 of the initial proceeds of the sale of the Software Business. Founders agreed to forego any further payments that may be attributable to the Company's receipt of deferred payments in connection with the sale.

On December 11, 1998, the Company and Founders executed Amendment No. 1 to the Loan Agreement. As a result of the amendment, the Company agreed to defer Founders' conversion of the remaining indebtedness outstanding under the Loan Agreement in exchange for (a) Founders' waiver of any registration obligation under the Registration Rights Agreement dated May 1, 1997 or under the Loan Agreement until February 1, 1999 or the Company's earlier delivery of a conversion notice with regard to the outstanding indebtedness, (b) the adjustment of the conversion price for the remaining convertible indebtedness outstanding under the Loan Agreement (\$500,000) from \$1.50 per share to the greater of \$1.50 per share or 75% of the average closing price of the Common Stock over the ten trading days preceding the delivery of a conversion notice, and (c) Founders' agreement to convert the remaining outstanding principal amount under the Loan Agreement (\$500,000) upon written notice from the Company at the adjusted conversion agreed to price described above. Further, the amendment to the Loan Agreement reduced the interest rate payable on the outstanding principal amount under the Loan Agreement from 12% to 9% per annum. The amendment also terminated any additional funding obligations of Founders' under the Loan Agreement.

The Company used \$1,000,000 from the Software Business sale proceeds to pay down the Founders' debt. At January 31, 1999, shareholder advances from Founders totaled \$500,000.

Interest expense in connection with Founders' debt was \$24,615 for the three month period ended January 31, 1999.

NOTE D - LIQUIDITY

Upon consummation of the Software Business Sale on December 7, 1998, the Company received its initial installment of \$4,000,000, approximately \$1,100,000 of which has been used to repay amounts owed to Founders and \$250,000 of which was used to pay transaction expenses. The Company plans to commit approximately \$1.0 million for capital investments in the Telecommunications Business during fiscal 1999, and plans to internally fund additional infrastructure development through operations of the Telecommunications Business. The Company believes existing capital resources and cash from operations will be sufficient to meet the Company's capital and liquidity needs through fiscal 1999.

NOTE E - DISCONTINUED OPERATIONS

On December 7, 1998, the Company sold substantially all of the assets of CRST. Pursuant to the terms of the Purchase Agreement, the Company sold the assets and received \$4,000,000 at closing and transferred certain liabilities arising from the Software Business. Ardis is entitled to receive additional deferred payments of up to an additional \$3,625,000 calculated as described below.

ARDIS TELECOM & TECHNOLOGIES, INC.
AND SUBSIDIARIES
(Formerly Camax, Inc)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - DISCONTINUED OPERATIONS (Continued)

The deferred payments will be calculated at the end of each calendar quarter during the twelve month period commencing on January 1, 1999. Each deferred payment is calculated based upon the cumulative level of revenue attributable to the Software Business from January 1, 1999 through the end of each three month period through December 31, 1999, and equals (a) the sum of (1) 75% of all such revenues greater than \$4 million and less than or equal to \$7 million plus (2) 13.75% of all such revenues greater than \$7 million or less than or equal to \$17 million, minus (b) the sum of any deferred payments previously made by ACS. If CSI disputes any calculation of the amount of any deferred payment and such dispute cannot be resolved among the parties, then the independent public accountants for each party are to mutually designate a third independent public accountant to resolve such dispute and the determination of such designated party will be conclusive and binding on all parties.

On January 21, 1999, the purchaser and Ardis calculated the net working capital (generally current assets other than cash minus current liabilities) as of the closing date, and ACS received an amount equal to the negative difference between the net working capital as of the closing of \$230,083.

The Company recorded a gain on the sale of the software business of \$2,015,494. The gain is calculated as net proceeds of \$3,769,917 less net assets of \$1,693,259 less legal and accounting fees related to the sale of \$61,164.

Summarized operating results of the discontinued Software Business operations are as follows:

	Period from November 1, through December 7, 1998	Three months ended January 31, 1999
Revenues	\$ 1,686,945	\$ 1,603,950
Costs and expenses	<u>1,468,569</u>	<u>2,162,483</u>
Net income (loss)	<u>\$ 218,376</u>	<u>\$ (558,533)</u>

NOTE F - SHAREHOLDERS' EQUITY

WARRANT ISSUANCES

On January 11, 1999, the Company retained a consultant to assist in its investor relations activities by issuing warrants to acquire 50,000 shares of Company common stock at an exercise price of \$1.29 per share. The right to acquire 25,000 shares under such warrant vests on January 10, 2000, and the right to acquire the remaining 25,000 shares under the warrant vests on July 10, 2000.

Ardis recorded expense of \$5,942 in January 1999 related to these Warrants. This amount represents Ardis' estimate of the fair value of these warrants at the date of grant using a Black-Scholes pricing model with the following assumptions: applicable risk-free interest rate based on the current treasury-bill interest rate at the grant date of 6.0%; dividend yields of 0%; volatility factors of the expected market price of the Company's common stock of 1.02; and an expected life of the warrant of 1 year.

ARDIS TELECOM & TECHNOLOGIES, INC.
AND SUBSIDIARIES
(Formerly Canmax, Inc)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE F - SHAREHOLDERS' EQUITY (Continued)

COMMON STOCK ISSUANCES

On January 25, 1999 the Company issued 250,000 shares of the Company's common stock to employees of the Company as compensation. In connection with the issuance, the Company recorded \$74,225 of compensation expense, such expense being calculated as the difference between the trading price of the common stock on the date of issuance and the proceeds received for the issuance.

NOTE G - YEAR 2000

The Company has completed an assessment of the impact of Year 2000 issues on its internal systems and determined that the cost for any modifications or replacements will be immaterial and not exceed \$50,000. The Company has initiated communications with all of its significant suppliers and customers to determine the extent to which the Company's internal systems and developed software products are vulnerable to those third parties failure. In connection with the sale of the Software Business, the Company and ACS conducted a Year 2000 compliance audit of software and systems developed by the Company. Such audit did not reveal any material items of noncompliance, and the Company does not expect to incur any material expenses to cause its developed software and systems to become Year 2000 compliant.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Through December 7, 1998, the Company operated two distinct businesses, its retail automation software business (the "Software Business") and its prepaid phone card and other telecommunications business (the "Telecommunications Business"). For the three month period ended January 31, 1998, the Software Business accounted for all of the Company's revenues. On December 7, 1998, the Company consummated the sale of the Software Business to Affiliated Computer Services, Inc. As a result of the Software Business Sale, the Company will no longer engage in the Software Business, and, its business will be focused solely on its Telecommunications Business. Therefore, historic financial information attributable to the Software Business will be reported as discontinued operations.

The following discussion should be read in conjunction with the Company's Form 10-K/A and the consolidated financial statements for the years ended October 31, 1998, 1997 and 1996; the Company's Form 10-Q for the quarter ending January 31, 1998; and the consolidated financial statements and related notes for the quarter ended January 31, 1999 found elsewhere in this report.

RESULTS OF OPERATIONS

In the latter part of fiscal 1996, the Company decided that it was critical that it expand its market beyond one vertical market and one large customer. After evaluating a number of alternative strategies, the Company decided that the rapidly expanding telecommunications market presented an opportunity to utilize some of the technology and support capabilities that it had developed through its Software Business. The Company chose to make its entry into the telecommunications industry via the prepaid long distance market.

On January 30, 1998, the Company acquired USCommunications ("USC"). Effective May 27, 1998, the Company and principals of USC agreed to rescind the USC acquisition. Following its entry into the Telecommunications Business, the Company formed Camax Telecom, Inc., its telecommunications operating company and a wholly-owned subsidiary, and has established sales and marketing activities in four principle marketing channels for its prepaid phone card program, including (a) wholesale and retail sales through independent distributors, (b) direct sales to retail stores, (c) telemarketing sales to retail stores, and (d) promotional and specialty marketing sales to businesses. The initial product used to introduce the Company's Telecom division to the market was referred to as the Latino Card, as it was targeted to the long distance market for calls originating within the continental United States to certain Latin American countries. Services required to offer this card were provided by USC, and the Company continued to purchase those services from USC following the rescission of the acquisition.

The Company has established a strategic relationship with PT-1 Communications, Inc., the nation's largest prepaid card provider. This relationship enables the Company to pursue its rapid growth plan in the prepaid market prior to the commitment of a large facilities investment. The Company began marketing prepaid phone cards with services provided by PT-1 in the latter part of August, 1998, and at that time discontinued purchasing any services from USC except those required to complete the operation of the already distributed Latino Cards.

The Company plans to commit approximately \$1.0 million in capital investments for fiscal 1999 to its Telecommunications Business, and plans to be able to internally fund additional infrastructure development through operations. The Telecommunications Business was launched during the second quarter of 1998. The Company's interim financial statements for the three month period ended January 31, 1999 and management's discussion and analysis of the results of operations for such period reflect the results of operations of the Telecommunications Business only. Because Telecommunications Business was launched in the second quarter of the 1998 fiscal year, the Company is not able to compare the results of operations for the Telecommunications Business during the first quarter of fiscal 1999 to prior periods. The results of operations of the Software Business have been condensed into the line item caption "Discontinued Operations" in the Company's financial

RESULTS OF OPERATIONS (Continued)

statements and, because the Software Business has been discontinued, management has not discussed the results of operations for the Software Business for the three month period ended January 31, 1999 as compared to the same period in 1998 and the operations for the three month period ended January 31, 1998 as compared to the same period in 1997.

REVENUE

For the three months ended January 31, 1999, the Company had pre-paid calling card revenues from continuing operations of \$1,543,000.

EXPENSES

For the three month period ended January 31, 1999, the Company had total costs of revenues relating to revenue from continuing operations of \$2,068,000. The costs of revenues are mainly composed of pre-paid calling card activation costs, printing and freight costs.

General and administrative costs attributable to continuing operations were \$421,000 for the three month period ended January 31, 1999. These costs were primarily comprised of management, accounting, legal and overhead expenses.

Sales and marketing costs attributable to continuing operations during this three month period were \$220,000. Included in these costs are wages, travel and promotional expenses.

Interest expenses attributable to continuing operations were \$40,000 for the three month period ended January 31, 1999. These expenses were associated with indebtedness outstanding under the Loan Agreement with Founder that was entered into during fiscal 1998 and long term debt.

As a result of the foregoing, the Company incurred a net loss from continuing operations of \$527,000 or \$0.08 per share for the three month period ended January 31, 1999.

LIQUIDITY AND SOURCES OF CAPITAL

Upon consummation of the Software Business Sale on December 7, 1998, the Company received its initial installment of \$4.0 million from ACS, approximately \$1.1 million of which has been used to repay amounts owed to Founders under the Loan Agreement and \$250,000 of which was used to pay transaction expenses. The Company plans to commit approximately \$1.0 million for capital investments in the Telecommunications Business for fiscal 1999, and plans to internally fund additional infrastructure development through operations of the Telecommunications Business. The Company believes existing capital resources and cash from operations will be sufficient to meet the Company's capital and liquidity needs through fiscal 1999.

At January 31, 1999, the Company had cash and cash equivalents of approximately \$2,271,000, up from \$441,000 for the same period in 1998, an increase of \$1,830,000.

Cash used by continuing operating activities totaled \$1,257,000 for the three months ended January 31, 1999. Cash used was comprised of the Company's net income of \$1,707,000, adjusted for: gains from discontinued operations of \$216,000; gain on disposal of the Software Business of \$2,015,000; issuance of common stock to employees; depreciation of \$10,363; and net changes in operating assets and liabilities of \$821,000.

Cash used in investing activities for continuing operations for the three months ended January 31, 1999 totaled \$3,764,000 and was primarily comprised of proceeds from the sale of the Software Business of \$3,770,000 and purchases of property and equipment of \$13,000.

Cash used in financing activities for continuing operations for the three months ended January 31, 1999 totaled \$1,009,000 reflecting the repayment of borrowings under the Loan Agreement that was entered into during fiscal 1998.

LIQUIDITY AND SOURCES OF CAPITAL (Continued)

Current assets from continuing operations totaled \$1,510,000 at the end of the first quarter of 1999, resulting in net working capital from continuing operations of \$2,440,000. Accounts receivable totaled \$731,000 and represented 21% of current assets from continuing operations. Accounts receivable include two significant accounts which comprised 48% of total trade accounts receivable from continuing operations. The current portion of the note receivable totaled \$205,000 at January 31, 1999 and represented funds provided to USC.

Net property and equipment from continuing operations totaled \$65,000 at the end of the first quarter of 1999. The majority of property and equipment is comprised of furniture, fixtures and computer equipment.

Current liabilities from continuing operations totaled \$1,070,000 at the end of the first quarter of 1999. The majority of liabilities were comprised of convertible debentures issued under the Loan Agreement, accounts payable and accrued liabilities.

In connection with the rescission of the Company's acquisition of USC, USC executed a note payable to the Company in the amount of \$725,000. The USC note matures on June 15, 2001, and is payable in monthly installments on the fifteenth day of each month. Monthly payments for November and December of 1999 are \$15,000 and monthly payments thereafter through the maturity date are approximately \$20,000. The USC note is secured by a lien on all of USC's assets. As of January 31, 1999, approximately \$548,000 remained outstanding under the USC note.

IMPACT OF YEAR 2000

The Company has completed an assessment of the impact of Year 2000 issues on its internal systems and determined that the cost for any modifications or replacements will be immaterial and not exceed \$50,000. The Company has initiated communications with all of its significant suppliers and customers to determine the extent to which the Company's internal systems and developed software products are vulnerable to those third parties failure. In connection with the Software Business Sale, the Company and ACS conducted a Year 2000 compliance audit of software and systems developed by the Company. Such audit did not reveal any material items of noncompliance, and the Company does not expect to incur any material expenses to cause its developed software and systems to become Year 2000 compliant.

CUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

With the exception of historical information, the matters discussed in this Quarterly Report on Form 10-Q include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by the use of such terms as "expects", "will", "anticipates", "estimates", "believes" and words of similar meaning. These forward-looking statements relate to business plans, programs, trends, results of future operations, satisfaction of future cash requirements, funding of future growth, acquisition plans and other matters. In light of the risks and uncertainties inherent in all such projected matters, the inclusion of forward-looking statements in this Form 10-Q should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved or that operating expectations will be realized. Revenues and results of operations are difficult to forecast and could differ materially from those projects in forward-looking statements contained herein, including without limitation statements regarding the Company's belief of the sufficiency of capital resources and its ability to compete in the telecommunications business. Actual results could differ from those projected in any forward-looking statements for, among others, the following reasons: (a) increased competition in the prepaid phone card business from existing and new operators, (b) the relatively low barriers to entry for start-up prepaid operators, (c) the price-sensitive nature of consumer demand, (d) the relative lack of customer loyalty to any particular prepaid card company, (e) the Company's dependence upon favorable pricing from its suppliers to compete in the prepaid phone

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS (Continued)

card industry, (f) increased consolidation in the telecommunication industry, which may result in larger competitors being able to compete more effectively, (g) the failure to attract or retain key employees, (h) continuing changes in governmental regulations affecting the telecommunications industry and (i) the "Certain Business Factors" identified in the Company's Annual Report on Form 10-K/A for the year ended October 31, 1998. The Company does not undertake to update any forward-looking statements contained herein. Readers are cautioned not to place undue reliance on the forward-looking statements made in, or incorporated by reference into, this Quarterly Report on Form 10-Q or in any document or statement referring to this Quarterly Report on Form 10-Q.

EXHIBIT E - PROPOSED TARIFF

RDST, INC.

ORIGINAL SHEET 1

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by RDST, Inc. ("RDST"), with principal offices at 8100 Jetstar Drive, Suite 100, Irving, Texas 75063. This tariff applies for services furnished within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

RDST, INC.

ORIGINAL SHEET 2

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

RESERVED FOR FUTURE USE

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

RDST, INC.

ORIGINAL SHEET 3

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

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

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

* New or Revised Sheet

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFFTABLE OF CONTENTS

	Page
Title Sheet.....	1
Reserved for Future Use.....	2
Check Sheet.....	3
Table of Contents.....	4
Tariff Format.....	5
Symbols.....	6
Section 1 - Technical Terms and Abbreviations.....	7
Section 2 - Rules and Regulations.....	9
2.1 Undertaking of the Company.....	9
2.2 Use of Services.....	10
2.3 Liability of the Company.....	11
2.4 Responsibilities of the Customer.....	13
2.5 Cancellation or Interruption of Service.....	15
2.6 Credit Allowance.....	17
2.7 Restoration of Service.....	18
2.8 Deposit.....	18
2.9 Advance Payments.....	18
2.10 Payment and Billing.....	19
2.11 Collection Costs.....	20
2.12 Taxes.....	20
2.13 Late Charge.....	20
2.14 Returned Check Charge.....	20
Section 3 - Description of Service.....	21
3.1 Computation of Charges.....	21
3.2 Customer Complaints and/or Billing Disputes.....	22
3.3 Level of Service.....	23
3.4 Billing Entity Conditions.....	23
3.5 Service Offerings.....	24
Section 4 - Rates.....	29

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFFTARIFF FORMAT

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

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

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

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

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

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

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFFSECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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

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

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

Customer - The person, firm, corporation or other legal entity which orders the services of RDST, or purchases a RDST Prepaid Calling Card and/or originates prepaid calls using such cards, and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or RDST - Used throughout this tariff to mean RDST, Inc., a Texas corporation.

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

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

Prepaid Account - An inventory of Telecom Units purchased in advance by the Customer, and associated with one and only one Authorization Code as contained in a specific Prepaid Calling Card.

Prepaid Calling Card - A card issued by the Company, containing an Authorization Code which identifies a specific Prepaid Account of Telecom Units, which enables calls to be processed, account activity to be logged, and balances to be maintained, on a prepayment basis.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

Resp. Org - Responsible Organization or entity identified by an 800 service Customer that manages and administers records in the 800 database and management system.

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

Telecom Unit - A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of South Dakota.

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

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFFSECTION 2 - RULES AND REGULATIONS2.1 Undertaking of the Company

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

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

2.2 Use of Services

- 2.2.1 RDST's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of RDST'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.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

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

2.3 Liability of the Company

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

RDST, INC.

ORIGINAL SHEET 12

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

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

ISSUED: April 19, 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

EFFECTIVE: , 1999

TELECOMMUNICATIONS SERVICES TARIFF

- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express, implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.4 Responsibilities of the Customer

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

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

2.5 Cancellation or Interruption of Services

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

RDST, INC.

ORIGINAL SHEET 17

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

2.6 Credit Allowance

- 2.6.1 Credit may be given for disputed calls, on a per call basis.
- 2.6.2 Credit shall not be issued for unavailability of long distance services.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

2.7 Restoration of Service

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

2.8 Deposit

The Company does not require deposits to commence service.

2.9 Advance Payments

RDST does not require advance payments.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF2.10 Payment and Billing

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt. A late fee will be assessed on unpaid amounts 30 days after rendition of bills.
- 2.10.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.
- 2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 180 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if demand therefore is not received by the Company in writing within such 180 day period.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
3100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF**2.11 Collection Costs**

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

2.12 Taxes

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

2.13 Late Charge

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

2.14 Returned Check Charge

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

ISSUED: April 19, 1999**EFFECTIVE: , 1999**

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFFSECTION 3 - DESCRIPTION OF SERVICE3.1 Computation of Charges

- 3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. All calls are rounded up to the next whole increment.
- 3.1.2 Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
3100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

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

3.2 Customer Complaints and/or Billing Disputes

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

8100 Jetstar Drive, Suite 100
Irving, Texas 75063
(800) 480-2006

Any objection to billed charges should be reported promptly to RDST. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

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

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

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

3.3 Level of Service

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

3.4 Billing Entity Conditions

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

ISSUED: April 19, 1999**EFFECTIVE: , 1999**

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF**3.5 Service Offerings****3.5.1 1+ Dialing**

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

3.5.2 Travel Cards

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

3.5.3 800 Service (Toll-Free)

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

ISSUED: April 19, 1999**EFFECTIVE: , 1999**

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

3.5.4 RDST Prepaid Calling Cards

This service permits use of Prepaid Calling Cards for placing long distance calls. Customers may purchase RDST Prepaid Calling Cards at a variety of retail outlets or through other distribution channels. RDST Prepaid Calling Cards are available at a variety of face values ranging from five dollars (\$5.00), in one dollar (\$1.00) increments. RDST Prepaid Calling Card service is accessed using the RDST toll-free number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. RDST's processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units for each call is deducted from the remaining Telecom Unit balance on the Customer's RDST Prepaid Calling Card.

All calls must be charged against Prepaid Calling Card that has a sufficient Telecom Unit balance. A Customer's call will be interrupted with an announcement when the balance is about to be depleted.

In order to continue the call, the Customer can either call the toll-free number on the back of the RDST Prepaid Calling Card and "recharge" the balance on the card using a nationally recognized credit card, or the Customer can throw the card away and purchase a new one. Calls in progress will be terminated by the Company if the balance on the RDST Prepaid Calling Card is insufficient to continue the call and the Customer fails to enter the number of another valid RDST Prepaid Calling Card prior to termination.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

A card will expire 12 months from the date of purchase, or the date of last recharge, whichever is later. The expiration date will be printed on all cards. The Company will not refund unused balances.

A credit allowance for RDST Prepaid Calling Card Service is applicable to calls that are interrupted due to poor transmission, one-way transmission, or involuntary disconnection of a call. To receive the proper credit, the Customer must notify the Company at the designated toll-free customer service number printed on the RDST Prepaid Calling Card and furnish the called number, the trouble experienced (e.g. cut-off, noisy circuit, etc.), and the approximate time that the call was placed.

When a call charged to an RDST Prepaid Calling Card is interrupted due to cut-off, one-way transmission, or poor transmission conditions, the Customer will receive a credit equivalent of one Telecom Unit.

Credit allowances for calls pursuant to RDST Prepaid Card Service do not apply for interruptions not reported promptly to the Company or interruptions that are due to the failure of power, equipment or systems not provided by the Company.

Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.

The Company will block all calls beginning with the NPA "900" and NXX "976" calls, therefore such calls can not be completed.

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

3.5.5 Directory Assistance.

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President

8100 Jetstar Drive, Suite 100

Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

3.5.6 Specialized Pricing Arrangements.

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

3.5.7 Emergency Call Handling Procedures

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

3.5.8 Promotional Offerings

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 1+ Dialing

\$0.249 per minute

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

4.2 Travel Cards

\$.149 per minute

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

4.3 Toll Free

\$0.249 per minute

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

RDST, INC.

ORIGINAL SHEET 30
SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

4.4 Prepaid Calling Cards

<u>Card</u>	<u>Price Per Telecom Unit</u>	<u>Per call charge</u>
A	\$.05 Per Telecom Unit	\$.99
B	\$.06 Per Telecom Unit	\$.99
C	\$.07 Per Telecom Unit	\$.99
D	\$.08 Per Telecom Unit	\$.99
E	\$.09 Per Telecom Unit	\$.99
F	\$.10 Per Telecom Unit	\$.89
G	\$.11 Per Telecom Unit	\$.89
H	\$.12 Per Telecom Unit	\$.89
I	\$.13 Per Telecom Unit	\$.89
J	\$.14 Per Telecom Unit	\$.89
K	\$.15 Per Telecom Unit	\$.69
L	\$.19 Per Telecom Unit	\$.59
M	\$.20 Per Telecom Unit	\$.59
N	\$.25 Per Telecom Unit	\$.49
O	\$.29 Per Telecom Unit	\$.39
P	\$.30 Per Telecom Unit	\$.30
Q	\$.33 Per Telecom Unit	
R	\$.35 Per Telecom Unit	
S	\$.39 Per Telecom Unit	
T	\$.40 Per Telecom Unit	
U	\$.50 Per Telecom Unit	

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
1100 Jetstar Drive, Suite 100
Irving, Texas 75063

RDST, INC.

ORIGINAL SHEET 31
SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

4.5 Directory Assistance

\$.95

4.6 Returned Check Charge

\$20.00

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY: Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

TELECOMMUNICATIONS SERVICES TARIFF**4.7 Rate Periods**

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

* To, but not including

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

4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRASTATE toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

4.9 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge

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

ISSUED: April 19, 1999

EFFECTIVE: , 1999

ISSUED BY:

Debra L. Burgess, Vice-President
8100 Jetstar Drive, Suite 100
Irving, Texas 75063

CANMAX RETAIL SYSTEMS INC.150 WEST CARPENTER FWY.
IRVING, TEXAS 75039
PH. 972-541-1800BANK ONE, TEXAS, NA - NO. 14010
DALLAS, TEXAS 75201
32-81-1110

62143

PAY
TWO HUNDRED FIFTY AND 00/100 DOLLARSDATE CHECK NO. CHECK AMOUNT
03/09/1999 0062143 *****\$250.00TO THE ORDER OF
SOUTH DAKOTA PUBLIC UTILITIES
COMMISSION

CANMAX RETAIL SYSTEMS INC.

Debbie Bergman
Barry Bergman

⑈062143⑈ ⑆111000614⑆ ⑆0100084748⑈

CANMAX RETAIL SYSTEMS INC.

62143

VENDOR NO.
SDAKOTVENDOR NAME
SOUTH DAKOTA PUBLIC UTILITIES

TRANSACTION DATE	REFERENCE	GROSS AMOUNT	DEDUCTION	NET AMOUNT
03/09/1999	030999	250.00	.00	250.00

TC 99-044

CHECK DATE	CHECK NO.	TOTAL GROSS	TOTAL DEDUCTION	CHECK AMOUNT
03/09/1999	0062143	250.00	.00	250.00

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of April 15, 1999 through April 22, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this filing.
Phone: 605-773-3705 Fax: 605-773-3809

ELECTRIC

EL99-004 In the Matter of the Filing by MidAmerican Energy Company for Approval of a New Street Lighting Service.

MidAmerican Energy Company is filing to revise the South Dakota Electric Tariff No. 1 to include a price code for a 100-watt High Pressure Sodium Victorian style fiberglass pole street light.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Intervention Deadline: 05/07/99

TELECOMMUNICATIONS

TC99-030 In the Matter of the FCC Order Establishing New Deadlines for Implementation of IntraLATA Dialing Parity by Local Exchange Carriers.

The following local exchange carriers have filed IntraLATA Dialing Parity Implementation Plans: Heartland Telecommunications Company of Iowa on April 20, 1999; Accent Communications, Inc. on April 20, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Splitrock Properties, Inc. on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Jefferson Telephone Company on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by May 10, 1999; Venture Communications, Inc. on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Hanson County Telephone Company on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Hanson Communications, Inc. d/b/a McCook Telecom on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Vivian Telephone Company d/b/a Golden West Communications, Inc. on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Stockholm Strandburg Telephone Co. on April 22, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; AT&T Communications of the Midwest, Inc. on April 22, 1999; Midco Communications on April 22, 1999; Heartland Communications, Inc. on April 22, 1999; Mobridge Telecommunications on April 22, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; West River Telecommunications Cooperative on April 22, 1999, is requesting Commission approval to

send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Dakota Telecommunications Group, Inc., DTG Community Telephone, Inc. and Dakota Telecom, Inc. on April 22, 1999; Stateline Telecommunications, Inc. on April 22, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; and U S WEST Communications, Inc. on April 22, 1999, "U S WEST will file a waiver with the FCC requesting an extension of time to implement toll dialing parity in the following three exchanges: McIntosh (605-273), Timber Lake (605-865), and Morristown (605-524). These exchanges were the subject of sale of exchanges with the Cheyenne River Tribe, and will be converted at a later date. Customers in these exchanges will be notified separately to inform them of the extension of time and the implementation date."

Staff Analyst: Harlan Best
Staff Attorney: Karen Cerner
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

The following local exchange carriers have completed conversion to intraLATA dialing parity: Fort Randall Telephone Company on April 21, 1999; Mt. Rushmore Telephone Company on April 21, 1999; and CommChoice, LLC on April 22, 1999.

TC99-037 In the Matter of the Application of Long Distance America, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Application by Long Distance America, Inc. for a certificate to provide 1+ and 101XXXX direct outbound dialing, 800/888 toll free inbound dialing and travel card interexchange service on a resold basis.

Staff Analyst: Dave Jacobson
Staff Attorney: Camron Hoseck
Date Filed: 04/15/99
Intervention Deadline: 05/07/99

TC99-038 In the Matter of the Application of FON Digital Network, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

On April 15, 1999, the Commission received an application by FON Digital Network, Inc. for a Certificate of Authority to provide telecommunications services in South Dakota. FON Digital Network, Inc. is a reseller which intends to offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, travel card and prepaid calling card service.

Staff Analyst: Bob Knadle
Staff Attorney: Karen Cremer
Date Filed: 04/15/99
Intervention Deadline: 05/07/99

TC99-039 In the Matter of the Application of Concert Communications Sales LLC for a Certificate of Authority to Provide Local Exchange Services in South Dakota.

Concert Communications Sales LLC has filed a request for a Certificate of Authority to provide local telecommunications services on a resale basis throughout South Dakota. They plan to provide local telephone service, access service, private line, internet access service and data transmission services.

Staff Analyst: Michele Farris
Staff Attorney: Camron Hoseck

Date Filed: 04/19/99

Intervention deadline: 05/07/99

TC99-040 In the Matter of the Application of Cable & Wireless Global Markets, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Cable & Wireless Global Markets, Inc. is a reseller who intends to offer interexchange interLATA and intraLATA telecommunication services on a statewide basis.

Staff Analyst: Keith Senger

Staff Attorney: Karen Cremer

Date Filed: 04/19/99

Intervention Date: 05/07/99

TC99-041 In the Matter of the Filing by Dickey Rural Telephone Cooperative and its Wholly Owned Subsidiary, Dickey Rural Communications, Inc. for Approval of Petition for Suspension and Modification of Dialing Parity.

Dickey Rural Telephone Cooperative and Dickey Rural Communications, Inc. each have fewer than 2% of the Nation's subscriber lines installed in the aggregate. Pursuant to 47 U.S.C. 251(f)(2), Dickey Rural Telephone Cooperative and Dickey Rural Communications, Inc. petitions the Commission for a suspension and modification of the requirement for implementation of intraLATA dialing parity in its service areas until June 30, 2000. The grounds for the petition are that suspension and modification are: a) necessary to avoid imposing requirements that are unduly economically burdensome and infeasible, and b) consistent with the public interest, convenience and necessity. The compressed schedule mandated by CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999, FCC 99-54 is burdensome and infeasible for small LECs to develop and administer plans for timely notification of their subscribers and interexchange carriers regarding subscribers' selection of intraLATA toll providers, and for small LECs to develop fully compensatory local exchange access rates to replace the current arrangement.

Staff Analyst: Harlan Best

Staff Attorney: Karen Cremer

Date Filed: 04/19/99

Comments Due: 05/07/99

Reply Comments Due 05/17/99

TC99-042 In the Matter of the Filing by Consolidated Telephone Cooperative and its Wholly Owned Subsidiary, Consolidated Telcom, Inc. formerly known as CTC Communications, Inc. for Approval of Petition for Suspension and Modification of Dialing Parity.

Consolidated Telephone Cooperative and Consolidated Telcom, Inc. formerly known as CTC Communications, Inc. each have fewer than 2% of the Nation's subscriber lines installed in the aggregate. Pursuant to 47 U.S.C. 251(f)(2), Consolidated Telephone Cooperative and Consolidated Telcom, Inc. formerly known as CTC Communications, Inc. petitions the Commission for a suspension and modification of the requirement for implementation of intraLATA dialing parity in its service areas until June 30, 2000. The grounds for the petition are that suspension and modification are: a) necessary to avoid imposing requirements that are unduly economically burdensome and infeasible, and b) consistent with the public interest, convenience and necessity. The compressed schedule mandated by CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999, FCC 99-54 is burdensome and infeasible for small LECs to develop and administer plans for timely notification of their subscribers and interexchange carriers regarding subscribers' selection of intraLATA toll providers, and for small LECs to develop fully compensatory local exchange access rates to replace the current arrangement.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 04/20/99
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

TC99-043 In the Matter of the Filing by Kennebec Telephone Company for Approval of Dialing Parity Implementation Plan and Petition for Suspension and Modification of Dialing Parity.

Kennebec Telephone Company filed its intraLATA toll dialing parity implementation plan and, pursuant to ARSD 20:10:32:39 and 47 U.S.C. 251(f)(2), a petition for suspension and modification of the requirement for implementing intraLATA dialing parity until September 19, 1999. Kennebec Telephone Company has fewer than 2% of the Nation's subscriber lines installed in the aggregate. Kennebec Telephone Company's implementation of intraLATA dialing parity in Kennebec and Presho are part and parcel of its implementation of interLATA equal access for the Kennebec and Presho exchanges at the South Dakota Network switch in Sioux Falls. The implementation of Kennebec Telephone Company's dialing parity plan began before the FCC released its order in CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999, FCC 99-54.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

TC99-044 In the Matter of the Application of RDST, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Application by RDST, Inc. for a Certificate of Authority to provide Intrastate Telecommunications Services in South Dakota. RDST, Inc. proposes to offer intrastate, interexchange 1+ and 101XXXX outbound, 800/888 inbound, travel card and prepaid card service in South Dakota.

Staff Analyst: Dave Jacobson
Staff Attorney: Camron Hoseck
Date Filed: 04/21/99
Intervention Deadline: 05/07/99

TC99-045 In the Matter of the Application of DSLnet Communications, LLC for a Certificate of Authority to Provide Telecommunications Services, Including Local Exchange Services, in South Dakota.

On April 21, 1999, the Commission received an application by DSLnet Communications, LLC for a Certificate of Authority to provide resold and facilities-based local exchange and interexchange services to subscribers throughout the state of South Dakota. Initially, DSLnet intends to provide data transmission services only.

Staff Analyst: Bob Knadle
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Intervention Deadline: 05/07/99

TC99-046 In the Matter of the Filing by Western Telephone Company for Approval of Dialing Parity Implementation Plan and Petition for Suspension and Modification of Dialing Parity.

Western Telephone Company filed its intraLATA toll dialing parity implementation plan and, pursuant to ARSD 20:10:32:39 and 47 U.S.C. 251(f)(2), a petition for suspension and modification of the requirement for implementing intraLATA dialing parity until September 15, 1999. Western Telephone Company has fewer than 2% of the Nation's subscriber lines installed in the aggregate. "Western Telephone Company seeks the suspension and modification because at this time negotiations are ongoing and no decision has yet been reached regarding whether or not intraLATA equal access will be provided by South Dakota Network as centralized equal access, or, if Western Telephone Company will make the requisite changes to provide intraLATA dialing parity from its end offices. It is technically infeasible and, hence, inconsistent with the public interest, to reach this decision and implement either alternative by July 22, 1999, the deadline according to [the FCC order in CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999,] FCC 99-54." Western Telephone Company submitted a centralized intraLATA equal access plan.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

TC99-047 In the Matter of the Filing by Beresford Municipal Telephone Company for Approval of Dialing Parity Implementation Plan and Petition for Suspension and Modification of Dialing Parity.

Beresford Municipal Telephone Company filed its intraLATA toll dialing parity implementation plan and, pursuant to ARSD 20:10:32:39 and 47 U.S.C. 251(f)(2), a petition for suspension and modification of the requirement for implementing intraLATA dialing parity until September 15, 1999. Beresford Municipal Telephone Company has fewer than 2% of the Nation's subscriber lines installed in the aggregate. "Beresford Municipal Telephone Company seeks the suspension and modification because at this time negotiations are ongoing and no decision has yet been reached regarding whether or not intraLATA equal access will be provided by South Dakota Network as centralized equal access, or, if Beresford Municipal Telephone Company will make the requisite changes to provide intraLATA dialing parity from its end offices. It is technically infeasible and, hence, inconsistent with the public interest, to reach this decision and implement either alternative by July 22, 1999, the deadline according to [the FCC order in CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999,] FCC 99-54." Beresford Municipal Telephone Company submitted a centralized intraLATA equal access plan.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

**You may receive this listing and other PUC publications via our website or via internet e-mail.
You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc/>**

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

May 27, 1999

RECEIVED

MAY 28 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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

VIA AIRBORNE EXPRESS

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

Re: RDST, Inc.
Docket No. TC99-044

Dear Mr. Bullard:

Enclosed please find one original and ten (10) copies of RDST, Inc.'s Indemnity Bond in the amount of Twenty Five Thousand Dollars (\$25,000).

I have enclosed an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

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

Respectfully submitted,

Charlotte Lacey

Charlotte Lacey
Legal Assistant to Lance J.M. Steinhart

Attorney for RDST, Inc.

Enclosures

cc: Debra L. Burgess

*Original Bond
is in Duke's
bottom desk drawer.
Returned bond on
6/24/99. We will
be receiving a corrected one.*

IDEMNITY BOND
TO THE
PEOPLE OF THE STATE OF SOUTH DAKOTA

Bond No. 71S103186600BCH

W^e, RDST, INC., the principal and applicant for a CERTIFICATE OF AUTHORITY to resell long distance telecommunications services within the State of South Dakota, and TRAVELERS CASUALTY, as an admitted surety insurer, bind ourselves unto the Public Service Commission of the State of South Dakota and the consumers of South Dakota as Oblige, in the sum of \$25,000.00.

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

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

Dated this 25 day of May, 1999.
To be effective this 25 day of May, 1999.

PRINCIPAL: RDST, INC.

By Robbie Buegen

TRAVELERS CASUALTY & Surety COMPANY OF AMERICA

Consented this 25 day of
May, 1999.
Consented for South Dakota

By Arthur W. Ferguson

By CULBERT DAVIS COMPANY
Resident Agent INSURORS

By Nick Cusso
Attorney in Fact NICK CUSO

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint Ann Bennett, John W. Fougeron, Charlotte Daugherty or Joe Dan Rowland * *

of, Dallas, TX, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated
, the following instrument(s):

by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto

and to bind TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company, which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him or her.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Group Executive, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (with seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

(over)

STATE OF CONNECTICUT
COUNTY OF HARTFORD

ss. Hartford



TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

By: 

George W. Thompson
Senior Vice President

On this 12th day of September, 1997, before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, the corporation described in and which executed the above instrument that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



My commission expires June 30, 2001 Notary Public
Marie C. Tetraut

Marie C. Tetraut

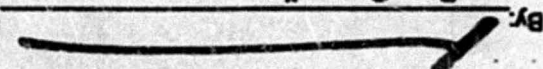
CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this _____ day of _____, 19__.



Rose Gonsoulin
Assistant Secretary

By: 

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

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

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC99-044

On April 21, 1999, 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 RDST, Inc. (RDST).

RDST is a reseller which intends to offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, travel card and prepaid calling card service. A proposed tariff was filed by RDST. The Commission has classified long distance service as fully competitive.

On April 23, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of May 7, 1999, to interested individuals and entities. No petitions to intervene or comments were filed and at its June 22, 1999, meeting, the Commission considered RDST's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to RDST furnishing the Commission with a corrected surety bond.

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 RDST has met the legal requirements established for the granting of a certificate of authority. RDST 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 RDST's application for a certificate of authority, subject to RDST furnishing the Commission with a corrected surety bond. As the Commission's final decision in this matter, it is therefore

ORDERED, that RDST's application for a certificate of authority is hereby granted, subject to its filing a corrected surety bond with the Commission. It is

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

Dated at Pierre, South Dakota, this 25th day of June, 1999.

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: Dulaine Kaebo

Date: 6/25/99

(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

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070



June 25, 1999

Capitol Office
Telephone (605)773-3261
FAX (605)773-3889

Transportation/
Warehouse Division
Telephone (605)773-5288
FAX (605)773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-1113

Internet Website
www.puc.state.sd.us/puc/

♦
Jim Borg
Chairman
Pam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Harlan Best
Martin C. Bettmann
Sue Cichos
Karen E. Cremer
Michele M. Farris
Marlene Fischbach
Shirleen Fugitt
Lewis Hammond
Loni Healy
Camron Hoseck
Lisa Hull
Dave Jacobson
Katie Johnson
Bob Knadig
Delaine Kolbo
Jeffrey P. Lorenson
Charlene Lund
Terry Norum
Gregory A. Rislov
Keith Senger
Rosalynne Alts Wiest
♦

Ms. Debra L. Burgess
Vice-President
RDST, Inc.
8100 Jetstar Drive, Suite 100
Irving, TX 75063

Re: RDST, Inc.
Docket No. TC99-044

Dear Ms. Burgess:

Enclosed you will find a copy of the Order Granting Certificate of Authority with reference to RDST, Inc. As soon as we receive your corrected surety bond, we will send you your Certificate of Authority.

Very truly yours,

Camron Hoseck
Staff Attorney

CH:dk

cc: Mr. Lance J.M. Steinhart
Enc.

RECEIVED

JUL 19 1999

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Telephone: (770) 232-9200

Facsimile: (770) 232-9208

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

July 16, 1999

VIA AIRBORNE EXPRESS

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

Re: RDST, Inc.
Docket No. TC99-044

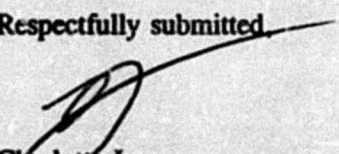
Dear Mr. Bullard:

Enclosed please find an original and two (2) copies of RDST, Inc.'s Indemnity Bond, with an attached rider to change the name of the Obligee, in the amount of Twenty Five Thousand Dollars (\$25,000).

I have enclosed an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

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

Respectfully submitted


Charlotte Lacey
Lance J.M. Steinhart

Attorney for RDST, Inc.

Enclosures

cc: Debra L. Burgess

**IDEMNITY BOND
TO THE
PEOPLE OF THE STATE OF SOUTH DAKOTA**

Bond No. 71S103186600BCM

We, RDST, INC., the principal and applicant for a **CERTIFICATE OF AUTHORITY** to resell long distance telecommunications services within the State of South Dakota, and TRAVELERS CASUALTY, as an admitted surety insurer, bind ourselves unto the Public Service Commission of the State of South Dakota and the commissioners of South Dakota as Obligees, in the sum of \$25,000.00.

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

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

Dated this 25 day of May, 1999.

To be effective this 25 day of May, 1999.

PRINCIPAL: RDST, INC.

By Dubbe Burgum

TRAVELERS CASUALTY & Surety COMPANY OF AMERICA

By John W. Ferguson

Counter-signed this 25 day of
May, 1999.

Counter-signed for South Dakota

By CULBERT DAVIS COMPANY
Resident Agent INSURORS

By Nick Guiso
Attorney in Fact NICK GUSSO

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

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
Hartford, Connecticut 06183-9062

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint Ann Bennett, John W. Fougerson, Charlotte Daugherty or Joe Dan Rowland * *

of, Dallas, TX, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated
, the following instrument(s):

by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto

and to bind TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company, which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him or her.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Group Executive, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (with seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

(over)



RIDER

To be attached to and form part of Bond No. 71 S 103186600 BCM

on behalf of RDST, Inc., as Principal,

in favor of Public Service Commission of the State of South Dakota and the consumers of South Dakota, as Obligees,

It is agreed that:

1. Travelers Casualty and Surety Company/Travelers Casualty and Surety Company of America, as Surety, gives its consent to:

Change the Obligees name to:

Public Utilities Commission of the State of South Dakota and the consumers of South Dakota

Provided, however, that the liability of the Surety under the attached bond as changed by this rider shall not be cumulative.

2. This rider is effective as of May 25, 1999.

Signed, sealed and dated: June 22, 1999.

TRAVELERS CASUALTY AND SURETY COMPANY
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

By

Attorney-in-fact

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9063
TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS
Naperville, Illinois 60563-8438

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, a corporation duly organized under the laws of the State of Illinois, and having its principal office in the City of Naperville, County of DuPage, State of Illinois, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: Christopher H. Noble, Jack W. Brnach, Robert A. Johnson, Allen K. Dill, Duane C. Trombetta, Sylvia Huber, Johannes H. Meisler, Melissa M. Purdie, Marie E. Triplett or Jacqueline A. Epps *

of Dallas, TX, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated the following instrument(s):

by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto

and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolutions voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS have caused this instrument to be signed by their Senior Vice President, and their corporate seals to be hereto affixed this 12th day of November, 1998.

STATE OF CONNECTICUT

JSS. Hartford

COUNTY OF HARTFORD

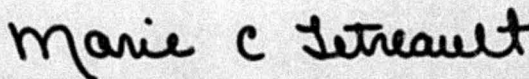
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS



By 
George W. Thompson
Senior Vice President

On this 12th day of November, 1998 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.



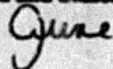


My commission expires June 30, 2001 Notary Public
Marie C. Tetreault

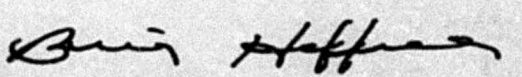
CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, stock corporation of the State of Illinois, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 22nd day of

 June 1999.



By 
Brian Hoffman
Assistant Secretary, Bond

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

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

Authority was Granted June 22, 1999
Docket No. TC99-044

This is to certify that

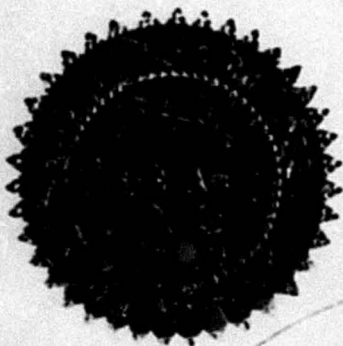
RDST, INC.

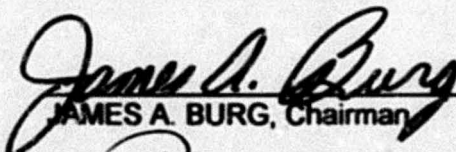
is authorized to provide telecommunications services in South Dakota.

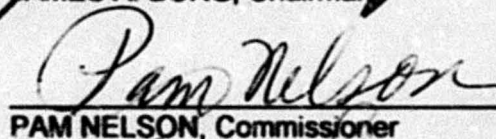
This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 20th day of July, 1999.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**




JAMES A. BURG, Chairman


PAM NELSON, Commissioner


LASKA SCHOENFELDER, Commissioner