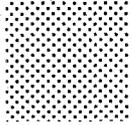




0000052432



Steven C. Clay
Attorney at Law
900 Flour Exchange Bldg.
310 Fourth Avenue South
Minneapolis, MN 55415

telephone 612.321.9241
facsimile 612.321.9207
sclay@lawx.com

DOCUMENT CONTROL

MAY 16 12 49 PM '97

RECEIVED
AZ CORP COMMISSION

DOCKET NO. U - 3 3 7 2 - 9 7 - 2 5 5

Arizona Corporation Commission
DOCKETED

May 14, 1997

Docket Control Center
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

MAY 16 1997

DOCKETED BY *cl*

RE: Inmark, Inc. d/b/a Preferred Billing's Application and Petition for Certificate of Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services as a Reseller

To Whom It May Concern:

Enclosed please find an original and ten copies of the Application of Inmark, Inc. d/b/a Preferred Billing for authority to resell intrastate inbound and outbound long distance telecommunications service within and throughout the state of Arizona. The Company is applying for authority as a switchless reseller only, and will not provide operator services. I have provided an additional application to be stamped as filed and returned to my attention in the enclosed self-addressed envelope.

If you have any questions regarding this application, please call me at 612-321-9241. Thank you.

Sincerely,

Steven C. Clay
Attorney for Applicant

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services as a Reseller

Mail original plus 10 copies of completed application to: For Docket Control Only:

Docket Control Center
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Arizona Corporation Commission (Place Stamp Here)

DOCKETED

MAY 16 1997

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MAY 16 12 49 PM '97

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AZ CORP COMMISSION

If you have current applications pending in Arizona for provision of reseller, AOS, or other telecommunication services, please identify:

DOCKETED BY
Arizona for *ch*

Type of Service: _____
Docket No.: _____ Date: _____

DOCKET NO. U - 3372 - 97 - 255

Docket No. _____

Type of Service: _____
Docket No.: _____ Date: _____

Date Docketed _____

A. Company and Telecommunications Service Information

(A-1) The name, address, and telephone number of the applicant (company):

Inmark, Inc.
2233 University Avenue, Suite 440
St. Paul, mn 55114
612-649-3575

(A-2) If doing business (dba) under a name other than the applicant (company) name listed above, specify:

Preferred Billing

(A-3) The name, address, telephone number, and facsimile number of the management contact:

Jim Holmquist, CFO
2233 University Avenue
Suite 440
St. Paul, mn 55114
Phone - 612-649-3575
FAX - 612-649-3580

Application and Petition for Competitive Reseller CC&N

(A-4) The name, address, and telephone of the attorney, if any, representing the applicant:

Steven C. Clay
900 Flour Exchange Bldg.
310 4th Avenue South
Minneapolis, mn 55415
612-329-9241
FAX - 612-321-9207

(A-5) What type of legal entity is the applicant?

- Sole proprietorship
- Partnership: ___ limited, ___ general, ___ Arizona, ___ Foreign
- Limited liability company
- Corporation: "S", ___ "C", ___ non-profit, ___ Arizona, Foreign
- Other, specify:

(A-6) Include "Attachment A." Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.

- (A-7) 1. Is your company currently reselling telecommunication service in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona. *no.*
2. If the answer to 1. is "yes", identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001(3), a copy of which is attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data are available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.

not applicable

3. If the answer to 1. is "no", when does your company plan to begin reselling service in Arizona?

Yes, upon qualification.

Application and Petition for Competitive Reseller CC&N

(A-8) Include "Attachment B." Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided, state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions, including deposits, that will apply to provision of the service(s) by your company.

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the "Illustrative Tariff/Price List Example" attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (See Rule R14-2-1109(B)(2)). See Rule R14-2-1110 for the procedures to make price list changes that result in rates that are higher than the tariff rate.

(A-9) The geographic market to be served is:



statewide.



other, describe and provide a map depicting the area.

(A-10) List the states in which you currently resell services similar to those you intend to resell in Arizona.

Idaho, Iowa, Kentucky, Louisiana, Massachusetts, Michigan,
New Jersey, North Dakota, Oregon, Texas, Virginia, Washington,
Wisconsin, Wyoming

(A-11) Provide the name, address, and telephone number of the company's complaint contact person.

Nancy Thole, Customer Service Manager
2233 University Avenue, Suite 440
St. Paul, mn 55114
1-800-757-7106

(A-12) Provide a list of states in which you have sought authority to resell telecommunications services and in which the state granted the authority with major changes and conditions or did not grant your application for those services. For each state listed, provide a copy of the commission's decision modifying or denying your application for authority to provide telecommunications services.

none

(A-13) Has the company been granted authority to provide or resell telecommunications services in any state where subsequently the authority was revoked? If "yes", provide copies of the state regulatory commission's decision revoking its authority.

none

Application and Petition for Competitive Reseller CC&N

(A-14) Has the company been or is the company currently involved in any formal complaint proceedings before any state or federal regulatory commission? If "yes", in which states is the company involved in proceedings and what is the substance of these complaints. Also, provide copies of commission orders that have resolved any of these complaints.

no

(A-15) Has the applicant been involved in any civil or criminal investigations related to the delivery of telecommunications services within the last five years? If "yes", in which states has the applicant been involved in investigations and why is the applicant being investigated?

no

(A-16) Has the applicant had judgment entered against it in any civil matter or been convicted of criminal acts related to the delivery of telecommunications services within the last five years? If yes, list the states where judgment or conviction was entered and provide a copy of the court order.

no

B. Technical Information

(B-1) If your company is a switchless reseller, provide the name of the company or companies whose services you resell and skip to question (B-2). If you are not a switchless reseller, complete the remainder of this section.

Frontier Communications and Sprint

Include "Attachment C." Attachment C should provide the following information: A diagram of the applicant's basic call network used to complete Arizona intrastate telecommunications traffic. This diagram should show how a typical call is routed in both its originating and terminating ends (i.e. show the access network and call completion network).

Also include on the diagram the carrier(s) used for each major network component and indicate if the carrier is facilities-based or not. If the carrier is not facilities-based, indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the applicant's intrastate telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the applicant's intrastate traffic).

(B-2) Will your customers be able to access alternative toll service providers or resellers via 1+ or 10XXX access, if your system becomes non-operational?

yes

C. Financial Information

(C-1) Include "Attachment D." Attachment D should provide copies of the following audited financial information for the most recent two years for all Arizona operations. Check boxes indicating items attached.

current intrastate balance sheet not available

current intrastate income statement not available

current intrastate cash flow statement not available

other financial information evidencing financial resources.

Application and Petition for Competitive Reseller CC&N

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations related to the regulation of telecommunications services and that the company will abide by Arizona State law including the Arizona Corporation Commission Rules and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Steven C. Clay
(Signature of Authorized Representative)

5-14-97
(Date)

Steven C. Clay
(Printed Name of Authorized Representative)

Attorney for Applicant
(Title)

SUBSCRIBED AND SWORN to before me this 14th day of May, 1997

Elizabeth A. Husman
NOTARY PUBLIC

My Commission Expires _____



ATTACHMENT A

DIRECTORS, OFFICERS, AND PRINCIPLE SHAREHOLDERS

Inmark, Inc. Board of Directors

Jim Holmquist
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Will Gray
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Inmark, Inc. Executive Officers

Jim Holmquist, CFO
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Will Gray, President
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Inmark, Inc. Principle Shareholders

Jim Holmquist -- 50% Ownership
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Will Gray -- 50% Ownership
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

ATTACHMENT B

TARIFF

TITLE SHEET

ARIZONA
TELECOMMUNICATIONS TARIFF
OF
INMARK, INC. d/b/a PREFERRED BILLING

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of long distance telecommunications services within the state of Arizona by Inmark, Inc. d/b/a Preferred Billing, with principal offices at 2233 University Avenue, Suite 440, St. Paul, Minnesota, 55114. This tariff applies to services furnished within the state of Arizona.

Issued: May 14, 1997

Effective:

Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

TARIFF CHECK SHEET

<u>SHEET NO.</u>	<u>REVISION</u>
Sheet 1	Original
Sheet 2	Original
Sheet 3	Original
Sheet 4	Original
Sheet 5	Original
Sheet 6	Original
Sheet 7	Original
Sheet 8	Original
Sheet 9	Original
Sheet 10	Original
Sheet 11	Original
Sheet 12	Original
Sheet 13	Original
Sheet 14	Original
Sheet 15	Original

Issued: May 14, 1997

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St. Paul, MN 55114

TABLE OF CONTENTS

TARIFF CHECK SHEET 2
SYMBOLS SHEET 4
TARIFF FORMAT SHEETS 5

SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS 6

SECTION 2. REGULATIONS 7

 2.1 Undertaking of the Company 7

 2.1.1 Scope 7

 2.1.2 Shortage of Facilities 7

 2.1.3 Liability of the Company 7

 2.1.4 Claims 8

 2.2 Prohibited Uses 9

 2.3 Use of Service 9

 2.4 Payment Arrangements 9

 2.4.1 Payment for Service 9

 2.4.2 Discontinuance of Service for Cause 11

SECTION 3. SERVICE OFFERINGS 12

 3.1 Intrastate Message Toll Service 12

 3.1.1 Description of Services 12

 3.1.2 Timing of Calls 12

 3.1.3 Calculation of Distance 12

 3.1.4 Minimum Call Completion Rate 12

 3.1.5 Billing Increments 12

SECTION 4. RATES AND CHARGES 13

 4.1 Dedicated Access 13

 4.2 Non-Recurring Charges 13

 4.3 Recurring Charges 13

 4.4 Rates Per Minute 14

 4.5 Operator Assistance 14

 4.6 Directory Assistance 15

 4.7 Monthly Service Fee 15

 4.8 Special Promotions 15

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2233 University Avenue, Suite 440
St. Paul, MN 55114

SYMBOLS SHEET

- D- Deleted or Discontinued rate or regulation
- I- Rate increase
- M- Matter moved or relocated without change
- N- New rate or regulation
- R- Rate reduction
- T- Change in text, but no change in rate or regulation

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TARIFF FORMAT SHEETS

A. Sheet numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. New sheets, however, are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet revision numbers - Revision numbers also appear in the upper right hand corner of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised sheet 14 cancels the 3rd revised sheet 14. Because of various suspension periods, deferrals, and other factors beyond the Company's control, the most current sheet number on file with the Commission may not always be the tariff page in effect. Consult the Check Sheet for the sheets currently in effect.

C. Paragraph numbering sequence - There are nine levels of paragraph coding. Each level 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 pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it. The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

Issued: May 14, 1997

Effective:

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer's location to the underlying carrier's central office.

Authorization Code - A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

Commission - The Arizona Corporation Commission.

Company or Carrier - Inmark, Inc., d/b/a Preferred Billing.

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

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

LEC - Local Exchange Carrier.

Service - The communications offerings provided by the Company, i.e. resold long-distance voice and data service obtained by the Company from a facilities-based interexchange carrier.

Underlying Carrier - Facilities-based interexchange carrier providing the long-distance service being resold by the Company.

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St. Paul, MN 55114

SECTION 2. REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to provide Long Distance Message Telecommunications Service within the state of Arizona in accordance with the terms and conditions set forth in this tariff. The Company does not own or operate long distance transmission facilities, but rather resells the facilities of underlying carriers.

2.1.2 Shortage of Facilities

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of satellite or other transmission medium capacity or because of any causes beyond its control.

2.1.3 Liability of the Company

2.1.3.A Except as stated in this Section 2.1.3, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff. This tariff does not limit the liability of the Company for willful misconduct.

2.1.3.B The liability of the Company for damages resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed an amount equal to five times the initial minute charge provided for under this tariff for the intrastate long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company.

Issued: May 14, 1997

Effective:

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St. Paul, MN 55114

2.1.3.C The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to acts of God, fires, flood or other catastrophes; any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; or national emergencies, insurrections, riots, wars, or strikes or other labor difficulties.

2.1.3.D The Company shall not be liable for any act or omission of any other entity furnishing to the Customer facilities, equipment, or services used with the Company's Long Distance Message Telecommunications Service. Nor shall the Company be liable for any damages or losses due to the failure or negligence of the Customer or due to the failure of Customer-provided equipment, facilities or services.

2.1.4 Claims

The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable attorney's fees, due to claims for libel, slander, or infringement of copyright in connection with the material transmitted over the Company's facilities; and any other claim resulting from any act or omission of the Customer or patron(s) of the Customer relating to the use of the Company's facilities.

Issued: May 14, 1997

Effective:

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Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

2.2 Prohibited Uses

Long Distance Message Telecommunications Service shall not be used for any unlawful purpose.

2.3 Use of Service

Long Distance Message Telecommunications Service may be used to transmit communications of the Customer in a manner consistent with the terms of this tariff and the policies and regulations of the FCC.

Use of Long Distance message Telecommunications Service is considered an order for such service.

2.4 Payment Arrangements

2.4.1 Payment for Service

2.4.1.A The Customer is responsible for payment of all charges for facilities and services furnished by the Company. Federal, state and local sales, use and excise taxes, where applicable, shall be added to the charges contained herein. It shall be the responsibility of the Customer to pay these taxes and to accept the liability of any such unpaid taxes that may subsequently become applicable retroactively.

- 2.4.1.B Bills are due and payable upon receipt. If the Customer's net bill is not paid (payment received by the Company) within twenty-two (22) days after the invoice date listed on the bill it shall become a delinquent bill and interest at the lesser of (1) the rate of one and one-half percent (1.5%) per month or (2) the highest rate allowed by law per month shall accrue upon any unpaid amount. If the Company initiates legal proceedings to collect any amount due hereunder and the Company substantially prevails in such proceedings then the defendant Customer shall pay the reasonable attorney's fees and costs of the Company in prosecuting such proceedings and appeals therefrom.
- 2.4.1.C The Customer will be assessed a charge of twenty dollars (\$20.00), or five percent (5%) of the check amount, whichever is greater, for each check submitted by the Customer to the Company which a financial institution refuses to honor for insufficient funds or a non-existent account.
- 2.4.1.D The Company may request any customer to pay in advance for toll services based on a good faith estimate of traffic volumes. At the Company's discretion a surcharge of 10% may be added to usage charges when actual traffic exceeds estimates. When estimates exceed actual usage the customer will be credited on the toll statement.

2.4.2 Discontinuance of Service for Cause

Upon non-payment of any sum owing to the Company for more than 30 days beyond the date of rendition of the bill for service or upon violation of any of the terms or conditions governing the furnishing of service under this tariff, the Company may, after 24 hours advance notice in writing to the Customer, without incurring any liability, discontinue the furnishing of service under this tariff.

These restrictions on Long Distance Message Telecommunications Service may include, but are not limited to, the following: the Company may withhold the use of a specific 800 number or deny its transfer to another carrier for nonpayment of charges due. Such action may be taken without written notice being sent to the Customer. Upon payment of charges by the Customer this restriction on the use of a specific 800 number will be removed.

Issued: May 14, 1997

Effective:

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Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

SECTION 3. SERVICE OFFERINGS

3.1 Intrastate Message Toll Service

3.1.1 Description of Services

The Company offers switched and dedicated access MTS and 800 interexchange services by the resale of the services of Underlying Carriers, currently Frontier Communications and Sprint. Such service is available twenty-four (24) hours a day, seven (7) days a week. MTS and 800 Services are offered on a flat rate basis.

3.1.2 Timing of Calls

The Customer's long distance usage charge is based on the actual usage of the Company's services. Usage begins when the called party picks up the receiver, and ends when either party hangs up. Calls are measured by Underlying Carriers, whose services are resold by the Company, in accordance with its own Tariff.

3.1.3 Calculation of Distance

The Company uses the V&H coordinate system to calculate the distance of calls.

3.1.4 Minimum Call Completion Rate

A Customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than 99% during peak use periods.

3.1.5 Billing Increments

Unless otherwise specified in this tariff, the minimum call duration for billing purposes is 1 minute for a connected call. Calls beyond 1 minute are billed in 1 minute increments.

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SECTION 4. RATES AND CHARGES

4.1 Dedicated Access

Dedicated access services have initial set up and monthly charges that are dependent on local exchange carrier tariffs and based on the customer's location and individual needs. The customer's needs and physical location may also affect the Company's rates. Dedicated access circuits may be provided and billed by the LEC. Dedicated access channels may be purchased from carriers other than the LEC only according to Commission rules or if the special access channel is interstate in jurisdiction. The access provider determines dedicated access charges.

4.2 Non-Recurring Charges

Validated Account Codes, per account install	\$5.00
Validated Account Codes,	\$5.00

4.3 Recurring Charges

Validated Account Codes, per account	\$5.00
800 Charges	\$5.00
Program Fees	\$5.00

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St. Paul, MN 55114

4.4 Rates Per Minute

Outbound and Inbound services carry an initial and incremental billing minimum of no greater than one minute.

Switched Access Outbound Service Per Minute
Day, Evening and Night

Commercial	\$0.25
Residential	\$0.25

Switched Access Inbound Service Per Minute
Day, Evening and Night

Commercial	\$0.25
Residential	\$0.25

Travel Card Service: Access charges are \$0.35 per access, in addition to a \$0.25 per minute charge for the duration of the call.

Calls are billed in full minute increments with a one minute billing minimum.

4.5 Operator Assistance

The Company does not provide alternative operator services. Operator assisted calls are limited to live operator or automated operator functions provided by the Underlying Carriers for the processing of telephone services such as completion of person to person, operator assisted station to station calls, dialing instructions and emergency call handling.

Issued: May 14, 1997

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2233 University Avenue, Suite 440
St. Paul, MN 55114

4.6 Directory Assistance

<u>Switched 1+</u>	
Interstate	\$0.75
Intrastate	\$0.75
International	\$4.00

<u>Travel Card</u>	
Interstate	\$0.80
Intrastate	\$0.80
International	\$4.00

4.7 Monthly Service Fee

All customers may be charged a minimum monthly service fee for long distance usage not to exceed \$5.00.

4.8 Special Promotions

The Company may, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the Commission with specific starting and ending dates and under no circumstances run for longer than 90 days in any twelve month period.

Issued: May 14, 1997

Effective:

Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

ATTACHMENT D

MOST RECENT FINANCIAL STATEMENTS

Income Vs. Spending
1/1/96 Through 9/30/96

<u>Category</u>	<u>Total</u>
<u>INCOME CATEGORIES</u>	
Revenue	612,728.02
Income - Unassigned	0.00
TOTAL INCOME CATEGORIES	<u>612,728.02</u>
<u>EXPENSE CATEGORIES</u>	
Advertising	2,759.56
Entertainment	1,602.07
Miscellaneous	2,446.00
Office Expenses	172,076.28
Payroll	269,633.63
Taxes	71,292.64
Expense - Unassigned	100.00
TOTAL EXPENSE CATEGORIES	<u>519,910.18</u>
<u>GRAND TOTAL</u>	<u>92,817.84</u>

*Innovative Internal Financials - 3 quarters
1996*

Monthly Cash Flow
1/1/96 Through 9/30/96

Category	1/1/96 - 3/31/96	4/1/96 - 6/30/96	7/1/96 - 9/30/96	Total
INCOME				
Revenue	145,807.00	200,721.38	266,199.64	612,728.02
Income - Unassigned	0.00			0.00
TOTAL INCOME	<u>145,807.00</u>	<u>200,721.38</u>	<u>266,199.64</u>	<u>612,728.02</u>
EXPENSES				
Advertising	703.36	500.00	1,556.20	2,759.56
Entertainment	500.00	278.00	824.07	1,602.07
Miscellaneous	1,885.00	208.00	353.00	2,446.00
Office Expenses	45,134.43	51,026.17	75,915.68	172,076.28
Payroll	73,926.06	90,070.84	105,636.73	269,633.63
Taxes	15,941.96	25,781.34	29,569.34	71,292.64
Expense - Unassigned	25.00	75.00		100.00
TOTAL EXPENSES	<u>138,115.81</u>	<u>167,939.35</u>	<u>213,855.02</u>	<u>519,910.18</u>
INCOME LESS EXPENSES	<u>7,691.19</u>	<u>32,782.03</u>	<u>52,344.62</u>	<u>92,817.84</u>

*Innok Internal Financials - 3 quarters
1996*

Monthly Cash Flow
1/1/96 Through 9/30/96

<u>Category</u>	<u>1/1/96 - 3/31/96</u>	<u>4/1/96 - 6/30/96</u>	<u>7/1/96 - 9/30/96</u>	<u>Total</u>
INCOME				
Revenue	145,807.00	200,721.38	266,199.64	612,728.02
Income - Unassigned	0.00			0.00
TOTAL INCOME	<u>145,807.00</u>	<u>200,721.38</u>	<u>266,199.64</u>	<u>612,728.02</u>
EXPENSES				
Advertising	703.36	500.00	1,556.20	2,759.56
Entertainment	500.00	278.00	824.07	1,602.07
Miscellaneous	1,885.00	208.00	353.00	2,446.00
Office Expenses	45,134.43	51,026.17	75,915.68	172,076.28
Payroll	73,926.06	90,070.84	105,636.73	269,633.63
Taxes	15,941.96	25,781.34	29,569.34	71,292.64
Expense - Unassigned	25.00	75.00		100.00
TOTAL EXPENSES	<u>138,115.81</u>	<u>167,939.35</u>	<u>213,855.02</u>	<u>519,910.18</u>
INCOME LESS EXPENSES	<u>7,691.19</u>	<u>32,782.03</u>	<u>52,344.62</u>	<u>92,817.84</u>

*Inno.k Internal Financials - 3 quarters
1996*

Income Vs. Spending
1/1/96 Through 9/30/96

<u>Category</u>	<u>Total</u>
INCOME CATEGORIES	
Revenue	612,728.02
Income - Unassigned	0.00
TOTAL INCOME CATEGORIES	<u>612,728.02</u>
EXPENSE CATEGORIES	
Advertising	2,759.56
Entertainment	1,602.07
Miscellaneous	2,446.00
Office Expenses	172,076.28
Payroll	269,633.63
Taxes	71,292.64
Expense - Unassigned	100.00
TOTAL EXPENSE CATEGORIES	<u>519,910.18</u>
GRAND TOTAL	<u>92,817.84</u>

*Innovative Internal Financials - 3 quarters
1996*