

TENNESSEE PUBLIC SERVICE COMMISSION

460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0505

KEITH BISSELL, CHAIRMAN
STEVE HEWLETT, COMMISSIONER
SARA KYLE, COMMISSIONER



Company ID: 00116578
Discount Network Services, Inc.
20217 Ann Arbor Trail
Suite 101
Dearborn Heights, MI 48127

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
Nashville, Tennessee February 29, 1996

IN RE: CASE NUMBER: 95-03371

Application for Authority for Operator Services and/or Resell Interexchange (Long Distance) Telecommunications Service and/or Telecommunications Operator Services in Tennessee Pursuant to Rule 1220-4-2-.57.

---ORDER---

This matter is before the Tennessee Public Service Commission upon the application of the above-mentioned company for certification as a long distance/interexchange reseller or telecommunication operator service provider in Tennessee. The Commission considered this application at its regularly scheduled Commission Conference held on February 20, 1996 and concluded that the applicant has met all the requirements for certification and should be authorized to provide the resell of interexchange telecommunications service and/or an operator service on an intrastate basis.

IT IS THEREFORE ORDERED:

1. That the above-mentioned company is issued a Certificate of Convenience and Necessity as an interexchange telecommunications reseller and/or an operator service provider for state-wide service in Tennessee as specified in its application on file with the Commission.
2. That said company shall comply with all applicable Commission rules and regulations.
3. That this order shall be retained as proof of certification with this Commission, and may be used to obtain appropriately tariffed access service and billing arrangements from Commission authorized telecommunications service providers.
4. That any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within ten (10) days from and after the date of this Order.
5. That any Party aggrieved with the Commission's decision in this matter has the right of judicial review by filing a petition with the Tennessee Court of Appeals, Middle Section within sixty (60) days from and after the date of this Order.

Eddie Robinson

Executive Director

Keith Bissell
Chairman
Steve Hewlett
Commissioner
Sara Kyle
Commissioner

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**APPLICATION FOR CERTIFICATE
TO PROVIDE OPERATOR SERVICES AND/OR
RESELL INTEREXCHANGE
TELECOMMUNICATION SERVICES IN TENNESSEE
[RULE 1220-4-2-.57]**

SECTION A

Part I: General Information

A. Name of Applicant: Discount Network Services, Inc.
Address: 20217 Ann Arbor Trail
Suite 101
Dearborn Heights

State: Michigan Zip Code: 48127 Phone: (313) 982-3001 / Fax: (313) 982-3014

B. Owner, Partners, or Corporate Officers

NAME	ADDRESS	CITY	ST	ZIP CODE
Thomas Corrigan Chief Executive Officer	20217 Ann Arbor Trail Suite 101	Dearborn Heights	MI	48127
Patrick S. Corrigan President	20217 Ann Arbor Trail Suite 101	Dearborn Heights	MI	48127
Gerald W. Wnuk Vice President	20217 Ann Arbor Trail Suite 101	Dearborn Heights	MI	48127

C. Name and telephone number of Tennessee contact person authorized to respond to Commission inquiries Monday through Friday.

Mr. Patrick S. Corrigan, President
Telephone: (313) 982-3001
Facsimile: (313) 982-3014

RECEIVED
CONSUMER SERVICES DIV.

OCT 26 1995

TN PUBLIC SERVICE COMM.

(To be filled out by PSC)

Company ID Number

Date Approved

Evaluator

116578 / 95-3371

Mail the completed application and a check for \$50.00 to: Tennessee Public Service Commission, P.O. Box 3412, Nashville, TN 37219-0412. Should you have any questions, call (615) 741-3939.

- D. List a toll-free telephone number that consumers can call to report service problems and/or request refunds or adjustments.

1 - 800 - 860 - 5080

- E. Check the type of telecommunication services you plan to provide in Tennessee.

 X Resell Interexchange Long Distance Services

 Operator Services

 Other (describe below)

- F. If providing operator services, list company name, address and contact person for all reseller carriers you serve in Tennessee. Provide the above information on Appendix I.

Not Applicable. Discount Network Services, Inc. does not provide operator assisted services.

- G. List the state(s) you are authorized to operate in at this time.

Discount Network Services, Inc. is currently authorized to provide service within the state of Texas by virtue of registration with the Texas Public Service Commission. Applications are currently pending in the states of Florida and Kansas.

- H. List any states that you have been denied authority to provide service.

None.

- I. Areas in Tennessee to be served.

The entire state.

- J. What type of customers will the company serve?

a. Business X

b. Residential X

c. Aggregators (e.g. Hotels, Payphones)

d. Other (specify) _____

- K. Do you allow a property imposed fee (PIF) to be added to the price of intrastate telephone calls over your network? If yes, specify amount.

Not Applicable. Discount Network Services, Inc. does not provide operator assisted services.

- L. Are your prices for intrastate services plus any PIF equal to or less than the dominant carriers price for similar services?

Yes____ No____

Not Applicable. Discount Network Services, Inc. does not provide operator assisted services.

- M. Describe the type of services and price that the applicant will be offering in Tennessee on the Informational Tariff Form found in Appendix II¹.

- N. What is the applicant's 10XXX or 800 access code?

Discount Network Services, Inc.'s access code is 10732.

- O. Does the applicant now have or plan to have any telecommunications facilities (e.g. switches, fiber lines) in Tennessee?

No. Discount Network Services, Inc. does not have any telecommunications facilities within Tennessee nor does the company have any plans to install such facilities.

- P. What facility-based network will the applicant be reselling?

AT&T

- Q. Will the applicant be utilizing the local telephone company's billing system or billing customers direct²?

No. Customers receive bills on a monthly basis for services provided through Discount Network Services, Inc. All usage charges are billed in arrears. Currently, billing for service including all applicable taxes, is performed on behalf of the company by AT&T College and University System (ACUS) through AT&T/ACUS' Bill Manager Service. A sample copy of the company's bill is provided as Appendix V to this application.

- R. Describe briefly how the applicant plans to market their services in Tennessee. If an independent telemarketer is going to be used, state company name and address.

Discount Network Services, Inc. markets its services through its own in-house telemarketing department.

¹Applicant is required to fill out an Informational Tariff form. Failure to fill out this form will cause the applicant's request to be rejected.

²A copy of a bill is required if the applicant is going to bill the customer direct.

- S. Describe the procedures the applicant will use to switch a consumer's preferred interexchange service.

Discount Network Services, Inc. utilizes a combination of recorded confirmations and welcome packages to confirm the customer's decision to switch to its services. Once a sale is made, the company re-contacts the customer and verifies the customer's decision to switch carriers. This confirmation is recorded on tape for future reference. The customer is then mailed a welcome package by the company. After 14 days from date of mailing, Discount Network Services, Inc. issues a PIC change order unless notified by the customer to the contrary.

- T. Applicant has the ability and agrees to honor the form of call blocking that the consumer has subscribed to with their local telephone company.

Yes X No

- U. Applicant gives permission to the local telephone company to provide the Commission a periodic sample of the reseller's intrastate toll calls. The purpose of this analysis is to audit the reseller's rates to assure they are at or below the dominant carrier's tariffed rates.

Yes X No

Part II: Organization Structure

- A. Type of Organization

 Individual X Corporation
 Partnership Other (Explain on separate sheet)

- B. If partnership and/or non-resident:

- (1) Attach a copy of Articles of Incorporation and current by-laws.
- (2) Attach a copy of Certification of Authority issued by Tennessee Secretary of State showing corporation's authority to engage in business in Tennessee.

See Appendix III.

Part III: Financial Information

- A. Attach a current financial statement showing in detail the applicant's financial condition, including balance sheet and income statement, or a copy of IRS form 1120 or 1065 filed by your business for the previous year. Attach, if available, a copy of your company's 10K and/or stockholder reports.

A copy of Discount Network Services, Inc.'s latest balance sheet and income statement are provided as Appendix IV to this application.

Part IV: Display Card

- A. Attach a copy of the display card to be placed on the aggregators telephone which shows what operator services are to be provided. The card must contain all required information listed in the attached Rule (1220-4-2-.57,B)³, which includes a toll-free number consumers can call for service problems and refunds.

Not applicable. Discount Network Services, Inc. does not provide operator assisted calling.

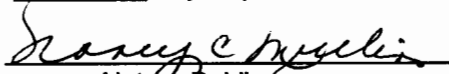
Part V: Rule Compliance Agreement

- A. The Interexchange Reseller or Operator Service Provider applicant, hereby, affirms the following:
- Has received, read, and understand the Tennessee Public Service Commission's (TPSC) interexchange Reseller Rules and Regulations.
 - Understands the penalties for non-compliance, and all associated fees to provide such service.
 - Will comply with the TPSC Interexchange Reseller Rules and all other applicable Commission Rules and state laws, including T.C.A. Section 65-5-206.
 - That all information provided in the attached registration document is true to the best of my knowledge.



Patrick S. Corrigan
President
Discount Network Services, Inc.

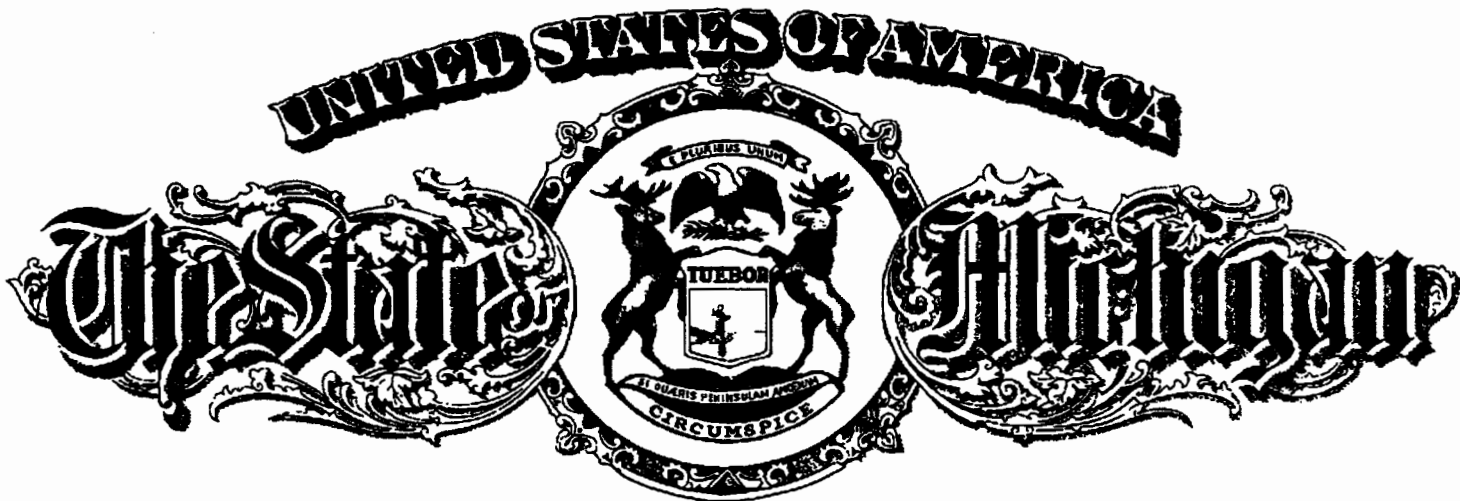
Subscribed and sworn before me this
14 day September, 1995.


Notary Public

NANCY C. MULLINS
NOTARY PUBLIC - WAYNE COUNTY, MICH.
MY COMMISSION EXPIRES 03-11-98
ACTING IN OAKLAND CO., MI

seal

³It is the responsibility of the reseller or operator service provider to assure that the appropriate display card is affixed to the aggregators telephones.



Michigan Department of Commerce

Lansing, Michigan

This is to Certify That

DISCOUNT NETWORK SERVICES, INC.

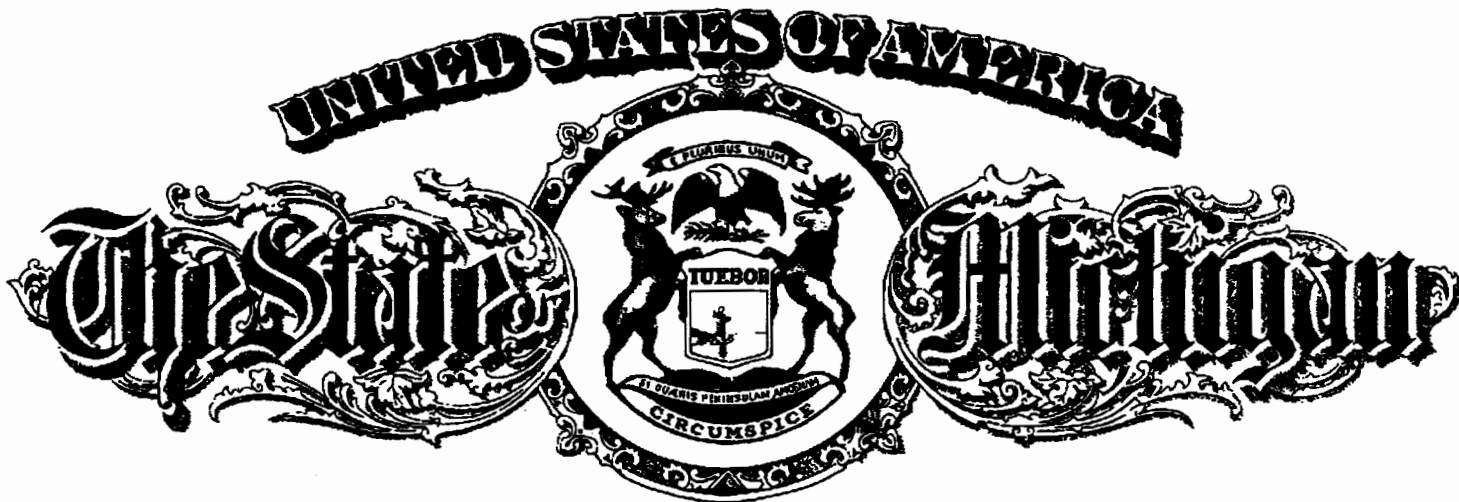
was validly incorporated on February 5, 1993, as a Michigan profit corporation, and said corporation is validly in existence under the laws of this State.

This certificate is issued to attest to the fact that the corporation is in good standing in this office as of this date and is duly authorized to transact business or conduct affairs in Michigan and for no other purpose. It is in the usual form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 2nd day of March, 1995.

Carl L. Lysen, Director
Corporation & Securities Bureau

SEAL APPEARS ONLY ON ORIGINAL



Michigan Department of Commerce

Lansing, Michigan

This is to Certify that the Annexed copy has been compared by me with the record on file in this Department and that the same is a true copy thereof.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 2nd day of March, 1995.

Carl L. Lysen, Director
Corporation & Securities Bureau

SEAL APPEARS ONLY ON ORIGINAL

C&S 500

MICH. DEPARTMENT OF COMMERCE - CORP. AND SECURITIES BUREAU

(FOR BUREAU USE ONLY)
Date Received**FILED**

FEB 3 1993

FEB 5 1993

EFFECTIVE DATE:

Administrator
MICHIGAN DEPARTMENT OF COMMERCE
Corporation & Securities Bureau

CORP. IDENTIFICATION NO.

436-202

ARTICLES OF INCORPORATION

For use by Domestic Profit Corporation

Pursuant to the provisions of Act 284, Public Acts of 1972,
the undersigned executes the following Articles:

Article I

The name of the corporation is:
DISCOUNT NETWORK SERVICES, INC. ✓

Article II

The purpose or purposes for which the corporation is formed is
to engage in any activity within the purposes for which
corporations may be formed under the Business Corporation Act
of Michigan.

Article III

The total authorized shares:

1. Common Shares: 60,000
Preferred Shares: N/A
2. A statement of all or any of the relative rights,
preferences and limitations of the shares of each class is
as follows:

All shares issued by this corporation shall have equal powers, preferences and rights. This corporation is a small business Corporation as defined in the Internal Revenue Code of 1986, as amended, and such shares as shall be issued shall, if possible, qualify to receive the benefits of Section 1244 of said Internal Revenue Code, or any statutory provision of similar import.

Article IV

1. The address of the registered office is:
1872 Whitefield, Dearborn Heights, MI 48217
2. The mailing address of the registered office if different from the registered office address:
P. O. Box # N/A
3. The name of the resident agent at the registered office is:
THOMAS R. CORRIGAN

Article V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name	Residence or Business Address
Thomas R. Corrigan	1872 Whitefield Dearborn Heights, MI 48217

Article VI

When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its shareholders or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor or shareholder thereof, or on application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders and also on this corporation.

Article VII

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take the corporate action referred to unless, within 60 days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who have not consented in writing.

Article VIII

In the event this Corporation elects to be taxed as an "S" corporation within the meaning of Section 1361 of the Internal Revenue Code of 1986, then no shareholder or successor may transfer and no person may acquire the beneficial ownership of any share of stock of this Corporation, if such transfer or acquisition would cause the Corporation's "S" status to terminate. Any purported transfer in violation of this Article will not affect the beneficial ownership of the subject shares and, thus, the purported transferor will retain the right to vote and the right to receive dividends and liquidation proceeds.

Article IX

A director is not personally liable to the corporation or its shareholders for monetary damages for a breach of the director's fiduciary duty as a director to the fullest extent permitted by the Michigan Business Corporation Act, as the same exists or may hereafter be amended, except for (i) a breach of the director's duty of loyalty to the corporation or its shareholders; (ii) for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of

law; (iii) under Section 551(1) of the Michigan Business Corporation Act; (iv) for a transaction from which the director derived an improper personal benefit; and (v) for an act or omission occurring prior to the date when the provision became effective. Any repeal or modification of this paragraph by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

I (We), the incorporator(s) sign my (our) name(s) this 2nd day of February, 1993.



Thomas R. Corrigan

