

HARBOR CONSULTING GROUP INC.

REGULATORY CONSULTANTS

4312 92ND AVENUE NORTHWEST
GIG HARBOR WASHINGTON 98335

TELEPHONE: 253.265.3910
FACSIMILE: 253.265.3912
E-MAIL: hcg@nwlink.com

Via Overnight Delivery

April 6, 1998

VOUCHER NO. 777-752186
C# 1427 SRC. 281.03
AMT. REC. 50.00
DEPOSIT DATE 4/8/98

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Buyers United International, Inc. - Application for Certificate

Enclosed are an original and one (1) copy of Buyers United International, Inc.'s Application for Certificate to Resell Interexchange Telecommunication Services in Tennessee, filed pursuant to Rule 1220-4-2-.57. Also enclosed is a check in the amount of \$50.00 to cover the cost of filing.

Please acknowledge receipt of this filing by file stamping and returning the extra copy of the first page of the Application in the self-addressed, stamped envelope provided for this purpose.

Questions concerning Buyers United International, Inc.'s Application, may directed to me at (253) 565-2554.

Sincerely,

for HARBOR CONSULTING GROUP INC.

Gina M. Guiley

Gina M. Guiley

Enclosures

cc: Buyers United International, Inc.

TRA
✓
**RECEIVED
ADMINISTRATIVE**

APR 07 1997

TN REGULATORY AUTHORITY

128142

98-00313

TENNESSEE REGULATORY AUTHORITY

Lynn Greer, Chairman
Sara Kyle, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

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

SECTION A

Part 1: General Information

A. Name of Applicant Buyers United International, Inc.
Address 635 West 5300 South, Suite 202
State Utah Zip Code 84123 Phone No. (801) 264-9015

B. Owner, Partners, or Corporate Officer

NAME	ADDRESS	CITY	STATE	ZIP CODE
Rod Smith	635 W 5300 South	Murray	UT	84123
Doug Smith	635 W 5300 South	Murray	UT	84123
Paul Jarman	635 W 5300 South	Murray	UT	84123

C. Name and telephone number of contact person authorized to respond to Authority inquiries Monday through Friday.
Paul Jarman (801) 264 - 9015 (801) 685-9254
Name Phone No. Fax No.

D. List a toll-free telephone number that consumers can call to report service problems and/or request refunds or adjustments. (800) 363-6177

E. Check the type of telecommunication services you plan to provide in Tennessee.
☒ Resell Interexchange long distance services
☐ Resell Local Exchange 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.

G. List the state(s) you are authorized to operate in at this time. Colorado, Iowa, Michigan, New Jersey, Utah and Virginia.

(To be filled out by TRA)
Company ID Number 128142
Date Approved 98-00313
Evaluator _____

- H. List any states that you have been denied authority to provide service.
None.
- I. Areas in Tennessee to be served.
Statewide.
- J. What type of customers will the company serve?
a. Business XX
b. Residential XX
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. No.
- L. Are your prices for intrastate services plus any PIF equal to or less than the dominant carriers price for similar services? Yes XX No _____
- 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. Please see attached.
- N. What is the applicant's 10XXX or 800 access code? N/A
- O. Does the applicant now have or plan to have any telecommunication's facilities (e.g. switches, fiber lines) in Tennessee? No.
- P. What facility-based network will the applicant be reselling? I-Link,
IXC Communication Inc. and JD Services
- Q. Will the applicant be utilizing the local telephone company's billing system or billing customers direct²? Applicant will bill direct - please see attached sample.
- 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.
Applicant markets its services through a network of in-house sales staff and independent agents. Applicant does not use an independent telemarketer.
- S. Describe the procedures the applicant will use to switch a consumer's preferred interexchange service. Applicant will use a letter of agency or third party verification when switching a consumer's preferred interexchange service.
- 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 XX No _____

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.

- 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 xx No _____
- U. Applicant gives permission to the local telephone company to provide the Authority 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 xx No _____

Part II: Organization Structure

A. Type of Organization

_____ Individual xx 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.

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.

Part IV: Display Card

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.

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

Part V: Rule Compliance Agreement

A. The Interexchange Reseller or Operator Service Provider applicant, hereby, affirms the following:

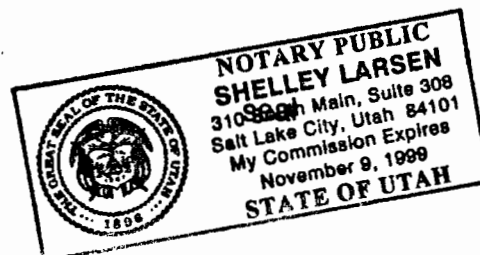
- Has received, read, and understands the Tennessee Regulatory Authority (TRA; formerly TPSC) Interexchange Reseller Rules and Regulations, (Appendix III)
- Understands the penalties for non-compliance, and all associated fees to provide such service.
- Will comply with the TRA Interexchange Reseller Rules and all other applicable Authority Rules and state laws, including T.C.A. Section 65-5-206 (Appendix IV),
- That all information provided in the attached registration document is true to the best of my knowledge.

Buyers United International, Inc.
Company Name Date

Paul Jansen 3/17/98 Treasurer
Company Official Title

Subscribed and sworn
before me this 17 day
of MARCH, 19 98

[Signature]
Notary Public



Appendix I

<u>Reseller Name</u>	<u>Address</u>	<u>Contact Person</u>
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Buyers United Int'l. Inc.	635 W 5300 South, Suite 202 Murray, UT 84123	Paul Jarman
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I hereby certify that the foregoing has been filed
and approved on the 17 day of Nov 1997
in the office of this Division and hereby issue
this Certificate thereof.

Examiner



BS Date 11/18/97
Korla S. Woods
KORLA T. WOODS
Division Director

ARTICLES OF AMENDMENT
to the
ARTICLES OF INCORPORATION
of
LINGUISTIX, INC.

ARTICLE I. In accordance with sections 16-10a-1003 and 16-10a-1006 of the Utah Revised Business Corporation Act, Linguistix, Inc. ("Corporation"), does hereby adopt the following amendment (the "Amendment"), to its Articles of Incorporation:

- (a) The articles of incorporation are hereby amended by deleting all of Article I and inserting the following in lieu thereof:

ARTICLE I

The name of the Corporation (hereinafter called the "Corporation"), is Buyers United International, Inc.

ARTICLE II. The foregoing Amendment was adopted by the board of directors and shareholders of the Corporation. The Amendment was adopted by written consent of the board of directors dated September 11, 1997, and written consent of the Stockholders effective October 20, 1997, in accordance with sections 16-10a-821 and 16-10a-704, respectively, of the Utah Revised Business Corporation Act. The only class of stock of the Corporation outstanding and entitled to vote on the Amendment is the common stock, no par value. There are 100,000,000 shares of common stock authorized, of which 15,131,913 shares are issued and outstanding. The total number of votes cast in favor of the Amendment by common stock holders was 7,792,800, which is sufficient to approve the Amendment.

IN WITNESS WHEREOF, these Articles of Amendment are executed for and on behalf of the Corporation as its act and deed by the undersigned officer hereunto duly authorized, who certifies that the facts herein stated are true this 3rd day of November, 1997.

Linguistix, Inc.

By

Rod Smith, President

97 NOV 17 13:22

7322020071

1641837

State of Utah
Department of Commerce
Division of Corporations and Commercial Code

I Herby certify that the foregoing has been filed
and approved on the 10 day of May 1995
In the office of this Division and hereby issue
this Certificate thereof

ARTICLES OF AMENDMENT

Examiner

Date

5/18/95

TO

RECEIVED



Karla S. Woods

KARLA T. WOODS
Division Director

ARTICLES OF INCORPORATION

OF

MAY 10 1995

UT DIV. OF CORP. & COMM. CODE

LINGUISTIX, INC.

The undersigned, pursuant to §16-10a-106 of the Revised Business Corporation Act of the State of Utah on May 5, 1995 hereby adopts, for an on behalf of Linguistix, Inc., a Utah corporation, an amendment to the Articles of Incorporation as follows:

ARTICLE I

The name of the Corporation (hereinafter called "the Corporation"), is Linguistix, Inc.

ARTICLE II

Article III, "Authorized Shares", is hereby amended to read as follows:

3.1 The total number of shares which the corporation is authorized to issue shall be 100,000,000 shares of no par value common stock.

Paragraphs 3.2, 3.3, and 3.4 of the Articles of Incorporation dated August 23, 1993 remain unaltered.

ARTICLE III

There are no amendments effecting reclassification, cancellation, or provisions for implementing this Amendment not contained in the Amendment itself.

ARTICLE IV

This Amendment was adopted by unanimous act of the shareholder on May 6, 1995.

ARTICLE V

This Amendment has been adopted by action of the shareholders, the corporation having one shareholder. There was a unanimous vote of all 10,000 issued and outstanding stock of the corporation.

5130000052

There were no shares voted against this Amendment.

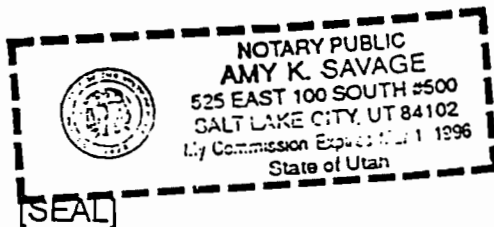
DATED this 5 day of May, 1995.

TWIN CREEK EXPLORATION CO., INC.

By: Richard C. Albright
Its: Chief Executive Officer

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

On the 5 day of May, 1995 personally appeared before me, Richard C. Albright, who duly acknowledged to me that he is the Chief Executive Officer of Twin Creek Exploration Company, Inc., the sole shareholder of Linguistix, Inc. and that he has signed the foregoing Articles of Amendment to Articles of Incorporation in his capacity as Chief Executive Officer of Twin Creek Exploration Company, Inc. upon authority of Twin Creek Exploration Company, Inc.'s Board of Directors.



Amy K. Savage
NOTARY PUBLIC

00164837

State of Utah
Department of Commerce
Division of Corporations and Commercial Code

I Herby certify that the foregoing has been filed
and approved on the 23rd day of AUG 1994
in the office of this Division and hereby issue
this Certificate thereof.

Examiner: [Signature] Date: 8/23/94



Karla T. Woods
KORLA T. WOODS
Division Director

ARTICLES OF INCORPORATION
OF
LINGUISTIX, INC.

RECEIVED

1994 AUG 23 AM 9 59
DIVISION OF CORPORATIONS
STATE OF UTAH

I, the undersigned, natural person of the age of eighteen years or more, acting as Incorporator of a corporation organized under the Utah Revised Business Corporations Act, 1992, Utah Code §16-10a-102 *et seq.* (hereinafter called "the Act"), hereby adopt the following Articles of Incorporation for such Corporation.

ARTICLE I

NAME

The name of the Corporation (hereinafter called "the Corporation"), is Linguistix, Inc.

ARTICLE II

PURPOSES AND POWERS

2.1 Purpose. The purpose for which the corporation is formed, and powers granted to the Corporation are as follows:

(a) The corporation is organized to develop, market and sell English as second language courses throughout the world and to engage in oil and gas drilling exploration within the United States and elsewhere. To buy and sell oil and gas leases.

(b) The foregoing clauses shall be construed as powers as well as objects and purposes; and the matters expressed in each clause shall, unless therein otherwise expressly provided, be in no way limited by reference to or inference from the terms of any other clause, but shall be regarded as independent objects, purposes and powers, and enumeration of specific objects, purposes and powers shall not be construed to limit or restrict in any manner the meaning of the general terms or the general powers of the Corporation, nor shall the expression of one thing be deemed to exclude another not expressed, though it be of a like nature. Further, the Corporation, through its Board of Directors, may enter into any other or additional business or enterprise in this or in any other jurisdiction where such business or enterprise is permitted by the laws of such jurisdiction. The corporation shall be authorized to buy, sell, hold, manage, improve, lease, mortgage or otherwise deal in commercial and domestic real estate.

ARTICLE III

AUTHORIZED SHARES

3.1 The total number of shares which the corporation is authorized to issue shall be 20,000,000 shares of no par value common stock.

3.2 Class A stock shall be entitled to dividends declared by the Corporation. Said dividends may only be declared as follows:

(a) In its own shares out of any treasury shares which have been reacquired out of surplus of the Corporation;

(b) In its own authorized but unissued shares out of any unreserved and unrestricted surplus of the Corporation under the following conditions:

(i) Payable in its own shares; such shares shall be issued at such stated value as shall be fixed by the Board of Directors by resolution adopted at the time such dividend is declared and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate stated value so fixed in respect to such shares and the amount per share so transferred to stated capital shall be disclosed to the shareholders receiving such dividend concurrently with payment thereof.

3.3 Other classes and series of shares dividends and voting rights shall be determined by the Board of Directors by authority of the Bylaws of the Corporation.

3.4 The stock of this Corporation shall be nonassessable; the shareholders shall not be liable for the debts of the Corporation except only and to the extent of any unpaid subscriptions for shares that may be outstanding at any time the Corporation is dissolved, merged or said subscription rights are called, as set forth in the Act.

ARTICLE IV

VOTING OF SHARES

Each outstanding share of the Class A stock of the Corporation shall be entitled to one vote on each matter submitted to a vote at a meeting of the shareholders. Voting rights of other series and classes of shares will be determined by the Board of Directors. Each shareholder entitled to vote shall vote in person or by proxy executed in writing by such shareholder or by the shareholder's duly authorized attorney-in-fact. At each election of Directors, every shareholder entitled to vote at such election shall have the right to vote in person or by proxy the number of shares owned for as many persons as there are Directors to be elected and for whose election the shareholder has a right to vote, and the shareholders shall not have the right to accumulate votes with regard to such election.

ARTICLE V

PROVISIONS FOR THE REGULATION OF THE INTERNAL AFFAIRS OF THE CORPORATION

5.1 Meetings of Shareholders. All meetings of the shareholders of the Corporation shall be held at such place either within or without the State of Utah as may be provided in the By-laws of the Corporation.

5.2 Quorum of Shareholders. Unless otherwise provided for in the Act or applicable law, a majority of the shares of Class A stock of the Corporation entitled to vote represented in person or by proxy shall constitute a quorum in any meeting of the shareholders of the Corporation.

5.3 Designation of Committees by the Board of Directors. The Board of Directors may, by resolution or resolutions passed by a majority of the whole board, designate committee or committees to the extent provided in such resolution or resolutions and such committee shall have and may exercise all the authority therein provided but the designation of such committee or committees and the delegation thereto of such authority shall not operate to relieve the Board of Directors or any member thereof of any responsibility imposed upon it or him by law.

5.4 By-laws of the Corporation. The initial Bylaws of the Corporation shall be adopted by its Board of Directors. Thereafter, unless otherwise provided in the Act, By-laws of the Corporation may be adopted, amended or repealed either by the shareholders or by the Board of Directors, except that (a) no by-law adopted by shareholders and (b) no by-law shall be adopted by the Directors, which shall require more than a majority of the voting shares for a quorum at a meeting of the shareholders of the Corporation or more than a majority of the votes cast to constitute action by the shareholders except where higher percentages are required by law. The By-laws may contain any provision for the regulation and management of the affairs of the Corporation not inconsistent with the Act or applicable law and these Articles of Incorporation.

5.5 Working Capital. The Board of Directors of the Corporation shall have the power from time to time to fix and determine and to vary the amount which is to be reserved by the Corporation as working capital and before the payment of any dividends or the making of any distribution of profits it may set aside out of net profits or earned surplus of the Corporation, such sum or sums, as it may from time to time in its absolute discretion determine to be proper, whether as a reserve fund to meet contingencies or for the equalizing of dividends or the repairing or maintaining of any property of the Corporation or for an addition to stated capital surplus or earned surplus or for any corporate purpose for which the Board of Directors shall deem to be in the best interest of the Corporation, subject only to such reasonable limitations as the By-laws of the Corporation may from time to time impose.

5.6 Qualification of Directors. The Directors of this Corporation need not be shareholders of the Corporation.

5.7 Number of Directors. The exact number of Directors may from time to time be specified by the By-laws. However, at no time may less than one (1) Director per shareholder up to three (3) shareholders nor more than five (5) persons be members of the Board of Directors and when By-laws do not specify the exact number of Directors, the number of Directors shall be three (3).

5.8 **Reliance upon Others - Prudent Conduct.** No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action or act omitted to be taken by a director or officer of the Corporation in good faith if such person (a) exercised or used the same degree of care and skill as would a prudent person would have exercised or used under the same or similar circumstances in the conduct of personal affairs or, (b) took or omitted to take such action in reliance upon advice of counsel for the Corporation or upon statements made or information furnished by Officers or employees of the Corporation which he had reasonable grounds to believe or upon a financial statement of the Corporation prepared by an accountant, officer of the Corporation in charge of its accounting or employees of the Corporation in charge of its accounts or certified by a public accountant or firm of public accountants.

5.9 **Contracts with Interested Directors - Disclosure and Voting.** A director of the Corporation shall not in the absence of fraud be disqualified by office from dealing or contracting with the Corporation either as a vendor, purchaser or otherwise, nor in the absence of fraud shall, insofar as permitted by the Act or any other applicable statute, any transaction or contract of the Corporation be void or voidable or affected by reason of the fact that any director or any firm of which a director is a member or any corporation of which a director is an officer, director or shareholder is in any way interested in such transaction or contract provided that at the meeting of the Board of Directors or of a committee thereof having authority in the premises to authorize or confirm such contract or transaction, the interest of such Directors, firm or Corporation is disclosed or made known and there shall be present a quorum of the Board of Directors or of the Directors constituting such committee, and such contract or transaction shall be approved by a majority of such quorum which majority shall consist of Directors not so interested or connected. Nor shall any director be liable to account to the Corporation for any profit realized by such director from or through any transaction or contract of the Corporation, ratified or approved as herein provided, by reason of the fact that such director or any firm of which such director is a member or any corporation of which such director is a shareholder, director or officer, was interested in such transaction or contract. Directors so interested may be counted when present at meetings of the Board of Directors or of such committee for the purpose of determining the existence of a quorum.

5.10 **Ratification of Acts of Directors.** The Directors may submit any contract or transaction for approval at any annual meeting of the shareholders or at any special meeting of the shareholders called for in that purpose; and any contract or transaction so approved by a majority vote of a quorum of the shareholders at such meeting shall be binding upon the Corporation and all of its shareholders, whether or not the contract or transaction would otherwise be subject to attack because of the interest of any of the Directors of the Corporation for any other reason.

5.11 **Conduct of Management.** The Corporation may in its By-laws, make any other provision or requirement for the management or conduct of the business of the Corporation, provided that the same is not inconsistent with the provisions of these Articles of Incorporation or contrary to the laws of the State of Utah or of the United States.

5.12 **Issuance of Shares.** The Corporation may issue and sell its authorized shares and such consideration as may from time to time be fixed by the Board of Directors, in their discretion, and sell and dispose of any stocks for such consideration permitted by law, as the Board of Directors may from time to time determine without obtaining the authority, consent or vote of the shareholders of the Corporation or any class of authorized shares.

5.13 **Amendments to These Articles of Incorporation.** The Corporation reserves the right to amend, alter or repeal or add any provisions to these Articles of Incorporation in any manner now or hereafter prescribed by the Act and any amendment thereto or by the provisions of any other applicable law and all rights conferred upon the shareholders of the Corporation by these Articles of Incorporation and any amendments hereto are granted subject only to this reservation.

5.14 **Reliance upon Others. Books and Records.** A director shall be fully protected in relying in good faith upon the books or account of the Corporation or statements prepared by any of its officials as to the value and amount of assets, liabilities or net profits of the Corporation or any other facts pertinent to the existence and amount of assets, liabilities or net profits of the Corporation or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid.

5.15 **Books and Records.** The Corporation shall keep complete and correct books and records of account and shall keep minutes of the proceedings of its shareholders and Board of Directors and shall keep at its registered office or principal place of business or at the office of its transfer agent or registrar, a record of its share-holders, giving the names and addresses of all shareholders and the number of shares of the Corporation held by each. No shareholder shall have the right to inspect any such books and records except as conferred by the Act or other applicable law unless authorized to do so by a resolution or resolutions of the shareholders or of the Board of Directors.

5.16 **Indemnification.** Every director, officer or employer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities including counsel fees reasonably incurred by or imposed upon and in connection with any proceeding to which the director, officer or employer may be a party, or in which he may become involved by reason of being or having been an officer or director, employee or agent of the Corporation or any settlement thereof, regardless of whether a director, officer, agent or employee at the time such expenses are incurred, except in such cases wherein the director, officer, agent or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of any duty; provided, however, in event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer, agent or employee may be entitled. To the fullest extent permitted by the Utah Revised Business Corporations Act or any other applicable laws now in effect or as it may hereafter be amended, no director of the company shall be personally liable to the company or its shareholders for monetary damages for any action taken or any failure to take any action as a director.

ARTICLE VI

INITIAL REGISTERED OFFICE AND THE INITIAL REGISTERED AGENT

6.1 **Registered Office.** The address of the initial registered office of the Corporation is 525 East 100 South, Suite 500, Salt Lake City, Utah 84102.

6.2 **Registered Agent.** The name of the initial registered agent of the Corporation at such address is Bruce G. Cohne.

ARTICLE VII

DIRECTORS

7.1 **Initial Board of Directors.** The initial Board of Directors shall consist of 3 members, those names and addresses are as follows:

Richard C. Albright

68 South Main Street, #704
Salt Lake City, Utah

Lee A. Ericksen

68 South Main Street, #704
Salt Lake City, Utah

Jerald Holyoak

68 South Main Street, #704
Salt Lake City, Utah

ARTICLE VIII

INCORPORATOR

The names and addresses of the Incorporator is as follows:

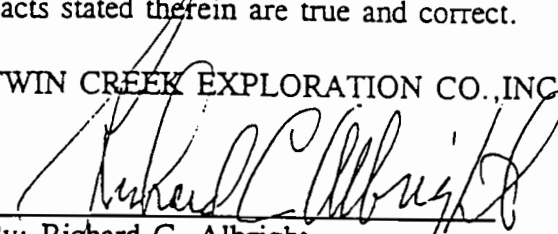
Twin Creek Exploration Co., Inc.

68 South Main Street, #704
Salt Lake City, Utah

SIGNATURES OF INCORPORATORS AND REGISTERED AGENT, who each state that this document is signed under penalty of perjury, and the facts stated therein are true and correct.


August 23, 1994

TWIN CREEK EXPLORATION CO., INC.


By: Richard C. Albright
Its: Chief Executive Officer

The undersigned hereby accepts and acknowledges appointment as the initial registered agent of the corporation above-named, and confirms that the undersigned meets the requirements of §16-10a-501 of the Utah Revised Business Corporations Act.

August 23, 1994


Bruce G. Cohn
Registered Agent

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

Buyers United International, Inc.

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is Buyers United International, Inc.

If different, the name under which the certificate of authority is to be obtained is _____

[NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).]

2. The state or country under whose law it is incorporated is Utah3. The date of its incorporation is August 23, 1994 (must be month, day, and year), and the period of duration, if other than perpetual, is _____

4. The complete street address (including zip code) of its principal office is _____

635 W. 5300 South, #202,	Murray	Salt Lake/Utah	84123
Street	City	State/Country	Zip Code

5. The complete street address (including the county and the zip code) of its registered office in this state is _____

1912 Hayes Street	Nashville TN	Davidson	37203
Street	City/State	County	Zip Code

The name of its registered agent at that office is _____

National Registered Agents, Inc.

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

Rod A. Smith - President	635 W. 5300 South, #202, Murray, UT	84123
G. Douglas Smith - Vice President	635 W. 5300 South, #202, Murray, UT	84123
Paul Jarman - Secretary and Treasurer	635 W. 5300 South, #202, Murray, UT	84123

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

Rod A. Smith - Chairman	635 W. 5300 South, #202, Murray, UT	84123
G. Douglas Smith - Director	635 W. 5300 South, #202, Murray, UT	84123

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is _____

_____, 19____ (date), _____ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than one (1) month prior to the date the application is filed in this state.]

January 13, 1998
 Signature Date
President
 Signer's Capacity

Buyers United International, Inc.
 Name of Corporation
[Signature]
 Signature
Rod A. Smith
 Name (typed or printed)

Buyers United International
Balance Sheet
As of September 30, 1997

ASSETS	1996 (Audited)	9/30/97 (Unaudited)
Current Assets:		
Cash	\$240,385	\$185,587
Accounts Receivable (I-Link)	\$200,000	\$1,329,297
Less: Allowance for Bad Debt (10%)		(\$621,618)
Note Receivable		\$53,800
Other Current Assets		<u>\$9,601</u>
Total Current Assets	<u>\$440,385</u>	<u>\$956,667</u>
Fixed Assets (Net of accumulated depreciation)	<u>\$75,268</u>	<u>\$145,092</u>
Total Assets	\$515, 653	\$1,101,759

LIABILITIES & STOCKHOLDER'S EQUITY

Current Liabilities:		
Accounts Payable	\$76,274	\$41,200
Other Current Liabilities	\$92,148	\$170,941
Accrued Founder Settlement	95,000	\$20,000
Amount Due to Major Shareholder	<u>163,300</u>	<u>-----</u>
Total Current Liabilities	\$421,722	\$212,141
Long Term Liabilities:		
Note Payable – Gary Smith	\$800,000	\$1,143,458
Note Payable – Danny Ainge	-----	\$108,609
Note Payable – Convertible Debentures	<u>\$95,000</u>	<u>\$420,886</u>
Total Long Term Liabilities	<u>\$895,000</u>	<u>\$1,289,514</u>
Total Liabilities	\$1,316,722	\$1,720,539

STOCKHOLDER'S EQUITY

Stockholder's Equity (as of September 30, 1997):
Common Stock, .001 par value; authorized 20,000,000
Shares; issued and outstanding 9,955,043 shares.

Common Stock	\$7,890	\$9,955
Additional Paid in Capital	\$301,703	\$815,853
Accumulated Deficit	<u>(\$1,110,662)</u>	<u>(\$1,444,588)</u>
Total Shareholder's Deficit	(\$801, 069)	(\$618,780)
Total Liabilities & Shareholder's Deficit	\$515,653	\$1,101,759

Buyers United International
Statement of Operations
From Inception (January 16, 1996) to September 30, 1997

SALES REVENUE:	1996 (Audited)	9/30/97 (Unaudited)
From Telecommunication Services (FTI/I-Link)	\$1,321,457	\$6,341,840
From System Sales	<u>\$32,844</u>	<u>\$78,467</u>
Total Sales Revenue	\$1,354,301	\$6,420,307
COST OF SALES:		
Telecommunication Services	\$911,805	\$4,382,827
Less: (FTI write-off)	\$209,652	
System Sales	<u>\$31,975</u>	<u>\$69,329</u>
Total Cost of Sales	<u>\$1,153,432</u>	<u>\$4,452,156</u>
GROSS MARGIN	\$200,869	\$1,968,151
OPERATING EXPENSES:		
General and Administrative	\$1,367,718	\$1,437,959
Selling and promotion	\$271,158	\$296,321
Allowance for Bad Debt (10%)	<u> </u>	<u>\$621,618</u>
Total Operating Expenses	\$1,638,876	\$2,355,898
LOSS FROM OPERATIONS	(\$1,472,867)	(\$387,747)
OTHER INCOME (EXPENSE):		
Interest and other income	\$1,400	
Interest expense	<u>(\$29,427)</u>	<u>(\$142,763)</u>
Total other expense, net	<u>(\$28,027)</u>	<u>(\$142,763)</u>
NET LOSS	(\$1,500,894)	(\$530,510)

**Appendix II
Informational Tariff Sheet**

<u>Description of Service</u>	<u>Applicant proposed Price change to consumer</u>	<u>Dominant Carriers⁴ Price for similar service</u>
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1.	Please see attached	
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2.		
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3.		
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⁴Dominant Carrier (South Central Bell or AT&T, whichever is appropriate). A copy of these companies' rates are found on Appendix V.

BUYERS UNITED TELECOMMUNICATIONS SERVICES

Company provides switched access, inbound and outbound, telecommunications services which allow Customers to establish a communications path between two stations by using uniform dialing plans.

"1 Plus" Long Distance Service is a switched access service, offering users outbound "1 plus" long distance telecommunications services from points originating and terminating in the State of Tennessee, throughout the US and internationally.

Toll Free Service is a switched access service, offering users inbound, toll free "800/888" number, long distance telecommunications services from points originating and terminating in the State of Tennessee. This service enables the caller to contact the Customer toll free, through the use of an assigned "800/888" number.

Calling Card Service permits the caller to charge a principal presubscribed location for a call while the caller is away from the principal location. The Customer may place calls from any touch tone phone in the U.S. by dialing a toll free "800/888" number and entering a personal identification code followed by the desired telephone number. Calling Card calls are billed at the Company's tariffed rates and appear on the subscriber's monthly long distance bill.

Prepaid Calling Card Service is a discretionary switched access service available to subscribers via a toll free number from any dual tone multifrequency telephone in the United Commonwealths. The user's account is credited for the amount of calling purchased and is debited as the subscriber places calls, in accordance with the Company's tariffed rates, until the account balance is depleted. Subscribers may immediately replenish the account at any time by contacting the Company's customer service department and charging the desired amount to a valid credit card or by mailing a check to the Company. If the account is not replenished, access to the Company's underlying carrier network is blocked. The Prepaid Calling Card Services are designed for subscribers who frequently travel or must call from locations other than their presubscribed call locations.

Issued: April 6, 1998

Issued By:

Mr. Paul Jarman, Treasurer
Buyers United International, Inc.
635 West 5300 South, Suite 202
Murray, Utah 84123
(801) 264-9015

Effective Date:

RATES**SERVICE CHARGES****Buyers United Subscriber Services**

Residential "1 Plus" Rate Plan 1 provides for a one (1) minute minimum call duration and one (1) minute additional billing increments.

Rate Per Minute \$0.1490

Residential "1 Plus" Rate Plan 2 provides for a one (1) minute minimum call duration and six (6) second additional billing increments.

Rate Per Minute \$0.1590

Residential "1 Plus" Rate Plan 3 provides for an eighteen (18) second minimum call duration and six (6) second additional billing increments.

Rate Per Minute \$0.1690

Business "1 Plus" Rate Plan provides for and eighteen (18) second minimum call duration and six (6) second additional billing increments.

Rate Per Minute \$0.1590

Toll Free Service Rate Plan 1 provides for a one (1) minute minimum call duration and one (1) minute additional billing increments.

Rate Per Minute \$0.1190

Toll Free Service Rate Plan 2 provides for a one (1) minute minimum call duration and six (6) second additional billing increments.

Rate Per Minute \$0.1290

Issued: April 6, 1998

Issued By:

Mr. Paul Jarman, Treasurer
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Effective Date:

RATES, Continued**SERVICE CHARGES, Continued****Buyers United Subscriber Services, Continued**

Toll Free Services Rate Plan 3 provides for an eighteen (18) second minimum call duration and six (6) second additional billing increments.

Rate Per Minute \$0.1390

Calling Card Service provides for a one (1) minute minimum call duration and one (1) minute additional billing increments.

Rate Per Minute \$0.1890

Buyers United Prepaid Services

Prepaid Calling Card Service provides for a one (1) minute minimum call duration and one (1) minute additional billing increments.

Rate Per Minute \$0.3300

Issued: April 6, 1998

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