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January 24, 2003

**VIA OVERNIGHT DELIVERY**

Ms. Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, Idaho 83702

*GNR-T-03-07*

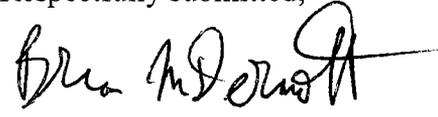
Re: Application of CeriStar, Inc. for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange Telecommunications Services.

Dear Secretary Jewell:

CeriStar, Inc. ("CeriStar"), by its undersigned counsel, hereby submits an original and three (3) copies of its Application for a Certificate of Public Convenience and Necessity to provide local exchange services in the State of Idaho ("Application"). A copy of Ceristar's illustrative local exchange tariff is attached as Exhibit 5 to the Application and is also enclosed on diskette in Microsoft Word format.

Please date stamp the enclosed extra copy of this filing and return it in the self-addressed, postage paid envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact Brian McDermott at (202) 295-8346.

Respectfully submitted,



William B. Wilhelm, Jr.  
Brian McDermott

Counsel for CeriStar, Inc.

Enclosures

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**In the Matter of the Application of** )  
 )  
**CeriStar, Inc.** )  
 )  
**For a Certificate of Public Convenience** )  
**and Necessity to Provide Resold and** )  
**Facilities-Based Local Exchange Services** )

**Docket No.** *GNR-7-03-07*

**APPLICATION**

**I. INTRODUCTION**

CeriStar, Inc. (“CeriStar” or “Applicant”), by its undersigned attorneys, and pursuant to Title 62 of the Idaho Code and the rules of the Idaho Public Utilities Commission (“Commission”), hereby applies to the Idaho Public Utilities Commission for a Certificate of Public Convenience and Necessity authorizing Applicant to operate as a provider of resold and facilities-based local exchange telecommunications services within the State of Idaho. Concurrent with this Application, CeriStar is also filing a Letter of Registration informing the Commission of CeriStar’s intent to provide facilities-based and resold intrastate interexchange services in Idaho.

In support of its application, CeriStar provides the following:

**II. FORM OF BUSINESS**

1. Applicant’s legal name is CeriStar, Inc.
2. CeriStar’s address is:

CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, Utah 84101  
Telephone: (801) 350-2017  
Facsimile: (801) 933-5640

CeriStar does not currently have a business address in the State of Idaho. All of CeriStar’s Idaho operations will be directed from its corporate headquarters in Utah.

3. CeriStar is a privately-held corporation organized under the laws of the State of Delaware. A certified copy of CeriStar's Articles of Incorporation is attached hereto as Exhibit 1. CeriStar is qualified to do business in the State of Idaho. A copy of CeriStar's Certificate of Authority to Transact Business in Idaho is attached hereto as Exhibit 2. CeriStar is engaged in the business of providing resold and facilities-based local exchange and intrastate interexchange telecommunications services.

4. CeriStar's registered agent in Idaho is:

CT Corporation System  
300 North 6<sup>th</sup> Street  
Boise, Idaho 83702

5. The names of the stockholders owning the most shares of CeriStar are as follows :

David L. Bailey  
Holds 820,154 shares of CeriStar representing 32.34% of all shares issued and voting control.

Dane P. Goodfellow  
Holds 450,437 shares of CeriStar representing 19.25% of all shares issued and voting control

George E. Demorest  
Holds 307,532 shares of CeriStar representing 11.18% of all shares issued and voting control

All the above listed stockholders can be reached at:

CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, Utah 84121

6. The officers of CeriStar are as follows:

**Officers**

**David L. Bailey**, *Chairman & Chief Executive Officer*

**Dane Goodfellow**, *Vice President of Marketing*

**Earl Demorest**, *Chief Financial Office and Chief Operations Officer*

**Art Brown**, *Vice President of Sales*

**Paul Losee**, *Vice President of Corporate Development*

**Clint Brower**, *National Account Manager*

CeriStar possesses the managerial and technical qualifications to provide resold and facilities-based local exchange telecommunications services in Idaho. CeriStar's officers are well qualified to execute its business plan and to provide its proposed telecommunications services. Attached as Exhibit 3 is the management biographies of CeriStar describing the technical experience of CeriStar's management team.

7. Applicant does not own or control any subsidiaries.

8. CeriStar is currently authorized to provide telecommunications service in Utah and Florida. CeriStar has not been denied requested certification in any jurisdiction, nor has it had a permit, license, or certificate revoked by any authority.

**III. TELECOMMUNICATIONS SERVICES**

1. CeriStar intends to begin providing service in Idaho soon after the Commission grants authorization to CeriStar.

2. CeriStar seeks authority to offer facilities-based local exchange services to subscribers throughout the State of Idaho. Therefore, CeriStar seeks statewide authorization. However, CeriStar will not offer local exchange services in the service areas of small and rural incumbent carriers exempt from interconnection obligations as set forth in 47 U.S.C. § 251(c).

3. Initially, CeriStar intends to offer bandwidth for data and voice. This will include enhanced services such as e-mail, conference calling, follow me services and unified messaging. CeriStar intends to expand its offerings to include: video conferencing, text-to-speech applications, e-learning, and training. CeriStar's communications services will be available on a full-time basis, 24 hours a day, seven days a week.. Once communication services are initiated,

CeriStar customers will be able to originate and terminate calls to other customers served by CeriStar, as well as, customers served by all other authorized carriers.

4. CeriStar will focus its initial marketing efforts to the data and voice service needs of building owners and tenants.

#### **IV. SERVICE TERRITORY**

1. CeriStar intends to provide resold and facilities-based local exchange services to subscribers from all points within the State of Idaho. CeriStar does not plan to provide local exchange service in the service areas of Idaho incumbent LECs that qualify for the rural exemption pursuant to § 251(f) of the Federal Telecommunications Act of 1996. However, CeriStar seeks statewide local exchange authority, so that it may expand its service areas as market conditions warrant and as additional service areas become open to competition.

2. CeriStar does not currently own facilities in the State of Idaho, including switches or property, in connection with or to facilitate communication by telephone. CeriStar has not yet completed any plans for construction of facilities in Idaho. CeriStar will deploy high-performance bandwidth technology to provide high-speed, high quality data, video, and voice connections. CeriStar proposes to provide service through its own electronic equipment collocated at each customer's premise with some aggregation occurring at their home office. The customer premise equipment will consist of standard Cisco, or equivalent, router and switches. They will be connected via T1, DS3, or OC3 connections and to "Tier-One" network providers. This minimizes all risks, to customers, because the equipment and networks are standard proven products.

3. CeriStar intends to compete against both incumbent and competitive carriers within the State of Idaho.

**V. FINANCIAL INFORMATION**

CeriStar is financially qualified to provide local exchange telecommunications services in Idaho. In particular, CeriStar has access to the financing and capital necessary to conduct its telecommunications operations as specified in this application. Attached hereto as Exhibit 4 are the most recent financial statements of CeriStar. These financial statements show that CeriStar has the financial qualifications to provide its proposed services.

**VI. ILLUSTRATIVE TARIFF**

Applicant's proposed initial local exchange tariff (setting forth rates, rules, terms, and regulations applicable to contemplated service) is attached at Exhibit 5. An electronic copy of the tariff formatted in MicroSoftWord is also included on the enclosed 3.5-inch floppy diskette.

**VIII. CUSTOMER CONTACTS**

1. Correspondence or communications regarding this application should be directed to:

William B. Wilhelm, Jr.  
Brian McDermott  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Telephone: (202) 424-7500  
Facsimile: (202) 424-7645

with a copy to:

David L. Bailey  
CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, Utah 84101  
Telephone: (801) 350-2017  
Facsimile: (801) 933-5640

2. Questions concerning the ongoing operations of Applicant following certification, including questions concerning its tariff, should be directed to:

David L. Bailey  
Chairman and Chief Executive Officer  
CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, Utah 84101  
Telephone: (801) 350-2017  
Facsimile: (801) 933-5640

3. Customer inquiries and complaints from the public should be directed to:

Dani Liese  
Office Manager  
CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, Utah 84101  
Telephone: (801) 350-2017  
Facsimile: (801) 933-5640

4. CeriStar's toll free customer service number is 1-800-377-1090

**IX. INTERCONNECTION AGREEMENTS**

CeriStar has initiated negotiations for interconnection agreements with Verizon, Qwest, Touch America and Electric Lightwave, Inc. for Idaho. Once CeriStar has completed negotiations and reached agreements either by negotiation or arbitration, CeriStar will file copies of them with the Commission for its approval.

**X. COMPLIANCE WITH COMMISSION RULES**

Attached hereto is a sworn verification executed by Applicant stating that Applicant agrees to comply with all Idaho laws and Commission rules and regulation.

**XI. ESCROW ACCOUNT FOR ADVANCE DEPOSITS**

CeriStar does not plan to require advance deposits from its customers. If in the future CeriStar requires advance deposits, CeriStar will comply with all applicable Idaho laws and Commission rules and regulations regarding advance customer deposits.

## **XII. CONCLUSION**

The entry of CeriStar into the local market will enhance competition in the provision of telecommunications services within the State of Idaho. Applicant's expertise in the telecommunications sector will permit it to select the most economic and efficient services, thereby providing customers with a better combination of price, quality, and customer service. Accordingly, Applicant anticipates its proposed services will increase consumer choice of innovative, diversified, and reliable service offerings. The provision of more affordable and available local telecommunications services will promote the health, welfare and economic well-being of the citizens of Idaho as prescribed by the Idaho Telecommunications Act of 1988, Idaho Code §62-601 *et seq.*

WHEREFORE, CeriStar, Inc., respectfully requests that the Idaho Public Utilities Commission issue a Certificate of Public Convenience and Necessity authorizing CeriStar to provide resold and facilities-based, switched and dedicated local exchange telecommunications services within the State of Idaho.

Respectfully Submitted,



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William B. Wilhelm, Jr.

Brian McDermott

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

3000 K Street, NW, Suite 300

Washington, DC 20007-5116

Telephone: (202) 424-7500

Facsimile: (202) 424-7645

Counsel for CeriStar, Inc.

Dated: January 24, 2003

**EXHIBITS**

Exhibit 1	Articles of Incorporation
Exhibit 2	Certificate of Authority to Transact Business
Exhibit 3	Technical and Managerial Qualifications
Exhibit 4	Financial Qualifications
Exhibit 5	Proposed Initial Local Exchange Tariff
Verification	

**Exhibit 1**

**Articles of Incorporation**

Office of the Secretary of State

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I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "CERISTAR, INC.", FILED IN THIS OFFICE ON THE SECOND DAY OF DECEMBER, A.D. 1999, AT 4:30 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



3135375 8100

991516189

A handwritten signature in cursive script, reading "Edward J. Freel".

---

Edward J. Freel, Secretary of State

AUTHENTICATION: 0116269

DATE: 12-03-99

**CERTIFICATE OF INCORPORATION**  
**OF**  
**CERISTAR, INC.**

**ARTICLE I. CORPORATE NAME**

The name of the corporation is CeriStar, Inc. (the "Corporation").

**ARTICLE II. ADDRESS AND REGISTERED AGENT**

The street address of the initial registered office of the Corporation is:

1209 Orange Street  
New Castle County  
Wilmington, Delaware 19801

The name of its initial registered agent at such address is:

The Corporation Trust Company

**ARTICLE III. PURPOSE**

The Corporation is organized to acquire, develop, manufacture, produce, commercialize, market, sell and generally deal in new technologies and products involved in or related to the business of telecommunications and to engage in any activities related thereto, and to engage in any other lawful acts, activities and pursuits for which a corporation may be organized under the Delaware General Corporation Law.

**ARTICLE IV. CAPITAL STOCK**

**CAPITALIZATION.** The aggregate number of shares which the Corporation shall have authority to issue is fifty million (50,000,000) shares.

**4.1. Designation of Classes.**

4.1.1. One million five hundred thousand (1,500,000) shares have been designated Class A voting convertible preferred stock having a par value of one-tenth of one cent (\$.001) per share ("Class A Preferred Stock"). Three million five hundred thousand (3,500,000) shares have been designated Class B voting convertible preferred stock having a par value of one-tenth of one cent (\$.001) per share ("Class B Preferred Stock"). Five million (5,000,000) shares have been designated

Class C voting convertible preferred stock having a par value of one-tenth of one cent (\$.001) per share ("Class C Preferred Stock"). Forty million (40,000,000) shares have been designated common stock having a par value of one-tenth of one cent (\$.001) per share. Provided, however, that upon proper conversion of the outstanding shares of any class of Preferred Stock, the designation of capitalization for such converted Preferred Stock shall be reduced by the number of said Preferred Shares to zero and the stated capital for Common Shares shall be increased by the same number of shares. The capital stock of the corporation shall be issued as fully paid, and the private property of the shareholders shall not be liable for the debts, obligations or liabilities of the Corporation.

#### 4.2. Rights and Preferences of Common Stock and Class A, Class B and Class C Preferred Stock.

4.2.1. Dividends. The holders of outstanding Class A, Class B and Class C Preferred Stock shall be entitled to receive in any fiscal year, only when, as and if declared by the Board of Directors, out of any funds at the time legally available, noncumulative dividends in cash at the rate of five cents (\$.05) per share of Class A, Class B and Class C Preferred Stock per annum.

4.2.1.1. Priority of Dividends. The Corporation shall make no distributions to the holders of common shares in any fiscal year unless dividends of at least fifty cents (\$.50) per share on Class A, Class B and Class C Preferred Stock shall first have been paid or set apart. "Distribution" in this paragraph means the transfer of cash or property without consideration, whether by way of dividend or otherwise (except a dividend in common shares of the Corporation or a subsidiary), or the purchase or redemption of shares of the Corporation for cash or property, but does not include repurchase of shares from a terminating director, officer, consultant, or employee within the terms of any employee restricted stock purchase agreement or option applicable to said director, officer, consultant, or employee or repurchase of shares purchased by any of them under any employee stock option plan containing provisions for repurchase under certain circumstances.

4.2.1.2. Dividends Not Cumulative. Dividends shall not accrue or accumulate unless and only to the extent they are declared but unpaid; nor shall any declared but unpaid dividend bear or accrue interest.

#### 4.2.2. Liquidation Preference.

4.2.2.1. Basic Preference Rights. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation:

(A) Payments to Class A, Class B and Class C Preferred Shareholders. The holders of shares of Class A, Class B and Class C Preferred Stock then outstanding shall be entitled to be paid ratably their respective liquidation preferences, as hereinafter defined, before any payment shall be made in respect of the Corporation's common stock. The liquidation preference for Class A Preferred Stock "Class A Liquidation, Preference" shall be two dollars (\$2.00) per share plus all declared and unpaid dividends thereon to the date fixed for

distribution. The liquidation preference for Class B and C Preferred Stock ("Class B and C Liquidation Preference") shall be equal to the Initial Offering Price of said stock, plus all declared and unpaid dividends thereon to the date fixed for distribution. Said Initial Offering Price shall be established at the date and time of the first sale of said shares. Said Price shall be certified to the Board of Directors by the President and Secretary of the Corporation and shall thereupon be confirmed by the directors.

(B) Payments to Common Shareholder. Following payment in full of the Class A, Class B and Class C Liquidation Preference, the holders of shares of common stock shall be paid an amount per share equal to one-half (1/2) of the weighted average per share amount paid out or distributed per share to holders of Class A, Class B and Class C Preferred Stock as described in paragraph (A) above.

(C) Source of Liquidation Payment. The holders of stock shall be paid under this section out of the assets of the Corporation legally available for distribution to its stockholders, whether from capital, surplus or earnings.

(D) Should Assets Exceed Payments. The remaining assets of the Corporation available for distribution to stockholders after the payments described in subsections (A) and (B) above have been paid in full, shall be distributed among the holders of all the Corporation's stock. For purposes of this paragraph (D), holders of Class A, Class B and Class C Preferred Stock will share in this distribution in proportion to the number of common shares they would hold upon full conversion of their Class A, Class B and Class C Preferred Stock. Such distribution or payment shall be in equal proportion to each common share, including the common equivalent shares described in the immediately preceding sentence.

(E) Should Asset Be Insufficient. If upon liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of Class A, Class B and Class C Preferred Stock the full Class A, Class B and Class C Liquidation Preferences, then payments to the holders of Class A, Class B and Class C Preferred Stock shall be made ratably according to the respective amounts which would be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full. If the assets of the Corporation available for distribution are adequate to make full payments under paragraph (A) above, but insufficient to make full payments due under paragraph (B) above, then the remaining assets, if any, of the Corporation available for distribution to shareholders shall be distributed exclusively to the holders of common stock, each such issued and outstanding share of common stock entitling the holder thereof to receive an equal proportion of said remaining assets.

(F) Merger or Acquisition Included. With respect to the Class A, Class B and Class C Preferred Stock, the merger or consolidation of the Corporation into or with another

corporation (except with a wholly-owned subsidiary of the Corporation) or the sale, transfer or lease (but not including a transfer by pledge or mortgage to a bona fide lender) of all or substantially all of the assets of the Corporation, shall be deemed to be a liquidation, dissolution or winding up of the Corporation as those terms are used in this section 4.2.2.1. The Class A, Class B and Class C Preferred Stock shall have all of the rights set forth in this section 4.2.2.1. in the event of such merger, consolidation, sale, lease or transfer.

4.2.2.2. Notice. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Corporation shall give each holder of Class A, Class B and Class C Preferred Stock initial written notice of the proposed action within fifteen (15) days after the date the Board of Directors approves such action, or twenty (20) days prior to any shareholders' meeting called to approve such action, or twenty (20) days after the commencement of any involuntary proceedings, whichever is earlier.

(A) Content of Notice. Such initial written notice shall describe the material terms and conditions of the proposed action, including a description of the stock, cash and property to be received by the holders of shares of the Class A, Class B and Class C Preferred Stock upon consummation of the proposed action. If any material change in the facts set forth in the initial notice shall occur, the Corporation shall promptly give written notice to each holder of the Class A, Class B and Class C Preferred Stock of that material change.

(B) Notice Precedes Consummation. The Corporation shall not consummate any voluntary or involuntary liquidation, dissolution or winding up of the Corporation before the expiration of thirty (30) days after the mailing of the initial notice or ten (10) days after the mailing of any subsequent written notice, whichever is later. But any such 30-day or 10-day period may be shortened upon the written consent of the holders of all of the outstanding Class A, Class B and Class C Preferred Stock.

4.2.2.3. Non-Cash Distributions on Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation which will involve the distribution of assets other than cash, the Corporation shall promptly engage competent independent appraisers to advise the Board of Directors on the determination of the value of the assets to be distributed. The Corporation shall, upon receipt of such appraiser's advice or opinion and the determination of valuation by the Board of Directors, give prompt written notice to each holder of shares of Class A, Class B and Class C Preferred Stock of the appraiser's advice or opinion and the determination of valuation.

#### 4.2.3. Conversion.

##### 4.2.3.1. Conversion Rights.

(A) Optional Conversion of Class A Preferred Stock. Each share of Class A Preferred Stock shall be convertible, at the option of the holder thereof at any time after

December 31, 1999, into fully paid and non-assessable shares of common stock of the Corporation.

(B) Automatic Conversion of Class A Preferred Stock. Notwithstanding the provisions of paragraph (A), above, all outstanding shares of Class A Preferred Stock shall automatically be converted into fully paid and non-assessable shares of common stock of the Corporation at any time (1) immediately preceding (but conditional upon) the closing of an underwritten public offering of the common shares of the Corporation pursuant to a registration statement filed under the Securities Act of 1933, as amended, or a private placement of equity securities of the Corporation in a single transaction or related transactions where the price for each shares of common stock or common share equivalent in such offering or transaction shall be not less than six dollars (\$6.00) per share (adjusted for stock splits, stock dividends, reorganizations and the like) and with aggregate offering proceeds to the Corporation of at least ten million (\$10,000,000); or (2) immediately upon the vote, to take effect after December 31, 2000, in the manner provided by law, of holders of a majority of the total number of shares of Class A Preferred Stock voting at a meeting of shareholders called for the purpose of approving the conversion of the Class A Preferred Stock into common stock or by written notice to the Corporation by the holders of a majority of the then issued and outstanding shares of Class A Preferred Stock.

(C) Conversion Formula of Class A Preferred Stock. Each share of Class A Preferred Stock shall be valued at two dollars (\$2.00) for purposes of such optional or automatic conversion, notwithstanding any accrued but unpaid dividends. The number of shares of common stock into which each share of the Class A Preferred Stock may be converted shall be determined by dividing two dollars (\$2.00) by the Conversion Price (determined as provided below) in effect at the time of the conversion. The Corporation shall make all necessary payments as of the Conversion Date (as defined in section 4.2.3.3.(A) below on account of any dividends declared and thus accrued on the Class A Preferred Stock surrendered for conversion.

(D) Optional Conversion of Class B Preferred Stock. Each share of Class B Preferred Stock shall be convertible, at the option of the holder thereof at any time after December 31, 2000, into fully paid and non-assessable shares of common stock of the Corporation.

(E) Automatic Conversion of Class B Preferred Stock. Notwithstanding the provisions of paragraph (D), above, all outstanding shares of Class B Preferred Stock shall automatically be converted into fully paid and non-assessable shares of common stock of the Corporation at any time (1) immediately preceding (but conditional upon) the closing of an underwritten public offering of the common shares of the Corporation pursuant to a registration statement filed under the Securities Act of 1933, as amended, or a private placement of equity securities of the Corporation in a single transaction or related transactions where the price for each share of common stock or common share equivalent

in such offering or transaction shall be not less than six dollars (\$6.00) per share (adjusted for stock splits, stock dividends, reorganizations and the like) and with aggregate offering proceeds to the Corporation of at least ten million dollars (\$10,000,000); or (2) immediately upon the vote, to take effect after December 31, 2000, in the manner provided by law, of holders of a majority of the total number of shares of Class B Preferred Stock voting at a meeting of shareholders called for the purpose of approving the conversion of the Class B Preferred Stock into common stock or by written notice to the Corporation by the holders of a majority of the then issued and outstanding shares of Class B Preferred Stock.

(F) Conversion Formula of Class B Preferred Stock. Each share of Class B Preferred Stock shall be valued at the Initial Offering Price for Class B Preferred Stock as established under section 4.2.2.1(A) for purposes of such optional or automatic conversion, notwithstanding any accrued but unpaid dividends. The number of shares of common stock into which each share of the Class B Preferred Stock may be converted shall be determined by dividing said Initial Offering Price by the Conversion Price (determined as provided below) in effect at the time of the conversion. The Corporation shall make all necessary payments as of the Conversion Date (as defined in section 4.2.3.3.(A) below on account of any dividends declared and thus accrued on the Class B Preferred Stock surrendered for conversion.

(G) Optional Conversion of Class C Preferred Stock. Each share of Class C Preferred Stock shall be convertible, at the option of the holder thereof at any time after December 31, 2000, into fully paid and non-assessable shares of common stock of the Corporation.

(H) Automatic Conversion of Class C Preferred Stock. Notwithstanding the provisions of paragraph (G), above, all outstanding shares of Class C Preferred Stock shall automatically be converted into fully paid and non-assessable shares of common stock of the Corporation at any time (1) immediately preceding (but conditional upon) the closing of an underwritten public offering of the common shares of the Corporation pursuant to a registration statement filed under the Securities Act of 1933, as amended, or a private placement of equity securities of the Corporation in a single transaction or related transactions where the price for each share of common stock or common share equivalent in such offering or transaction shall be not less than six dollars (\$6.00) per share (adjusted for stock splits, stock dividends, reorganizations and the like) and with aggregate offering proceeds to the Corporation of at least ten million dollars (\$10,000,000); or (2) immediately upon the vote, to take effect after December 31, 2000, in the manner provided by law, of holders of a majority of the total number of shares of Class C Preferred Stock voting at a meeting of shareholders called for the purpose of approving the conversion of the Class C Preferred Stock into common stock or by written notice to the Corporation by the holders of a majority of the then issued and outstanding shares of Class C Preferred Stock.

(I) Conversion Formula of Class C Preferred Stock. Each share of Class C Preferred Stock shall be valued at the Initial Offering Price for Class C Preferred Stock as established under section 4.2.2.1.(A) for purposes of such optional or automatic conversion, notwithstanding any accrued but unpaid dividends. The number of shares of common stock into which each share of the Class C Preferred Stock may be converted shall be determined by dividing said Initial Offering Price by the Conversion Price (determined as provided below) in effect at the time of the conversion. The Corporation shall make all necessary payments as of the Conversion Date (as defined in section 4.2.3.3.(A) below) on account of any dividends declared and thus accrued on the Class C Preferred Stock surrendered for conversion.

4.2.3.2. Initial Conversion Price.

(A) Conversion Price of Class A Preferred Stock. The Conversion Price ("Class A Conversion Price") per share at which shares of Common Stock shall be initially issuable upon conversion of each share of Class A Preferred Stock shall be two dollars (\$2.00), subject to adjustment as provided in section 4.2.4. below.

(B) Conversion Price of Class B Preferred Stock. The Conversion Price ("Class B Conversion Price") per share at which shares of Common Stock shall be initially issuable upon conversion of each share of Class B Preferred Stock shall be the Initial Offering Price, subject to adjustment as provided in section 4.2.4. below.

(C) Conversion Price of Class C Preferred Stock. The Conversion Price ("Class C Conversion Price") per share at which shares of Common Stock shall be initially issuable upon conversion of each share of Class C Preferred Stock shall be the Initial Offering Price, subject to adjustment as provided in section 4.2.4. below.

4.2.3.3. Mechanics of Conversion. At any time prior to Automatic Conversion, but after December 31, 1999, as to Class A Preferred Stock after June 30, 2000, as to Class B Preferred Stock and after December 31, 2000, as to Class C Preferred Stock, the holders of any shares of said Class A, Class B or Class C Preferred Stock may convert such shares into shares of common stock as set forth hereinbelow.

(A) The holder of any shares of Class A, Class B or Class C Preferred Stock may exercise the conversion rights by delivering to the Corporation during regular business hours, at the office of any transfer agent of the Corporation for the Class A, Class B or Class C Preferred Stock, at the principal office of the Corporation, or at such other place as may be designated by the Corporation, the certificate or certificates for the shares to be converted. The certificates must be duly endorsed for transfer to the Corporation, accompanied by written notice stating that the holder elects to convert such shares. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to as the "Conversion Date".

(B) As promptly as practicable thereafter, the Corporation shall issue and deliver upon the written order of such holder, at a place designated by the Corporation, a certificate for the number of full shares of common stock to which such holder is entitled as the Corporation may elect, rounding to the next higher whole number of common shares or accompanied by a check for cash with respect to any fractional interest in a share of common stock as provided in section 4.2.3.4, below.

(C) The holder shall be deemed to have become a shareholder or record on the applicable Conversion Date unless the transfer books of the Corporation are closed on that date. In such event, he shall be deemed to have become a shareholder of record on the next succeeding date on which the transfer books are open, but the Class A, Class B or Class C Conversion Price shall be that in effect on the Conversion Date.

(D) Upon convertor of only a portion of the number of shares of Class A, Class B or Class C Preferred Stock represented by a certificate surrendered for conversion, the Corporation shall issue and deliver upon the written order of the holder at the expense of the Corporation, a new certificate covering the number of shares of Class A, Class B or Class C Preferred Stock representing the unconverted portion of the certificate so surrendered.

4.2.3.4. No Fractional Shares. The Corporation shall issue to fractional shares of common stock or script upon conversion of shares of Class A, Class B or Class C Preferred Stock. If more than one share of Class A, Class B or Class C Preferred Stock shall be surrendered for conversion at any one time by the same holder, the number of full shares of common stock issuable upon their conversion shall be computed on the basis of the aggregate number of shares of Class A, Class B or Class C Preferred Stock so surrendered. Instead of any fractional share of common stock which would otherwise be issuable upon conversion of any shares of Class A, Class B or Class C Preferred Stock, the Corporation shall pay a cash adjustment in respect of such fractional shares.

4.2.3.5. Taxes Incident to Conversion. The Corporation shall pay any and all issue taxes and other taxes that may be payable in respect of any issue or delivery of shares of common stock on conversion of Class A, Class B or Class C Preferred Stock. The Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of common stock in a name other than that in which the Class A, Class B or Class C Preferred Stock so converted was registered and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.2.3.6. Sufficient Reserves of Common Stock. The Corporation shall at all times reserve and keep available, out of its authorized but unissued common stock, solely for the purpose of effecting the conversion of the Class A, Class B or Class C Preferred Stock, the full number of shares of common stock deliverable upon the conversion of all Class A, Class B or Class C Preferred Stock from time to time outstanding.

4.2.3.7 Registration of Reserves. If any shares of capital stock to be reserved for the purpose of conversion of the shares of Class A, Class B or Class C Preferred Stock required registration, listing with, or approval or, any governmental authority, stock exchange or other regulatory body under any federal or state law or regulation or otherwise, before such shares may be validly issued or delivered upon conversion, the Corporation will in good faith and as expeditiously as possible endeavor to secure such registration, listing or approval.

4.2.3.8. Valid Issue for Conversion All shares of common stock which may be issued upon conversion of the shares of Class A, Class B or Class C Preferred Stock, upon issuance by the Corporation, will be validly issues, fully paid, non-assessable and free from all taxes, liens and charges with respect to their issuance.

4.2.3.9 Cancellation of Preferred Stock on Conversion. All certificates of the Class A, Class B or Class C Preferred Stock surrendered for conversion shall be appropriately canceled on the books of the Corporation, and the shares of Class A, Class B or Class C Preferred Stock so converted represented by such certificates shall be permanently canceled.

#### 4.2.4 Adjustment of Conversion Price.

4.2.4.1. Anti-Dilution Adjustment. The Conversion Price in effect at any time shall be adjusted from time to time as provided in this section.

4.2.4.2. Stock Splits or Stock Dividends. In case the Corporation shall at any time subdivide the outstanding shares of common stock, or shall issue a stock dividend on its outstanding common stock, the Conversion Price in effect immediately prior to such subdivision or the issuance of such dividend shall be proportionately decreased. An in case the Corporation shall at any time combine the outstanding shares of common stock, the Conversion Price in effect immediately prior to such combination shall be proportionately increased, effective at the close of business on the date of such subdivision, dividend or combination.

4.2.5 Assistance. The Corporation will at all times in good faith assist in the carrying out of all the provisions hereof and in taking all action necessary or appropriate in order to protect the conversion rights of the holders of the Class A, Class B and Class C Preferred Stock against impairment.

#### 4.2.6. Certificate as to Adjustments.

4.2.6.1. Upon the occurrence of each adjustment of the Conversion Price pursuant to section 4.2.4, the Corporation at its expense shall promptly compute such adjustment and prepare and furnish to each holder of Class A, Class B and Class C Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based.

4.2.6.2 Upon the written request at any time of any holder of Class A, Class B or Class C Preferred Stock, the Corporation shall furnish to such holder a like certificate setting forth (A) such adjustments, (B) the Conversion Price at the time in effect, and (C) the number of shares of common stock and the amount, if any, of other property which at the time would be received upon the conversion of Class A, Class B or Class C Preferred Stock.

4.2.7 Notice of Record Dates. In the event:

4.2.7.1. That the Corporation shall take a record of the holders of its common stock for the purpose of entitling them to receive a dividend, or any other distribution, payable otherwise than in cash; or

4.2.7.2. That the Corporation shall take a record of the holders of its common stock for the purpose of entitling them to subscribe for or purchase any shares of stock of any class or to receive any other rights; or

4.2.7.3 Of any capital reorganization of the Corporation, reclassification of the capital stock of the Corporation (other than a subdivision or combination of its outstanding shares of common stock), consolidation of its outstanding shares of common stock), consolidation, or merger of the Corporation with or into another corporation or conveyance of all or substantially all of the assets of the Corporation to another corporation; or

4.2.7.4. Of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

the Corporation shall cause to be mailed to the transfer agent for the Class A, Class B or Class C Preferred Stock, and to the holders of record of the outstanding Class A, Class B or Class C Preferred Stock, at least twenty (20) days prior to the date specified therein, a notice stating the date on which that record is to be taken or that event is to take place. The notice shall also specify the date, if any is to be fixed, as of which holders of common stock of record shall be entitled to exchange their shares of common stock for securities or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up; or

4.2.8 Form of Notices. Any notice required by the provisions of these Articles to be given to the holders of shares of Class A, Class B or Class C Preferred Stock shall be deemed given if delivered personally or if deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid, and addressed to each holder or record at his address appearing on the books or the Corporation.

4.2.9 Voting. The shares of Class A, Class B and Class C Preferred Stock shall be voted with the shares of Corporation's common stock any annual or special meeting of share holders of the Corporation. In all such instances, each holder of the Class A, Class B and Class C Preferred

Stock shall be entitled to a number of votes equal to the number of shares of common stock into which his shares of Class A, Class B or Class C Preferred Stock would be convertible, pursuant to section 4.2.3. of these Articles, on the record date set for such annual or special meeting.

4.2.10 Amendments and Changes. As long as any of the Class A, Class B or Class C Preferred Stock shall be issued and outstanding, the Corporation may not take any of the actions listed below without first obtaining the approval (by vote or written consent, as provided by law) of the holders of more than fifty percent (50%) of the total number of shares of Class A Preferred Stock, Class B Preferred Stock, or Class C Preferred Stock, respectively, entitled to vote at a meeting of shareholders called for the purposes listed below:

4.2.10.1 Amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation as amended hereby, if such action would alter or change the preferences, rights, privileges, powers, or the restrictions provided for the benefit of the Class A Preferred Stock, Class B Preferred Stock, or Class C Preferred Stock as the case may be.

4.2.10.2 Authorize, create or issue shares of any class of stock, any bonds, debentures, notes, or other obligations convertible into or exchangeable for or having option rights to purchase, any shares or stock of the Corporation having any preference or priority as to dividends or assets or a parity with or superior to any preferences or priority of the Class A Preferred Stock, the Class B Preferred Stock or the Class C Preferred Stock, as the case may be.

4.2.10.3 Reclassify any outstanding share into shares having any preference or priority as to dividends or assets superior to or on a parity with any such preference or priority of Class A Preferred Stock, with any such preference or priority of Class A Preferred Stock, the Class B Preferred Stock, or the Class C Preferred Stock, as the case may be.

4.2.10.4 Merge or consolidate with or into any other corporation or corporations, sell or otherwise dispose of all or substantially all of the assets of the Corporation, or enter into any other reorganization of the Corporation which involves the transfer, in a transaction or series of related transactions, of 50 percent or more of the voting power of the Corporation, unless in any such merger, consolidation, sale, disposition or reorganization each holder of Class A Preferred Stock received for each share of Class A Preferred Stock cash, and/or any debt securities having a value of at least two dollars (\$2.00) per share of Class A Preferred Stock, as presently constituted, or as to Class B Preferred Stock, each holder receives for each share of Class B Preferred Stock cash, and/or any debt securities having a value of at least the Initial Offering Price of said stock (as established under section 4.2.2.1(A) hereof) per share of Class B Preferred Stock, as presently constituted, or as to Class C Preferred Stock, each holder receives for each share of Class C Preferred Stock, cash and/or any debt securities having a value of at least the Initial Offering Price of said stock (as established under section 4.2.2.1(A) hereof) per share of Class C Preferred Stock, as presently constituted. The value of debt securities in such transaction shall be established by the determination of the Board of Directors in good faith.

4.2.10.5. Amend this paragraph 4.2.10

4.2.10.6 Nothing in this section 4.2.10 shall limit or diminish any voting rights or rights or approval held by the holders of Class A Preferred Stock, Class B Preferred Stock or Class C Preferred Stock under applicable law.

#### ARTICLE V. LIMITATION OF LIABILITIES

To the fullest extent permitted by the Delaware law or any other applicable law as now in effect or as it may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for any action taken or any failure to take any action, as a director.

#### ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify all officers and directors of the Corporation against all liability for any action taken or any failure to take action to the fullest extent permitted by the Delaware law or any other applicable law as now in effect or as it may hereafter be amended.

#### ARTICLE VII. BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors of the Corporation shall be three. The names and address of the persons who are to serve as directors until the first meeting of the shareholders or until their successors are elected and shall qualify as follows:

David L. Bailey	50 West Broadway, Suite 450 Salt Lake City, Utah 84101
Kent L. Gilson	1192 East Draper Parkway Draper, Utah 84020
Dane P. Goodfellow	50 West Broadway, Suite 450 Salt Lake City, Utah 84101

ARTICLE VIII - NAME AND ADDRESS OF INCORPORATOR

The name and address of the incorporator is:

Randall A. Mackey  
Mackey Price & Williams  
170 South Main Street, Suite 900  
Salt Lake City, Utah 84101-1655

I, the undersigned, being the incorporator, for the purpose of forming a corporation under the laws of the state of Delaware, do make, file and record this Certificate of Incorporation and certify that the facts stated herein are true.

  
Randall A. Mackey, Incorporator

**Exhibit 2**

**Certificate of Authority to Transact Business**

# State of Idaho

Office of the Secretary of State

CERTIFICATE OF AUTHORITY  
OF  
CERISTAR, INC.

File Number C 146657

I PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that an Application for Certificate of Authority, duly executed pursuant to the provisions of the Idaho Business Corporation Act, has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Authority to transact business in this State and attach hereto a duplicate of the application for such certificate.

Dated: 16 December 2002



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Sally Lloyd*



# APPLICATION FOR CERTIFICATE OF AUTHORITY (For Profit)

(Instructions on Back of Application)

**FILED EFFECTIVE**

02 DEC 16 AM 11:19

SECRETARY OF STATE  
STATE OF IDAHO

The undersigned Corporation applies for a Certificate of Authority and states as follows:

1. The name of the corporation is:

Ceristar, Inc.

2. The name which it shall use in Idaho is: Ceristar, Inc.

3. It is incorporated under the laws of: Utah

4. Its date of incorporation is: 8/21/01

5. The address of its principal office is:

50 West Broadway, Suite 1100, Salt Lake City, UT 84101

6. The address to which correspondence should be addressed, if different from item 5, is:

7. The street address of its registered office in Idaho is: c/o C T Corporation System, 300 North 6th Street, Boise, Idaho 83702

and its registered agent in Idaho at that address is: C T Corporation System

8. The names and respective business addresses of its directors and officers are:

Name	Office	Address
<u>David L. Bailey</u>	<u>Chairman &amp; President</u>	<u>50 W. Broadway, Suite 1100, Salt Lake City, UT 84101</u>
<u>Lark M. Alien</u>	<u>Director</u>	<u>same as above</u>
<u>Mark S. Hewitt</u>	<u>Director</u>	<u>same as above</u>
<u>see attached rider for add'l officers</u>		

Dated: November 25, 2002

Signature: [Handwritten Signature]

Typed Name: David L. Bailey

Capacity: President

Customer Acct # :

(if using pre-paid account)

Secretary of State use only

g:\corp\forms\corp\_forms\appforncrtoauthority\_profit.pmf  
Revised 07/2002

IDAHO SECRETARY OF STATE

12/16/2002 05:00

CK: 1310103545 CT: 70443 BH: 651602

1 @ 100.00 = 100.00 AUTH PRO # 3

1 @ 20.00 = 20.00 EXPEDITE C # 4

C 146657

RIDER TO CERTIFICATE OF AUTHORITY  
OF  
CERISTAR, INC.

Item 8 continued

G. Earl Demorest	Secretary, Treasurer & Vice President of Finance	50 W. Broadway, Suite 1100 Salt Lake City, UT 84101
Dane P. Goodfellow	Vice President of Marketing	same as above
Paul D. Losee	Vice Pres. of Corp. Development	same as above
Art Brown	Vice President of Sales	same as above

# State of Idaho

Office of the Secretary of State

CERTIFICATE OF EXISTENCE  
OF  
CERISTAR, INC.

File Number C 146657

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the record of this office show that the above-named corporation was incorporated under the laws of Idaho on 16 December 2002.

I FURTHER CERTIFY That the corporation is in goodstanding on the records of this office.

Dated: 16 December 2002



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Sally Lloyd*

### Exhibit 3

#### **Technical and Managerial Qualifications**

CeriStar, Inc. has assembled an outstanding and experienced team of industry professionals to achieve its mission of market leadership. The founding executive team held key technical, marketing and financial positions at leading technological companies. The following summaries highlight management's extensive background:

**David L. Bailey, Chairman & Chief Executive Officer** – served as Chairman of the Board, President and Chief Executive Officer of CeriStar since 1999. Prior to that time, Mr. Bailey served as managing partner of the DLB Group, a limited liability corporation that marketed and sold computer software and telecommunications products. He served as Chairman/CEO of VZ Corp., a software development company - Chairman/CEO of Clyde Digital Systems (Raxco) the Axent Corporation, a software security development company - Chairman/CEO of Cericor, a developer of CAD/CAM software - sold to Hewlett-Packard for \$38 million - and most recognized the Lead Founder/President /CEO of Iomega, Inc. currently valued at over \$1 billion. He was selected as Entrepreneur Of The Year in 1988 by the Mountain West Venture Group in Salt Lake City for inventions connected to Iomega. Mr. Bailey holds 4 United States Patents.

Mr. Bailey also spent 15 years engineering and managing engineers for the IBM corporation. He has been honored with a distinguished alumnus award in Electrical Engineering from Utah State University. Mr. Bailey received his B.S.E.E. and M.S.E.E. degrees from Utah State University.

**Dane Goodfellow, Vice President of Marketing** - has 25 years experience in Sales/Marketing Management with high-tech companies. For years he held numerous Executive Sales/Marketing positions with the IBM Corporation. Since IBM he has served as VP Sales/Marketing for CeriStar, the DLB Group, Viewpoint Inc., VZ Corp, View Soft Inc., and the PPI Group.

Mr. Goodfellow has also consulted in various economic development initiatives for Utah and California. Most recently, he is the cofounder of the Utah Electronic Commerce Partnership - an initiative focused on the future of the Internet and telecommunications revolution. Mr. Goodfellow currently serves as Vice Chair of the Utah Partnership for Education and Economic Development, a director of New Horizons Minority Organization, and a director of the Governor's Economic Development Task Force.

Mr. Goodfellow received his B.A. in Economics from Georgetown University and a M.B.A. from George Washington University.

**Earl Demorest, Chief Financial Officer and Chief Operations Officer** - has had a diverse and wide range of professional experiences. As an entrepreneur, he has started and managed two separate start-up companies. Most recently, Mr. Demorest has been a Partner in the DL Group, a telecommunication marketing company. He has designed and implemented a complete range of accounting life cycles from A/R, COGS, Ledger control, WIP control, to the collecting of bad debt.

He received his BS in Accounting from Weber State University, Ogden, Utah, and an MSM from Lesley College, Cambridge Massachusetts. Along with traditional education, Mr. Demorest has attended many military training courses while serving the USAF as a Missile Launch Officer. These consist of. Squadron Officer School, Officers Leadership Training, Flight Commanders Training, Nuclear Readiness Training.

**Paul Losee, Vice President of Corporate Development** - has extensive management experience in R&D, QA, Market Research, and Channel Development with 7 years executive experience in marketing and technology start-up companies utilizing the Internet.

Mr. Losee has recently served as Chief Operating Officer for two start-up companies, XBoundary.com and IQ Telecommunications, Inc. In the high tech start-up space he worked with leaders at Harvard University and senior executives at Microsoft, GTE Internetworking, Oracle, USWeb/CKS, Electric Lightwave, Perot Systems and many smaller vendors.

Mr. Losee was the president and founder of M+, Inc., a marketing consultancy firm from 1994-1998. This company conducted and participated in research projects for Fortune 100, mid range, and start-up companies including: Iomega, Keytronic, P&G, Kodak, Minnesota Mutual Life Insurance, Cardinal Technology, Nutraceutical, Royal Bank of Canada, Chrysler, and others.

He was one of 13 original founders of Iomega Corporation, where he worked from 1980 to 1994. He received 5 U. S. patents which formed the foundation of Iomega's Bernoulli Technology and Zip products and held senior level management positions in Research & Development, Quality Assurance, Market Research, Competitive Analysis, and Market Channel Development.

Mr. Losee started his career at IBM in 1974 as a design engineer in development of IBM MSS3850 product, the largest library storage device built during the 1970s. He was awarded two IBM digital storage related patents and published two articles in the IBM Technical disclosure bulletin and managed the Magnetic Head Development Group at Tucson R&D Laboratory.

Mr. Losee has a Bachelor of Science degree in Mechanical Engineering from Brigham Young University, Provo, Utah, 1974.

**Clint Brower, National Account Manager** - has over 12 years of technical sales and marketing experience with Iomega, Tamarack Funding Corporation, Supercom/Clarent, I-Link. Experience in Bandwidth, Voice Over Internet Protocol (VoIP), Integrated Internet Solutions and long distance sales. Has experience in advertising, organizational planning, company imaging and start-up capital acquisition. Sales and Marketing Director for Tamarack Funding Corporation in Dallas, Texas. Hired, trained, and managed sales Reps in the telephony, computer hardware and financial services industries.

Education - Weber State University; Major: Technical Sales and Marketing, Minor: Computer Science

**Exhibit 4**

**Financial Qualifications**

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<SEQUENCE>1  
<FILENAME>form10q.txt  
<DESCRIPTION>CERISTAR, INC. FORM 10-QSB  
<TEXT>

UNITED STATES  
SECURITIES EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period  
from.....to.....

COMMISSION FILE NUMBER 001-16381

CERISTAR, INC.

(Exact name of the registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation or organization)

87-0642448  
(IRS employer identification number)

50 WEST BROADWAY, SUITE 1100  
SALT LAKE CITY, UTAH 84119  
(Address of principal executive officers)

801-350-2017  
(Registrant's telephone number, including area code)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of September 30, 2002.

Common Stock, par value \$.001  
(Title of each class)

5,428,627  
(Number of shares)

CERISTAR CORPORATION  
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements in the Form 10-QSB are forward looking statements that involve risks and uncertainties. Words, such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and "views" are intended to identify forward looking statements. Such statements are based on current expectations and projections about our business and assumptions made by the management and are no guarantee of future performance. Therefore, actual events and results may differ materially from those

expressed or forecasted in the forward looking statements due to risk factors identified in the Management's Discussion and Analysis of Financial Condition and Results of Operations.

CERISTAR, INC.  
CONDENSED CONSOLIDATED UNAUDITED BALANCE SHEET  
September 30, 2002

Assets	
Current assets:	
Cash and cash equivalents	\$174,352
Accounts receivable	163,035
Prepays and other assets	12,291
	-----
Total current assets	349,678
Property and equipment, net	621,907
Deferred debt issue costs	69,000
	-----
	\$1,040,585
	-----
Liabilities and Stockholders' Equity	
Current Liabilities:	
Accounts payable	\$128,987
Accrued payroll	86,329
Other Accrued liabilities	17,194
Unearned revenue	35,990
Related party note payable	11,674
Current portion of long-term debt	11,800
	-----
Total current liabilities	291,974
Long-term debt	680,950
	-----
Total liabilities	972,924
Commitments and contingencies	-
Stockholders' equity:	

Convertible preferred stock, \$.001 par value, voting; 10,000,000 shares authorized, no shares issued and outstanding	-
Common stock, \$.001 par value, 10,000,000 shares authorized, 5,428,627 issued and outstanding	5,428
Additional paid-in capital	7,925,928
Deferred compensation	(1,048,408)
Subscriptions receivable	(31,463)
Accumulated deficit	(6,783,824)

Total stockholders' equity	67,661
----------------------------	--------

Total liabilities and stockholders' equity	\$1,040,585
--	-------------

See accompanying notes to financial statements

CERISTAR, INC.  
CONDENSED CONSOLIDATED UNAUDITED STATEMENT OF OPERATIONS  
For The Periods Ended September 30,

<TABLE>

	Three Months Ended 2002	M
<S>	<C>	<C>
Revenues	\$189,795	
Cost of Sales	105,812	
Selling general and administrative	1,972,850	
Total costs and expenses	2,078,662	
Loss from operations	(1,888,867)	
Other income (expense):		
Other income	1,000	
Interest expense	(3,077)	

Total other income (expense)	(2,077)	
Net loss before income taxes	(1,890,944)	(38)
Provision for income taxes	-	
Net loss	\$(1,890,944)	\$(
Net loss per share - basic and diluted	\$(0.45)	
Weighted average shares outstanding - basic and diluted	4,224,000	

&lt;/TABLE&gt;

See accompanying notes to financial statements

CERISTAR, INC.  
UNAUDITED STATEMENT OF CASHFLOWS  
For The Nine Months Ended September 30,

&lt;TABLE&gt;

	2002
	-----
<S>	<C>
Cash flows from operating activities:	
Net loss	\$(2,337,4
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	88,668
Issuance of common stock for services	1,671,169
Amortization of deferred compensation	233,792
Amortization of deferred debt issue costs	6,000
Changes in operating assets and liabilities	
Receivables	(160,829)
Prepays and other assets	(8,337)
Accounts payable	94,903
Accrued liabilities	42,124
Deferred revenue	14,286
	-----

Net cash used in operating activities	(355,719)
	-----
Cash flows used in investing activities-	
purchase of property and equipment	(38,990)
	-----
Cash flows from financing activities:	
Proceeds from sale of common and preferred stock	130,039
Proceeds from related party payable	63,474
Proceeds from issuance of debt	377,543
Principal payments on long-term debt	(4,513)
	-----
Net cash provided by financing activities	566,543
	-----
Net (decrease) increase in cash and cash equivalents	171,834
Cash and cash equivalents at beginning of period	2,518
	-----
	\$
Cash and cash equivalents at end of period	174,352
	-----

</TABLE>

See accompanying notes to financial statements

## 1. Organization and Summary of Significant Accounting Policies

### Basis of Presentation

The accompanying financial statements have been prepared by the Company without an audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at September 30, 2002 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted. The results of operations for the periods ended September 30, 2002 are not necessarily indicative of the operating results for the full year.

### Organization

CeriStar, Inc. (CeriStar) was incorporated in December 1999, under the Delaware General Corporation law and operates in the

communications industry as a hi-tech developer of IP technology applied data convergence.

On September 10, 2002 CeriStar entered into a Forward Triangular Merger Agreement with Planet Resources, Inc. (Planet) in which the issued and outstanding stock of CeriStar, including Convertible Preferred Series A shares (Series A) and Convertible Preferred Series B shares (Series B), were exchanged for the issued and outstanding stock of Planet. Series A and B shares were exchanged at a rate of approximately .757 for every common share of Planet issued and Common stock of CeriStar was converted into approximately .32 shares of common stock of Planet. Just prior to the merger Planet authorized a 1 to 5.23 reverse stock split. The merger was accounted for as a reverse merger with CeriStar being the accounting acquirer and thus the historical operations presented in the condensed financial statements of operations are those of CeriStar.

#### Earnings Per Share

The computation of basic earnings per common share is based on the weighted average number of shares outstanding during the period.

The computation of diluted earnings per common share is based on the weighted average number of shares outstanding during the period, plus the common stock equivalents which would arise from the conversion of convertible debt to common stock and the exercise of stock options and warrants outstanding using the treasury stock method and the average market price per share during the period. Warrants to purchase 381,598 shares of common stock at prices ranging from \$2.30 to \$4.50 per share were outstanding at September 30, 2002 but were not included in the diluted loss per share calculation, because the effect would have been anti-dilutive.

#### 2. Going Concern

The accompanying unaudited financial statements have been prepared assuming that the Company will continue as a going concern. As of September 30, 2002, the Company had a working capital deficiency, an accumulated deficit and substantial recurring losses. The operations of the Company have not had sustained profitability, and the Company has relied upon debt and equity financing to satisfy its obligations. These conditions raise substantial doubt about the ability of the Company to continue as a going concern. The unaudited financial statements do not include any adjustments that might result from the outcome of these uncertainties.

The Company's ability to continue as a going concern is subject to the Company obtaining additional equity and debt financing for its initial capital costs and attainment of profitable operations. Management's plan with respect to this uncertainty includes obtaining equity and/or debt financing. However, there can be no assurance that management will be successful in these efforts

#### 3. Related Party Transactions

During 2002 the Chief Executive Officer and his wife advanced \$11,674 to CeriStar. A nephew of the Chief Executive advanced \$51,800, which was later converted into common stock of CeriStar

#### 4. Supplemental Disclosures of Cash Flow Information

Operations reflect actual amounts paid for interest and income taxes as follows, for the nine months ended September 30:

	2002	2001
Interest	\$10,732	\$ -
Income taxes	\$ -	\$ -

During the nine months ended September 30, 2002 the Company:

- o Acquired equipment of \$164,541 in exchange for an increase in its capital lease
- o Issued approximately 190,000 shares of common stock for subscriptions of \$6,000 and deferred compensation of \$594,000.
- o Received back approximately 133,000 shares of common stock and wrote off deferred compensation of \$132,833, stock subscriptions of \$500, and additional paid in capital of \$133,200.
- o Converted debt of \$354,343 to 172,011 shares of common stock.
- o Issued warrants to purchase preferred stock and provided a beneficial conversion feature on debt issued and aggregately valued at \$75,000. The warrants and beneficial conversion feature have been recognized as deferred issue cost of \$6,000, which was amortized, and the remaining \$69,000 will be recognized over the term of the debt.

During the nine months ended September 30, 200<sup>2</sup> the Company:

- o Acquired equipment of \$457,722 in exchange for a capital lease.
- o Exchanged approximately 310,775 shares of common stock for subscriptions receivable of \$8,799 and deferred compensation of \$788,033.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results for Operations

As disclosed in CeriStar's Current Report on Form 8-K filing dated September 17, 2002, CeriStar merged with a wholly-owned subsidiary of Planet Resources Inc. and on October 15, 2002 Planet Resources Inc. was renamed CeriStar, Inc. Shares of the new CeriStar will soon be distributed to the previously existing shareholders of CeriStar, Inc. as discussed in the 8-K Report.

### Results of Operations

A detailed comparison of changes in revenues from 2001 to 2002 is not meaningful, as in 2001, CeriStar was in the development stage, whereas in 2002, CeriStar began marketing the products that it developed. Notwithstanding, revenues have increased to \$526,440 for the nine months ended September 30, 2002, compared to \$190,478 for the same period in 2001. The increase was due to increased sales of

Internet Protocol (IP) products, primarily to commercial customers. This revenue growth is expected to continue as new customers are added. A new contract was signed with a 300 plus residential housing development in Provo Utah, making CeriStar their sole Local Exchange Carrier (LEC) provider combined with other pending contracts should significantly increase revenue. Approximately thirty seven percent of these revenues have resulted from design and installation of IP telecom networks and sales of equipment. In the future, this percentage will decline as residual sales of long distance, Internet, IPTV and Video on Demand fees grow, and as CeriStar transitions to a marketing company.

Revenues for the third quarter were significantly higher than those for the year prior. This growth should accelerate in the upcoming year from the addition of new customers and the accumulation of residual sales.

Expenses were also increased significantly as over \$1.6 million of new CeriStar common stock was issued in the third quarter to consultants and advisors relating to the merger with Planet Resources and the subsequent stock sale. These consultants are advising CeriStar on product positioning, customer identification and offshore expansion, as we convert from a development stage company into an operating company, marketing our IP application products and services. Other costs, such as payroll, insurance, office expenses, and travel expenses were also kept in check, while consulting and depreciation expenses increased.

#### Liquidity and Capital Resources

CeriStar's revenues are not capable of supporting its current operations. Thus in the near term we are dependent on the capital markets for funding. To meet these continuing funding needs CeriStar has engaged the investor relations firm of Vision Corporate Consultants and the financial consulting firm of SovCap to assist in the acquisition of new equity capital.

We have proven our technology and can now efficiently deliver a technically advanced product to a wide range of residential, commercial, educational and governmental customers. In the past we have been focused on development and testing of our technology, now the focus will be to market this technology. Expansion in our current geographical area can be done fairly inexpensively, as our prior capital expenditures can service a significantly larger customer base. Expansion into new market areas will be limited by the amount of investment capital and equipment financing that can be acquired. Our current plan will require between \$3 and \$4 million of new capital to fund operations through 2003. A majority of this funding will have to be raised in the equity markets. It is anticipated that debt financing of equipment will become increasingly available as our products gain acceptance and our markets expand thus leveraging our investment capital. To accelerate that acceptance we have partnered with IBM and others who can introduce CeriStar to senior executives and add credibility to our products. They also assist in the acquisition of low cost, high quality equipment and services. In the short term, CeriStar will remain dependent on new capital. *Nb*

#### Item 3. Controls and Procedures

The Company's President and Chief Executive Officer and its Chief

Financial Officer (the "Certifying Officers"), are responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officers have concluded (based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report) that the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-14c under the Securities Exchange Act of 1934) are effective. No significant changes were made in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date of the evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

No legal proceedings filed or pending.

### Item 2. Changes in Securities

(a) Securities were materially modified as follows as a result of a Forward Triangular Merger of CeriStar Inc and Planet Inc.

#### CeriStar Inc

CeriStar securities consisted of Common, Series A preferred, and Series B Preferred stock. The Preferred A and B stock had a conversion ratio of 2 shares of common for each share of Preferred. The Preferred B Stock had liquidation and dividend preference over Preferred A and Common stock and Preferred A had the same preference over common stock.

CeriStar Inc stock was further modified by conversion to Planet Inc stock. Preferred stock was converted at a ratio of 0.757 Planet shares to one share of CeriStar preferred share and the common stock was converted to Planet Inc stock at the ratio 0.3177 Planet shares for one share of CeriStar common stock.

A CeriStar shareholders meeting was held at CeriStar's corporate offices on May 13, 2002 at 10:00 am. Notification of the meeting with an explanation of how this would affect his or her security position was sent to each shareholder. The notification included a request for them to either vote in person or by proxy on the proposed forward triangular merger. The results of the voting were as follows:

<TABLE>

<S>	<C>	<C>	<C>
	Type of Security	For	Against
	Common	96%	0%
	Preferred A	75.86%	1.96%
	Preferred B	96%	0%

</TABLE>

Planet Inc

The Planet shareholders were all common shareholders. They experienced a reverse split reducing their shares by approximately 5 to 1 in the number of shares they held. The split was approved by a majority vote of the Planet shareholders

(a). CeriStar Preferred shareholders gave up their liquidation and dividend preferences as described above but only with the majority of each class voting for the proposed merger acquisition as required by CeriStar's Articles of Incorporation.

(b). There have been no equity securities of the registrant sold by the registrant during the period covered by the report that were not registered under the Securities Act.

Item 3.. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders.

None

Signatures

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date 19 November 2002  
-----

David L. Bailey  
-----  
Chief Executive Officer

Date 19 November 2002  
-----

G. Earl Demorest  
-----  
Chief Financial Officer

CERTIFICATIONS

I, David L. Bailey, certify that:

1. I have reviewed this quarterly Report on Form 10-QSB of CeriStar, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly

present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 19, 2002

By David L. Bailey  
-----  
Chief Executive Officer

#### CERTIFICATIONS

I, G. Earl Demorest, certify that:

1. I have reviewed this quarterly Report on Form 10-QSB of CeriStar, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 19, 2002

By G. Earl Demorest  
Chief Financial Officer

## EXHIBIT 99.1

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the quarterly report of Ceristar, (the "Company") on Form 10-Q for the quarter ended September 30, 2002, David L. Bailey, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002, that to the best of his knowledge:

1. The quarterly report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 19, 2002

-----  
(Date)

David L. Bailey

-----  
President (Chief Executive Officer)

## EXHIBIT 99.2

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the quarterly report of Ceristar, (the "Company") on Form 10-Q for the quarter ended September 30, 2002, G. Earl Demorest, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002, that to the best of his knowledge:

1. The quarterly report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 19, 2002

G. Earl Demorest

Total current liabilities

-----  
291,974

Long-term debt

-----  
680,950  
-----

Total liabilities

972,924

Commitments and contingencies

-

Stockholders' equity:

Convertible preferred stock, \$.001 par value, voting; 10,000,000 shares  
authorized, no shares issued and outstanding

-

Common stock, \$.001 par value, 10,000,000 shares authorized,  
5,428,627 issued and outstanding

5,428  
7,925,928

Additional paid-in capital

(1,048,408)

Deferred compensation

(31,463)

Subscriptions receivable

(6,783,824)

Accumulated deficit

-----

Total stockholders' equity

-----  
67,661  
-----

Total liabilities and stockholders' equity

-----  
\$1,040,585  
-----

See accompanying notes to financial statements

CERISTAR, INC.

CONDENSED CONSOLIDATED UNAUDITED STATEMENT OF OPERATIONS

For The Periods Ended September 30,

<TABLE>

	Three Months Ended 2002	Three Months Ended 2001	Nine Months Ended 2002	Nine Months Ended 2001
<S>	<C>	<C>	<C>	<C>
Revenues	\$189,795	\$9,464	\$526,440	190,478
Cost of Sales	105,812	63,487	217,329	127,841
Selling general and administrative	1,972,850	336,979	2,630,876	1,170,597
Total costs and expenses	2,078,662	400,466	2,848,205	1,298,438
Loss from operations	(1,888,867)	(391,002)	(2,321,765)	(1,107,960)
Other income (expense):				
Other income	1,000	1,013	1,002	4,768
Interest expense	(3,077)	-	(16,732)	-
Total other income (expense)	(2,077)	1,013	(15,730)	4,768
Net loss before income taxes	(1,890,944)	(389,989)	(2,337,495)	(1,103,192)

Provision for income taxes

Net loss

Net loss per share - basic and diluted

Weighted average shares outstanding -

basic and diluted

	4,224,000	3,640,000	3,932,000	3,494,000
--	-----------	-----------	-----------	-----------

</TABLE>

See accompanying notes to financial statements

CERISTAR, INC.  
 UNAUDITED STATEMENT OF CASHFLOWS  
 For The Nine Months Ended September 30,

<TABLE>

<S>  
Cash flows from operating activities:

Net loss

Adjustments to reconcile net loss to net cash used in operating activities:

Depreciation	88,668	4,527
Issuance of common stock for services	1,671,169	407,588
Amortization of deferred compensation	233,792	16,500
Amortization of deferred debt issue costs	6,000	

2002

2001

<C>

<C>

\$(2,337,495)

\$(1,103,192)

Changes in operating assets and liabilities

Receivables	(160,829)	(87,777)
Prepays and other assets	(8,337)	(430)
Accounts payable	94,903	-
Accrued liabilities	42,124	23,223
Deferred revenue	14,286	-
	-----	-----

Net cash used in operating activities

(355,719) (739,561)

Cash flows used in investing activities-

purchase of property and equipment

(38,990) (5,844)

Cash flows from financing activities:

Proceeds from sale of common and preferred stock

130,039 455,752

Proceeds from related party payable

63,474

Proceeds from issuance of debt

377,543

Principal payments on long-term debt

(4,513)

Net cash provided by financing activities

566,543 455,752

Net (decrease) increase in cash and cash equivalents

171,834 (289,653)

Cash and cash equivalents at beginning of period

2,518

130,408

Cash and cash equivalents at end of period

\$  
174,352

\$  
140,755

</TABLE>  
See accompanying notes to financial statements

1. Organization and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared by the Company without an audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at September 30, 2002 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted. The results of operations for the periods ended September 30, 2002 are not necessarily indicative of the operating results for the full year.

Organization

Ceristar, Inc. (Ceristar) was incorporated in December 1999, under the Delaware General Corporation law and operates in the communications industry as a hi-tech developer of IP technology applied data convergence.

On September 10, 2002 Ceristar entered into a Forward Triangular Merger Agreement with Planet Resources, Inc. (Planet) in which the issued and outstanding stock of Ceristar, including Convertible Preferred Series A shares (Series A) and Convertible Preferred Series B shares (Series B), were exchanged for the issued and outstanding stock of Planet. Series A and B shares were exchanged at a rate of approximately .757 for every common share of Planet issued and Common

**Exhibit 5**

**Proposed Initial Local Exchange Tariff**

Page

No. 1  
Original

CeriStar, Inc.

(Acceptance Stamp)

**TITLE SHEET**

**ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS TARIFF**

This tariff contains the descriptions, regulations, and rates applicable to the furnishings of service and facilities for alternative local exchange telecommunications services provided by **CeriStar, Inc.** with principal offices at 50 West Broadway, Suite 1100, Salt Lake City, UT 84101. This tariff applies for services furnished within the State of Idaho.

This tariff is on file with the Idaho Public Utilities Commission and copies may be inspected, during normal business hours, at the **CeriStar, Inc.** principal place of business.

**Issued:**

**Effective:**

**Issued by: David L. Bailey  
Chairman and CEO  
CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, UT 84101**

Page	No. 2 Original	(Acceptance Stamp)
CeriStar, Inc.		

**CHECK SHEET**

Sheets 1 through 52 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Sheet</u>	<u>Revisions</u>	<u>Sheet</u>	<u>Revisions</u>	<u>Sheet</u>	<u>Revisions</u>
1	Original	30	Original		
2	Original	31	Original		
3	Original	32	Original		
4	Original	33	Original		
5	Original	34	Original		
6	Original	35	Original		
7	Original	36	Original		
8	Original	37	Original		
9	Original	38	Original		
10	Original	39	Original		
11	Original	40	Original		
12	Original	41	Original		
13	Original	42	Original		
14	Original	43	Original		
15	Original	44	Original		
16	Original	45	Original		
17	Original	46	Original		
18	Original	47	Original		
19	Original	48	Original		
20	Original	49	Original		
21	Original	50	Original		
22	Original	51	Original		
23	Original	52	Original		
24	Original				
25	Original				
26	Original				
27	Original				
28	Original				
29	Original				

**Issued:** **Effective:**

**Issued by: David L. Bailey**  
**Chairman and CEO**  
**CeriStar, Inc.**  
**50 West Broadway, Suite 1100**  
**Salt Lake City, UT 84101**

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**Issued:**

**Effective:**

**Issued by: David L. Bailey**  
**Chairman and CEO**  
**CeriStar, Inc.**  
**50 West Broadway, Suite 1100**  
**Salt Lake City, UT 84101**

CeriStar, Inc.

(Acceptance Stamp)

**SYMBOLS**

With respect to future tariff changes, the following are the only symbols used for the purposes indicated below:

C – To Signify changed regulation

D – Delete or discontinue

I – Change resulting in an increase to a rate

M – Moved from another tariff location

N – New

R – Change resulting in a reduction to a rate

S – Matter appearing elsewhere or repeated for clarification

T – Change in text but no change to rate or charge

**Issued:****Effective:**

**Issued by: David L. Bailey  
Chairman and CEO  
CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, UT 84101**

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CeriStar, Inc.		(Acceptance Stamp)

**TARIFF FORMAT**

- A. Sheet Numbering – Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. . For example, a new sheet added between sheets 9 and 10 would be 9.1
- B. Sheet Revision - Sheet numbers also appear in the upper right hand corner of each sheet where applicable. These numbers are used to determine the most current sheet version on file with the Idaho Public Utilities Commission (hereinafter ID PUC). For example, the 4<sup>th</sup> revised Sheet 9 cancels the 3<sup>rd</sup> revised Sheet 9. Consult the latest Check Sheet for the sheet 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 ID PUC, an updated check sheet is included. 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. An asterisk designates all revisions made in a given filing (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e. the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the ID PUC.

**Issued:**

**Effective:**

**Issued by: David L. Bailey**  
**Chairman and CEO**  
**CeriStar, Inc.**  
**50 West Broadway, Suite 1100**  
**Salt Lake City, UT 84101**

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**SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS**

Certain terms used generally throughout this tariff are defined below.

Accessories: Devices which are mechanically attached to, or used with, the facilities furnished by a telephone company and which are independent of, and not electrically, acoustically, or inductively connected to the conductors in the communications path of a telephone company's facilities.

Advance Payment: Part or all of a payment required before the start of service.

Applicant: An individual or concern making application to the Company for communications service under this tariff.

Application: Refers to an application made by a prospective Subscriber to the Company under which services for communication between specified locations, for designated periods, and for the use of the Subscriber specifically named in the application are to be furnished in accordance with the provisions of this tariff.

Authorized User: A person, firm or corporation which is authorized by the Subscriber to be connected to the service of the Subscriber. An authorized user must be specifically named in the application for service.

Bandwidth: A defined range of frequencies.

Baud: A unit of signaling speed. It is the reciprocal of the time duration in seconds of the shortest signal element (mark and space) within a code signal. The speed baud is the number of signal elements per second.

Bit: The smallest unit of information in the binary system of notation.

Bridging Arrangements: The physical equipment needed in a telephone company's central office to meet specified transmission and signaling criteria.

Building Channel: The inside wire used to connect two or more stations within the same building or to connect a station to station connection location.

Call Forwarding Station: Allows calls directed to a station line to be routed to a user defined line.

Call Forwarding Busy: Permits calls attempting to terminate to a busy station to be redirected to a predetermined line.

Call Waiting: Permits a line in the talking state to be alerted by a tone when another call is attempting to complete to the line.

Channel: A path for electrical communication between two or more stations or telephone company's central offices. A channel may be furnished in such manner as the telephone company may elect, whether by wire, radio or combination thereof and whether or not by means of a single physical facility or route.

**Issued:** **Effective:**

**Issued by: David L. Bailey**  
**Chairman and CEO**  
**CeriStar, Inc.**  
**50 West Broadway, Suite 1100**  
**Salt Lake City, UT 84101**

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**SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)**

Channel Terminal: Provides for equipment required to terminate an interexchange channel at each rate center central office.

Commission: Refers to the Idaho Public Utilities Commission.

Communications Services: The Company's intrastate communications services offered under this tariff.

Company: CeriStar, Inc. ("CeriStar"), the issuer of this tariff.

Company Network: The array of communications services which the Company has purchased from an Underlying Carrier and uses to provide services to Subscribers under this tariff.

Connecting Arrangement: Denotes equipment provided by a telephone company to accomplish the direct electrical connection of Subscriber-provided facilities with the facilities of the telephone company.

Subscriber-Provided Terminal Equipment: Devices, apparatus and their associated wiring, provided by a Subscriber which do not constitute a communications system.

Data Access Arrangement: A protective connecting arrangement for use with the network control signaling unit, or, in lieu of the connecting arrangement, an arrangement to identify a central office line and protective facilities and procedures to determine compliance.

Direct Electrical Connection: A physical connection of the electrical conductors in the communications path.

Direct Inward Dialing (DID): Routes incoming calls directly to stations.

Direct Outward Dialing (DOD): Allows individual station users to access and dial outside numbers directly.

Duplex Service: Service which provides for simultaneous transmission in both directions.

Exchange: A unit established for the administration of communication service in a specified area which usually embraces a city, town or village and its environs. It consists of one or more central offices together with the associated plant used in furnishing communication services within that area.

Fiber Optic Cable: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

Frame: A variable length segment of data with a header, trailer and user data, which is switched through the network as an integral unit.

**Issued:**

**Effective:**

**Issued by: David L. Bailey**  
**Chairman and CEO**  
**CeriStar, Inc.**  
**50 West Broadway, Suite 1100**  
**Salt Lake City, UT 84101**

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**SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)**

**Half-Duplex Service:** Service which permits communication alternatively in either direction, or for communication in one direction only, including bi-directional simultaneous transmission of tones required solely for control purposes or quick turn-around or synchronization.

**Hertz:** A unit of frequency equal to one cycle per second.

**Individual Case Basis (ICB):** A service arrangement in which the regulation, rates and changes are developed based on the specific circumstances of the case.

**Interexchange Channel:** Provides for facilities to connect central offices designated as rate centers in two different exchanges.

**Interexchange Service:** As used in connection with private line services, denotes service which connects stations in different exchanges.

**Interface:** The point on the premises of the Subscriber where provision is made to terminate the facilities provided by a telephone company. At the interface the transmission path may be 2 wire or 4 wire as specified for the various channels required.

**Interoffice Channel:** Provides for facilities to connect two different serving central offices for intraexchange service or to connect a service central office and a rate center central office for an interexchange service.

**Interrupted Service:** That portion of service provided to a Subscriber or Authorized User for which the Company has been notified of a temporary cessation and given an opportunity to test and repair.

**Intraexchange Service:** As used in connection with private line service, is service connecting stations wholly within one exchange and not connected to an interexchange channel.

**Last Number Redial:** Enables a user to redial the last number called by use of an access code rather than dialing the entire number.

**Local Channels:** Facilities from the Subscriber premises to the serving central office. The facilities join station connection locations in different buildings on different premises.

**Mbps:** Megabits, denotes millions of bits per second.

**Move:** As used in connection with the application of Non-Recurring Charges for communications services, denotes a change in physical location (when made at the request of the Subscriber and without discontinuance of billing for service) of facilities. Charges are specified in section 6.

**Multipoint Service:** A service which provides a private line communication capability between more than two premises constituting a common dedicated communications system.

**Network:** The facilities of an Underlying Carrier.

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**SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)**

**Network Control Signaling:** The transmission of signals used in the telecommunications system which perform functions such as supervision (control, status, and charging signals), address signaling (e.g., dialing), calling and called number identification, audible tone signals (call progress signals indicating reorder or busy conditions, alternating, coin denominations, coin collect and coin return tones) to control the operation of switching machines in the telecommunications systems.

**Network Control Signaling Unit:** The terminal equipment furnished, installed and maintained by the telephone company for the provision of network control signaling.

**Non-Recurring Charges:** Non-Recurring Charges are applied by the Company for processing Subscriber requests to install, move, or change communications services.

**One-way Service:** Service that provides for transmission in one direction.

**Premises:** The space occupied by a Subscriber or Authorized User in a building or buildings or on contiguous property (except railroad rights-of-way, etc.) not separated by a highway.

**Premises Channel:** Facilities used to connect station connection locations located in different buildings on the same premises. Premises channels are provided when channels terminate in Subscriber provided terminal equipment and cross a public right of way or interface with network facilities.

**Private Line Channel Service:** A channel which provides a path for communication capabilities between two or more station connection locations or telephone company's central offices when the service is not directly connected to the public switched network.

**Private Line Channels:** Electrical paths suitable for the purpose for which they are furnished and are derived in such manner as the telephone company may elect. It is contemplated that the Subscriber will provide all station apparatus used with channels exclusive of the equipment necessary to derive and suitably terminate the channels for connection of Subscriber equipment.

**Private Line Service:** The channels, service terminals, and channel arrangements furnished to a Subscriber as a unit between specified locations without intermediate switching arrangements.

**Rate Center:** For private line service, denotes a specified geographical location, generally a main central office of an exchange from which mileage measurements are made for the application of interexchange mileage rates.

**Recurring Charges:** The monthly charge to the Subscriber for services, facilities, and equipment that continues for the agreed upon duration of the service.

**Service Terminal:** As used in connection with Series 5000 channels, provides for facilities to connect a premises to the Rate Center, including a local channel and any required interoffice channel.

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**SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)**

Station: A premises or point designated by the Subscriber at which a channel terminates and where information originates or terminates.

Subscriber: The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Two-way Service: Service that provides for transmission and/or reception to or from a station.

Underlying Carrier: A common carrier that has sold communications services to the Company which then uses these services to provide communications services to end users.

Wideband Channel: A channel which has the total equivalent of twelve or more Type 2001 (voice grade) channels.

Wire Center: The location of a local switching system and related equipment that provides telephone service for Subscribers in the immediate geographical area.

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**SECTION 2 – APPLICATION OF TARIFF**

- 2.1 This tariff contains the rates, regulations, and conditions applicable to resold and facilities-based dedicated and switched competitive local exchange services furnished by the Company to Subscribers within the State of Idaho.
- 2.2 Service Territory
- 2.2.1 Company will provide resold competitive local exchange services throughout the State of Idaho.
- 2.2.2 Service is available where facilities permit.

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**SECTION 3 – RULES AND REGULATIONS****3.1 Undertaking of the Company****3.1.1 Scope**

The Company's obligation to furnish Communications Services is dependent upon its ability to secure local exchange services and facilities from underlying carriers at reasonable rates, terms and conditions. The Company will ensure an industry standard blocking rate no greater than one (1) call per 100 calls.

**3.1.2 Allocation or Shortage of Equipment or Facilities**

- A. The Company reserves the right to limit or to allocate assigned transmission paths at its discretion or to limit the use of existing facilities, or of additional facilities offered by the Company, when necessary because of a lack of facilities, or due to some other cause beyond the Company's control.
- B. The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities that the Company owns, leases or may otherwise obtain from other carriers to furnish service, as required, at the sole discretion of the Company.

**3.1.3 Liability of the Company**

- A. Because the Subscriber has exclusive control of its communications over the services furnished by the Company, and because interruptions and errors incident to these services are unavoidable, the services the Company furnishes are subject to the terms, conditions, and limitations specified in this tariff and to such particular terms, conditions, and limitations as set forth in the special regulations applicable to the particular services and facilities furnished under this tariff.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.1. Undertaking of the Company (Cont'd)

3.1.3 Liability of the Company (Cont'd)

- B. The liability of the Company for damages arising out of the furnishing of Communications Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish these services, whether caused by acts of commission or omission, shall be limited to the extension of allowances for interruptions in service as set forth in section 3.6. The extension of such allowances for interruptions in service shall be the sole remedy of the Subscriber or any Authorized User and the sole liability of the Company. The Company will not be liable for any special, consequential, exemplary, or punitive damages a Subscriber may suffer, whether or not caused by the intentional acts or omissions or negligence of the Company's employees or agents. In no event will the Company be liable for interruptions in service caused as a result of routine maintenance, testing, or adjustment of facilities.
  
- C. The Company shall not be liable for any failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrection; riots, wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.
  
- D. The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Subscribers facilities or equipment used for or with Communications Services the Company offers.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.1. Undertaking of the Company (Cont'd)****3.1.3 Liability of the Company (Cont'd)**

- E. The Company shall not be liable for any loss or interruptions in service or for any damages or losses due to the fault or negligence of the Subscriber or of an Authorized User or due to the failure or malfunction of Subscriber-provided or Authorized User-provided equipment or facilities due to the failure of the Subscriber to fulfill any obligation under this tariff.
- F. The Company shall not be liable for the claims of vendors supplying equipment to Subscribers of the Company which may be installed at the premises of the Company; nor shall the Company be liable for the performance of said vendor or vendor's equipment.
- G. The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Subscriber indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s) including Authorized Users, and for any loss, damage, or destruction of any property, whether owned by the Subscriber, Authorized Users or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location, or use of any installation so provided. The Company reserves the right to require each Subscriber to sign an agreement acknowledging acceptance of the provisions of this section 3.1.3.G as a condition precedent to such installations.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.1 Undertaking of the Company (Cont'd)

3.1.3 Liability of the Company (Cont'd)

- H. The Company is not liable for any defacement of or damage to the Premises of a Subscriber or an Authorized User resulting from the furnishing of services or equipment on or at such Premises or the installation or removal thereof, when such defacement or damage is not the result of negligence or willful misconduct on the part of the agents or employees of the Company.
  
- I. The Company shall be indemnified, defended, and held harmless by Authorized Users and the end user against any claim, loss, or damage arising from the Authorized User's use of services offered under this tariff, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Authorized User's communications.
  
- J. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.1 Undertaking of the Company (Cont'd)

3.1.4 Claims

The Subscriber and each and every Authorized User, jointly and severally, indemnifies and holds the Company harmless against claims for libel, slander, or the infringement of copyright arising from or in connection with the material or subject matter transmitted over the Network; against claims for the infringement of patents arising from combining with, or using in connection with, the Communications Services or the Company's facilities, apparatus and systems furnished by the Subscriber or Authorized User; and against any and all other claims arising out of any act or omission of the Subscriber or Authorized User or a vendor or customer of the Subscriber or Authorized User in connection with use of the Communications Services or the Company's facilities.

3.1.5 Notification of Service-Affecting Activities

The Company will provide the Subscriber with reasonable notification of service-affecting activities that may occur in normal operation of its Business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not individual Subscriber service specific; they affect many Subscribers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Subscriber to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage, notification to the Subscriber may not be possible.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.1 Undertaking of the Company (Cont'd)****3.1.4 Claims**

The Subscriber and each and every Authorized User, jointly and severally, indemnifies and holds the Company harmless against claims for libel, slander, or the infringement of copyright arising from or in connection with the material or subject matter transmitted over the Network; against claims for the infringement of patents arising from combining with, or using in connection with, the Communications Services or the Company's facilities, apparatus and systems furnished by the Subscriber or Authorized User; and against any and all other claims arising out of any act or omission of the Subscriber or Authorized User or a vendor or customer of the Subscriber or Authorized User in connection with use of the Communications Services or the Company's facilities.

**3.1.5 Notification of Service-Affecting Activities**

The Company will provide the Subscriber with reasonable notification of service-affecting activities that may occur in normal operation of its Business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not individual Subscriber service specific; they affect many Subscribers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Subscriber to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage, notification to the Subscriber may not be possible.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.1 Undertaking of the Company (Cont'd)****3.1.6 Non-Routine Installation**

At the Subscriber's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular Business hours but, at the Subscriber's request, extends beyond regular Business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

**3.2 Prohibited Uses**

- 3.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Subscriber has not obtained all governmental approvals, authorizations, licenses, consents, and permits required to be obtained by the Subscriber with respect thereto.
- 3.2.2 The Company may require applicants for service who intend to use the Company's offerings for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Commission regulations, policies, orders, and decisions.
- 3.2.3 A Subscriber or Authorized User may not assign, or transfer in any manner, the service without the written consent of the Company.
- 3.2.4 The Company may require a Subscriber immediately to shut down its transmission of signals if said transmission is causing interference to others.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.3 Obligations Of The Subscriber

3.3.1 The Subscriber shall be responsible for:

- A. The payment of all applicable charges as set forth in this tariff;
- B. Damage to or loss of the Company's network or equipment caused by the acts or omissions of the Subscriber or Authorized User, or the noncompliance by the Subscriber or Authorized User with these regulations; or by fire or theft or other casualty on the premises of the Subscriber or Authorized User unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- C. Providing as specified from time to time by the Company any needed personnel, equipment, space, and power to operate equipment furnished by the Company and installed on the premises of the Subscriber or Authorized User and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- D. Obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of equipment used to provide Communications Services to the Subscriber or Authorized User from the building entrance or the property line of the land on which the structure resides, wherein any termination point or origination point used by the Subscriber or Authorized User is placed or is located, whichever is applicable, through the point of entry into the structure, throughout the structure, to the location of the equipment space described in 3.3.1.C preceding. Any and all costs associated with obtaining and maintaining the rights-of-way described herein shall be borne entirely by, or may be charged by the Company to the Subscriber. The Company may require the Subscriber to demonstrate its compliance with this section 3.3.1.D prior to accepting an order for service;
- E. Providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which the Company's contractors, employees or agents are working.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**3.3 Obligations of the Subscriber (Cont'd)3.3.1 The Subscriber shall be responsible for: (Cont'd)

- F. Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses, and permits as may be required with respect to the location of equipment furnished under this tariff on any Premises or the rights-of-way for which the Subscriber or Authorized User is responsible under section 3.3.1.D and obtaining permission for Company contractors agents or employees to enter the Premises of the Subscriber or Authorized User at any reasonable purpose of installing, inspecting, repairing, or upon termination of service as stated herein, removing the equipment furnished hereunder;
- G. Making equipment furnished hereunder available periodically for Company-initiated maintenance purposes at a time agreeable to both the Company and the Subscriber or Authorized User. No allowance will be made for the period during which service is interrupted for such purposes except as provided in section 3.6.1; and
- H. Keeping the equipment furnished hereunder located on the Subscriber's Premises or rights-of-way obtained by the Subscriber or Authorized User free and clear of any liens or encumbrances relating to the Subscriber's or Authorized User's use of the Company's services or from the location of such equipment.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.4 Subscriber Equipment And Channels****3.4.1 In General**

A Subscriber may transmit or receive information or signals using the services provided by the Company.

**3.4.2 Station Equipment**

- A. Subscriber-provided terminal equipment on the Premises of the Subscriber or Authorized User, the operating personnel there, and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Subscriber or Authorized User.
- B. The Subscriber or Authorized User is responsible for ensuring that Subscriber-provided or Authorized User-provided equipment connected to Company equipment is compatible with such equipment. The magnitude and character of the voltages and currents impressed on equipment furnished hereunder and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as to not cause damage to the equipment furnished hereunder and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Subscriber or Authorized User or by the Company at the Subscriber's or Authorized User's expense.
- C. Any special interface equipment necessary to achieve compatibility between the equipment furnished hereunder and the channels, facilities, or equipment of others shall be provided at the Subscriber's expense.
- D. Communications Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.4 Subscriber Equipment And Channels (Cont'd)****3.4.4 Inspections**

- A. Upon suitable notification to the Subscriber, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Subscriber or Authorized User is complying with the requirements set forth in section 3.4.2 and this section 3.4.4.
- B. If the protective requirements for Subscriber-provided equipment or Authorized User-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its equipment, agents, contractors or personnel. The Company will notify the Subscriber or Authorized User promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Subscriber or Authorized User must take this corrective action and notify the Company of the action taken. If the Subscriber or Authorized User fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its equipment, and personnel from harm.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.5 Payment Arrangements

3.5.1 Payment for Service

The Subscriber is responsible for the payment of all charges for facilities and services provided under this tariff.

A. Business Rates

Rates for Business Subscribers are listed in Sections 5, 6, and 7.

1. Business rates apply to services furnished in the following locations:

Office buildings, stores, factories, and all other places of a business nature, churches, hotels, colleges, hospitals, and other major institutions.

B. Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

3.5.2 Billing and Collection of Charges

The Subscriber is responsible for the payment of all charges for facilities and services provided under this tariff.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.5 Payment Arrangements (Cont'd)****3.5.2 Billing and Collection of Charges (Cont'd)**

- A. Non-recurring installation charges are due and payable within 30 days of presentment of an invoice to the Subscriber.
- B. Recurring charges are due and payable within 30 days of presentment of an invoice to the Subscriber for the service or facility furnished. A service may be discontinued for nonpayment of a bill.
- C. Billing starts on the day after the Subscriber has been notified that the service becomes available for use. Billing accrues through and includes the day that the service is discontinued. Monthly charges will be billed one month in advance, except where prohibited by law or as otherwise provided in this tariff. Taxes will be separately stated on the Subscriber's bill.
- D. If any portion of the payment is not received by the Company, or if any portion of the payment is received by the Company in funds that are not immediately available, within 20 days of the mail date on the bill then a late payment penalty shall be due the Company. The late penalty shall be that portion of the payment not received by the date due minus any charges billed as local taxed multiplied by 1.5%. The late factor shall be the lesser of:

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.5 Payment Arrangements (Cont'd)

3.5.2 Billing and Collection of Charges (Cont'd)

D. (Cont'd)

1. The highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the payment date to and including the date that the Subscriber actually makes the payment to the Company; or,
2. an interest rate of four percent (4%) annually.

In addition, the following regulations are applicable to late payment penalties:

- (a) Collection procedures and the requirement for a deposit are unaffected by the application of a late payment charge.
- (b) The late payment charge does not apply to final accounts.
- (c) The late payment charge does not apply to disputed amounts that are associated with unpaid balances. Undisputed amounts on the same bill are subject to the late payment charge if unpaid and carried forward to the next bill.

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**SECTION 3 - RULES AND REGULATIONS (CONT'D)****3.5 Payment Arrangements (Cont'd)****3.5.2 Billing and Collection of Charges (Cont'd)**

- E. The Subscriber will be assessed a \$20.00 charge for each check submitted by the Subscriber to the Company which a financial institution refuses to honor for insufficient funds or a non-existent account.
- F. Subscribers have up to 1 month after the bill is rendered to initiate a dispute over a charge or to receive credits. A bill will not be deemed correct and binding upon the Subscriber by virtue of the preceding sentence if the Company or the Subscriber has records on the basis of which the objection may be considered. If objection results in a refund to the Subscriber, such refund will be with interest at the unadjusted interest rate paid on Subscriber deposits or the late payment penalty rate, whichever is greater.
- G. If service is disconnected by the Company and later restored, restoration of service will be subject to all applicable restoration charges.

**3.5.3 Advance Payments**

To safeguard its interests, the Company may require a Subscriber to make an advance payment before services are furnished. The Advance Payment will not exceed an amount up to one (1) month of estimated monthly usage charges for the service or facility. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Subscriber. The advance payment will be credited to the Subscriber's initial bill. An advance payment may be required of Subscribers in addition to a deposit. The Company reserves the right to waive Advance Payments and/or Deposits, at its sole discretion, upon a showing of adequate financial responsibility to the satisfaction of the Company.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.5 Payment Arrangements (Cont'd)

3.5.4 Deposits

- A. [Reserved for future use]
  
- B. [Reserved for future use]
  
  
- C. [Reserved for future use]

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.5 Payment Arrangements (Cont'd)****3.5.5 Discontinuance of Service**

- A. Upon nonpayment of any charges or deposits owing to the Company, the Company, after complying with the procedures described in section 3.5.2, may, by giving at least seven (7) working days prior written notice to the Subscriber, discontinue or suspend service under this tariff without incurring any liability. At least twenty four (24) hours before actual termination, the Company will diligently attempt to contact the affected Subscriber and apprise the Subscriber of the proposed action and the steps to take to avoid or delay termination. Service to Subscribers may be discontinued or suspended for nonpayment of any amounts owing to the Company on twenty (20) days prior written notice. Access to 911 and enhanced 911 will be maintained during temporary disconnection for non-payment of a residential subscriber's local service.
- B. Upon violation of any of the other terms or conditions for furnishing service under this tariff, or upon any prohibited or improper use of the Communications Services provided by the Company or upon objection to continuance of service made by or on behalf of any governmental authority, the Company may, by giving thirty (30) days prior notice to the Subscriber, or such shorter notice as is required by law, discontinue or suspend service under this tariff without incurring any liability.
- C. In the event a casualty renders all or any material portion of the Company's network inoperable beyond feasible repair, the Company may discontinue or suspend service under this tariff without incurring any liability.
- D. Upon the Company's discontinuance of service to the Subscriber under section 3.5.7.A or 3.5.7.B, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Subscriber during the remainder of the minimum term for which such services would have otherwise been provided to the Subscriber to be immediately due and payable (discounted to present value at four percent).

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.5 Payment Arrangements (Cont'd)****3.5.5 Discontinuance of Service (Cont'd)****E. Telephone service shall not be discontinued for:**

1. Nonpayment of bills rendered other than for telephone service or deposits requested in connection with telephone service;
2. Nonpayment for services for which a bill has not been rendered;
3. Nonpayment for services which have not been rendered, except the initial advance payment of new Subscribers;
4. Telephone service shall not be suspended or terminated for nonpayment of a bill rendered or a required deposit on: weekends, or New Year's Day, Lincoln's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Election Day, Veteran's Day, Thanksgiving Day, Christmas, or other Federal or State holidays proclaimed by the President or the Governor, or days on which the Company is not open for business.

**F. If a Subscriber who has received a notice of discontinuance pays his bill with a check that is subsequently dishonored, his account remains unpaid and the Company is not required to issue any additional notice before discontinuing service.**

**3.5.6 Fractional Charges****A. Monthly Service**

When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.5 Payment Arrangements (Cont'd)****3.5.7 Cancellation of Application for Service**

- A. Applications for business service are noncancellable unless the Company otherwise agrees. Where the Company permits a Subscriber to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- B. Where, prior to cancellation by the Subscriber, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levied against the Company that would have been chargeable to the Subscriber had service begun (all discounted to present value at four percent).
- C. Where the Company incurs any expense in connection with special arrangements and before the Company receives a cancellation notice, a charge equal to costs incurred, less net salvage, applies.

**3.5.8 Changes In Service Requested**

If the Subscriber makes or requests material changes such as service parameters or premises locations, or otherwise materially modifies any provision of the application for service, the Subscriber's installation fee shall be adjusted accordingly.

**3.5.9 Special Charges**

[RESERVED]

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.6 Allowances For Interruptions In Service

Interruptions in service, which are not due to the negligence of, or non-compliance with the provisions of this Tariff by the Subscriber, or the operation or malfunction of the facilities, power, or equipment provided by the Subscriber, will be credited to the Subscriber as set forth below for the part of the service that the interruption affects. A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this Tariff.

3.6.1 Credit for Interruptions

- A. An interruption period begins when the Subscriber reports a service, facility, or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility, or circuit is operative. If the Subscriber reports a service, facility, or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.
- B. For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- C. A credit allowance will be given, upon request of the Subscriber to the business office, for interruptions of 30 minutes or more. Credit allowances will be calculated as follows:

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**3.6 Allowances For Interruptions In Service (Cont'd)3.6.1 Credit for Interruptions (Cont'd)

## C. (Cont'd)

1. if interruption continues for less than 24 hours:
  - (a) 1/28<sup>th</sup> of the monthly rate if it is the first interruption in the same billing period
  - (b) 2/28ths of the monthly rate if there was a previous interruption of at least 24 hours in the same billing period.
2. if interruption continues for more than 24 hours:
  - (a) if caused by storm, fire, flood or other condition out of Company's control, 1/28<sup>th</sup> of the monthly rate for each 24 hours of interruption.
  - (b) for other interruption, 1/28<sup>th</sup> of the monthly rate for the first 24 hours and 2/28ths of such rate for each additional 24 hours (or fraction thereof); however, if service is interrupted for over 24 hours, more than once in the same billing period, the 2/28ths allowance applies to the first 24 hours of the second and subsequent interruptions

Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

## D. Credit to Subscriber

Credits attributable to any billing period for interruptions of service shall not exceed the total charges for that period for the service and facilities furnished by the Company rendered useless or substantially impaired.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.6 Allowances For Interruptions In Service (Cont'd)****3.6.1 Credit for Interruptions (Cont'd)****E. "Interruption" Defined**

For the purpose of applying this provision, the word "interruption" shall mean the inability to complete calls either incoming or outgoing or both due to equipment malfunction or human errors. "Interruption" does not include and no allowance shall be given for service difficulties such as slow dial tone, circuits busy or other network and/or switching capacity shortages. Nor shall the interruption allowance apply where service is interrupted by the negligence or willful act of the subscriber or where the Company, pursuant to the terms of the Tariff, suspends or terminates service because of nonpayment of bills due to the company, unlawful or improper use of the facilities or service, or any other reason covered by the Tariff. No allowance shall be made for interruptions due to electric power failure where, by the provisions of this Tariff, the subscriber is responsible for providing electric power. Allowance for interruptions of message rate service will not affect the subscriber's local call allowance during a given billing period.

**3.6.2 Limitations on Credit Allowances**

No credit allowance will be made for:

- A. Interruptions due to the negligence of, or non-compliance with the provisions of this Tariff, by any party other than the Company, including but not limited to the Subscriber, authorized user, or other common carriers connected to, or providing service connected to, the service of the Company or to the Company's facilities; or
- B. Interruptions due to the failure or malfunction of non-Company equipment, including service connected to Subscriber provided electric power;

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.6 Allowances For Interruptions In Service (Cont'd)****3.6.2 Limitations on Credit Allowances (Cont'd)**

- C. Interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- D. Interruptions of service during any period when the Subscriber has released service to the Company for maintenance purposes or for implementation of a Subscriber order for a change in service arrangements;
- E. Interruptions of service due to circumstances or causes beyond the control of the Company.

**3.6.3 Directory Errors**

In the absence of gross negligence or willful misconduct and except for the allowances previously stated in section 3.6, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, will attach to the Company.

- A. An allowance for errors or mistakes in or omissions of published directory listings or for errors or mistakes in or omissions of listings obtainable from the directory assistance operator will be given as follows:

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)****3.6 Allowances For Interruptions In Service (Cont'd)****3.6.3 Directory Errors (Cont'd)****A. (Cont'd)**

1. For free or no charge published directory listings, credit will be given at the rate of two times the monthly tariff rate for an additional or charge listing for each individual, auxiliary or party line affected, for the life of the directory or the charge period during which the error, mistake, or omission occurs.
2. For additional or charge published directory listings, credit shall be given at the monthly tariff rate for each such listing for the life of the directory or the charge period during which the error, mistake, or omission occurs.
3. For free or charge listings obtainable from records used by the directory assistance operator, upon notification to the Company of the error, mistake or omission in such records by the Subscriber, the Company will be allowed a period of three (3) Business days to make a correction. If the correction is not made in that time, credit will be given at the rate of two-thirtieths (2/30) of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.6 Allowances For Interruptions In Service (Cont'd)

3.6.3 Directory Errors (Cont'd)

A. (Cont'd)

- 4. The total amount of the credit provided for in the preceding Paragraphs 1., 2., and 3. shall not exceed, on a monthly basis, the total of the charges for each charge listing plus the basic monthly rate, as specified in Paragraph 3., for the line or lines in question.
- 5. Such allowance or credits as specified in Paragraphs 1., 2., and 3. preceding, will be given upon notice to the Company by the Subscriber that such error, mistake, or omission has occurred; provided, however, that when it is administratively feasible for the Company to have knowledge of such error, mistake or omission, the Company will credit without the requirement of notification by the Subscriber.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.6 Allowances For Interruptions In Service (Cont'd)

3.6.4 Cancellation For Service Interruption

Cancellation or termination for service interruption to Subscribers is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12 month period. The right to cancel service under this revision applies only to the single circuit which has been subject to the usage or cumulative service credits.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

**3.7 Communications Services Pricing**

The following regulations are applicable to Business service:

**3.7.1 Temporary Promotional Programs**

The Company may establish temporary promotional programs wherein it may waive non-recurring charges or reduce recurring charges, to introduce present or potential Subscribers to a service not previously received by the Subscribers.

Promotions for basic business line service will be filed with the Commission.

**3.7.2 Time Sensitive Usage Rates**

Where charges for a service are based on the duration of time a call is connected, the following rules apply:

- A. Unless otherwise specified, all calls are timed in one minute increments. If the duration of a call includes any fraction of a minute the call will be timed to the next full minute unless otherwise specified in this tariff.
- B. Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).
- C. Timing terminates on all calls when either party hangs up or the Company's Network receives an on hook signal from the terminating carrier.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

3.7 Communications Services Pricing (Cont'd)

3.7.3 Distance Sensitive Usage Rates

Where charges for a service are based on the distance between the calling and called stations, the following rules apply:

- A. Distance is measured as the airline distance between the Rate Centers of the calling and called stations. The Rate Center is a set of geographic coordinates, as referenced in the National Exchange Carrier Association, Inc. (NECA) Tariff FCC No. 4, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of the seven-digit telephone numbers of the stations). Where there is no telephone number associated with a station connected to the Company's switched network, the Rate Center for the Subscriber's main telephone number will apply.
  
- B. The airline distance between any two Rate Centers is determined as follows:
  - 1. Obtain the "V" (vertical) and "H" (horizontal) coordinates for each Rate Center from the above referenced NECA tariff.
  - 2. Compute the difference between the "V" coordinates of each Rate Center and the "H" coordinates of each rate center.
  - 3. Square each difference obtained in (b) above.
  - 4. Add the squares together and divide by 10.
  - 5. Take the square root of the number obtained in (d) above and round the result to the next higher whole number. This is the airline mileage between the two Rate Centers for pricing purposes.

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**SECTION 3 – RULES AND REGULATIONS (CONT'D)**

**3.8 Complaints**

To file a complaint or contact the Company for any reason, Subscribers may call (801) 350-2017 between 9 a.m. and 5 p.m. or write to: Customer Service, CeriStar, Inc., 50 West Broadway, Suite 1100, Salt Lake City, UT 84101.

If Subscriber has any other complaints, the Subscriber has the right to appeal to the Public Utilities Commission at the following address:

Idaho Public Utilities Commission  
State House  
472 W. Washington Street  
Boise, ID 83702  
Phone (208) 334-0338  
Fax (208) 334-3762  
<http://www.puc.state.id.us/>

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**SECTION 4 – EXCHANGE ACCESS SERVICE**

Exchange Access Service provides a Subscriber with access to the public switched telecommunications network. Each Exchange Access Service enables users to:

- receive calls from other stations on the public switched telecommunications network;
- access other services offered by the Company as set forth in this tariff;
- access certain interstate and international calling services provided by the Company;
- access (at no additional charge) emergency services by dialing 0- or 9-1-1; and
- access services provided by other common carriers which purchase the Company's Switched Access services as provided under the Company's Federal and State tariffs, or which maintain other types of traffic exchange arrangements with the Company.

Each Exchange Access Service is available on a "Full" service basis, whereby service is delivered to a demarcation/connection block at the Subscriber's premises.

The following Exchange Access Services are offered:

Business Services  
Basic Business Line Service

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**SECTION 4 – EXCHANGE ACCESS SERVICE (CONT'D)**

4.1 Business Service

4.1.1 Basic Business Line Service

Basic Line Service provides a Subscriber with a single, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Basic Lines are provided for connection of Subscriber-provided single station sets, facsimile machines or Key systems to the public switched telecommunications network. Each Basic Line may be configured into a hunt group with other Company-provided Basic Lines.

Basic Business Line Service also has unlimited local calling at flat rate with access to 911, operator services, and relay service.

Non-recurring and Recurring charges per Basic Line apply as follows:

<u>Non-Recurring</u>	<u>Recurring Monthly Charge</u>
\$32.50	\$29.59

4.1.2 Usage Rates

Voice and circuit switched calls are provided on an all you can use basis included in the recurring monthly charges for basic business line service.

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**SECTION 5 – EXCHANGE ACCESS OPTIONAL FEATURES****5.1 Business Services****5.1.1 Touch Tone**

Allows the user of a push button phone (Touch Tone) to have speed dial capability and access to computerized services when available. Push button phones by themselves do not provide Touch-Tone service. Touch-Tone service is not required for rotary dial or pulse-only telephones. There is no charge for this service.

**5.1.2 Directory Listings**

For each Subscriber of Company-provided Exchange Access Service(s), the Company shall arrange for the listing of the Subscriber's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Subscriber's option, the Company will arrange for additional listings.

Non-Recurring  
\$19.00

Recurring Monthly Charge  
\$1.20

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**SECTION 5 – EXCHANGE ACCESS OPTIONAL FEATURES (CONT'D)**

5.1 Business Services (Cont'd)

5.1.3 Direct Inward Dial (DID) Service

For Subscribers with multiple premises served by the Company, the Company will arrange for a listing of the main billing telephone number at each premise. DID service transmits the dialed digits for all incoming calls allowing the Subscriber's PBX to route incoming calls directly to individual stations corresponding to each individual DID number.

Subscriber is required to purchase at least one DID number block for each DID-equipped channel or channel group. A "group" is defined a set of channels on a Digital Trunk, which have been configured into a hunt group. The Company reserves the right to limit the amount of DID numbers that will constitute a block of telephone numbers. The amount of DID numbers included in a telephone number group will be determined at the sole discretion of the Company, and will reflect the efficient management of the Company's resources. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine efficient telephone number utilization. Should the Company determine based on its own discretion that there is inefficient number utilization, the Company may reassign the DID numbers.

The Subscriber has no property right to the telephone number or any other call number destination associated with DID service furnished by the Company, and no right to the continuance of service through any particular end office. The Company reserves the right to change such numbers, or the end office designation associated with such numbers, or both, assigned to the Subscriber, whenever the Company deems it necessary to do so in the conduct of its business.

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**SECTION 5 – EXCHANGE ACCESS OPTIONAL FEATURES (CONT'D)**5.1 Business Services (Cont'd)5.1.3 Direct Inward Dial (DID) Service (Cont'd)

## Direct Inward Dial (DID) Telephone Numbers

	<u>Non-Recurring</u>	<u>Recurring Monthly Charge</u>
Single DID	\$5.00	\$2.00
Block of 20	\$80.00	\$2.00
Block of 100	\$350.00	\$2.00

5.2 Optional Line Features

The following is a list of Optional Features available with Basic Business Line Service.

5.2.1 Unified Message Calling\* Consisting of:

- Call Forwarding
- Call Waiting
- Caller ID
- Call Return
- Three-Way Calling

<u>Non-Recurring</u>	<u>Recurring Monthly Charge</u>
\$14.95	None

\* This is a soft switch and will be billed per user whether it is used or not.

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**SECTION 6 – MESSAGE TOLL SERVICE****6.1 IntraLATA Message Toll Service**

Message Toll Service enables a user of an exchange access line provided by the Company or another certified local exchange carrier to place calls to any station on the public switched telecommunications network bearing an NPA-NXX designation associated with points outside the Subscriber's Local Calling Area, but within the same LATA within the State of Idaho.

**6.2 Rates**

Rates set forth in this section apply to all direct-dialed intra-LATA calls as described in Section 6.1. For operator assisted regional calls, the operator charges listed in Section 7 apply in addition to the charges listed below.

Mileage	Initial Half -Minute	Add'l 1/10 of a minute
0-292	\$0.1245	\$0.0249

These rates do not vary by time of day or day of the week. Billed timing is in 1/10 of a minute increments, with a minimum charge of one-half minute per call.

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**SECTION 7 – MISCELLANEOUS SERVICES****7.1 Operator Services**

Operator Handled Calling Services are provided to Business Subscribers and Users of Company-provided Exchange Access Services, and to Subscribers and Users of exchange access lines which the Subscriber has pre-subscribed to the Company's Pre-Subscribed interexchange outbound calling services.

**7.1.1 Definitions**

Person-to-Person: Calls completed with the assistance of a Company operator to a particular person, station, department, or PBX extension specified by the calling party. Charges may be billed to the Subscriber's commercial credit card and/or LEC calling card, calling station, or a designated third-party station.

Station-to-Station: Refers to calls other than person-to-person calls billed to either the end user's commercial credit card and/or non-proprietary calling card. Calls may be dialed with or without the assistance of a Company operator. Collect calls to coin telephones and transfers of charges to third telephones that are coin telephones will not be accepted.

**7.1.2 Operator Services Rules**

Subscribers may originate calls on an operator assisted station-to-station basis (including collect calls), Subscriber dialed calling card basis, or person-to-person basis.

A provider of intrastate operator assisted communications services must:

- A. Identify itself at the time the end-user accesses its services;
- B. Upon request, quote all rates and charges for its services to the end-user accessing its system;

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**SECTION 7 – MISCELLANEOUS SERVICES (CONT'D)**

7.1 Operator Services (Cont'd)

7.1.2 Operator Services Rules (Cont'd)

C. Arrange to have posted in plain view at each telephone location that automatically accesses the operator service provider's network and where its services are made available to the public or transient end-users:

1. The operator service provider's name and address;
2. Bill and service dispute calling information including the operator service provider's dispute resolution phone number;
3. Clear and specific instructions informing the end-user how to access a local exchange telephone company operator as an alternative available to the end-user; and
4. Notice concerning a and all amounts to be billed by the operator services provider on behalf of any host location or third party that will appear on the operator service provider's bill for services rendered.
5. In instances when the provider is unable to complete the call and it requires transfer to another telephone corporation which may affect the rates and charges applicable to the telephone bill, inform the caller of the transfer and its possible effect on the applicable rates and charges, before any charges are incurred; and
6. in the case of such transfer, the telephone corporation or provider to which the call is transferred shall identify itself and inform the caller of the transfer's effect on the applicable rates and charges, before any charges are incurred.

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**SECTION 7 – MISCELLANEOUS SERVICES (CONT'D)****7.1 Operator Services (Cont'd)****7.1.3 Operator Service Rates**

In addition to placing calls on a direct dial station-to-station basis, intraLATA and interLATA calls may be placed on a person-to-person basis or on an operator assisted station-to-station basis. The charges set forth below apply for such operator-assisted calls, in addition to the charges for Business Service in Section 6 preceding.

Type Call	Charge per Call
Person-to-Person	\$3.25
Station-to-station	\$1.75

**7.2 Busy Line Verify and Line Interrupt Service**

Upon request of a calling party the Company will follow the procedures below to verify a busy condition on a called line:

- 7.2.1 The operator will determine if the line is clear or in use and report to the calling party.
- 7.2.2 The operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption.
- 7.2.3 Regulations
- A. A charge will apply when:
1. The operator verifies that the line is busy with a call in progress.
  2. The operator verifies that the line is available for incoming calls.

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**SECTION 7 – MISCELLANEOUS SERVICES (CONT'D)**7.2 Busy Line Verify and Line Interrupt Service (Cont'd)

## 7.2.3 Regulations (Cont'd)

## A. (Cont'd)

3. The operator verifies that the called number is busy with a call in progress and the Subscriber requests interruption. The operator will then interrupt the call, advising the called party the name of the calling party. One charge will apply for both verification and interruption.

## B. No charge will apply:

1. When the calling party advises that the call is to or from an official public emergency agency.

C. Busy Verification and Interrupt Service is furnished where and to the extent that facilities permit.

D. The Subscriber shall identify and save the Company harmless against all claims that may arise from either party to the interrupted call or any person

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**SECTION 7 – MISCELLANEOUS SERVICES (CONT'D)**7.2 Busy Line Verify and Line Interrupt Service (Cont'd)

## 7.2.4 Rates

	<u>Per Call</u>
Busy Line Verification	\$0.35
Busy Line Interrupt	\$0.45

7.3 Directory Assistance

Subscribers and Users of the Company's business calling services (excluding Toll Free services), may obtain directory assistance in determining telephone numbers within Idaho by calling the Directory Assistance operator.

<u>Per Call</u>	
\$0.20	Local Directory (beyond 3 monthly call allowance)
\$0.85	IntraLATA Toll
\$0.30	Call Completion

7.4. Emergency Services (Enhanced 911)

Enhanced 911 service allows Subscribers to reach appropriate emergency services including police, fire and hospital. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the customer's address and telephone information will be provided to the primary E911 provider for display at the Public Service Answering Point (PSAP).

7.5 Telecommunications Relay Service (TRS)

TRS refers to the provision of a specialized telecommunications service that allows hearing and speech impaired customers to communicate over the telecommunications network. The Company will pass through to the Subscriber all charges associated with this service, including associated taxes and franchise fees, at the same level of charge as assessed by the ILEC to the Company. The customer is responsible for the provisions of all hardware and installation thereof at the customer's premises in order to utilize this service; the Company maintains no inventory of hardware for this purpose.

**Issued:****Effective:**

Issued by: David L. Bailey  
Chairman and CEO  
CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, UT 84101

**SECTION 8 – SPECIAL ARRANGEMENTS**

8.1 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Subscriber or prospective Subscriber to develop a competitive bid for a service not generally available under this tariff. ICB rates will be offered to the Subscriber in writing and on a non-discriminatory basis.

**Issued:**

**Effective:**

**Issued by: David L. Bailey  
Chairman and CEO  
CeriStar, Inc.  
50 West Broadway, Suite 1100  
Salt Lake City, UT 84101**

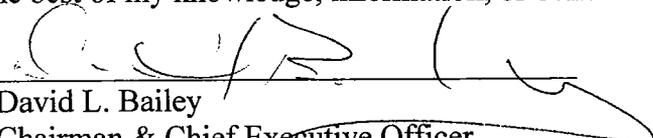
**VERIFICATION**

STATE OF Utah )  
COUNTY OF Salt Lake )

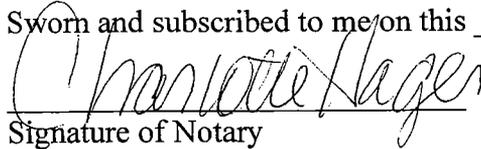
I, David L. Bailey, being duly sworn, state that I am the Chairman & Chief Executive Officer for CeriStar, Inc., the Applicant in the subject proceeding, and that I am authorized to make this statement on the Applicant's behalf.

As required by Idaho Code §61-406 and by the Commission's Order in the case of *In the Matter of Procedural Requirements for Approval of Certificates of Public Convenience and Necessity for Telecommunications Providers Desiring to Provide Local Service in Idaho*, Case No. GNR-T-96-4, Procedural Order No. 26665 (November 7, 1996), the Applicant agrees to adhere to all state laws and all Commission policies, rules and orders.

I have read the foregoing paragraph, CeriStar's application and exhibits and hereby declare that the same are true and correct to the best of my knowledge, information, or belief.

By:   
David L. Bailey  
Chairman & Chief Executive Officer  
VeriStar, Inc.

Sworn and subscribed to me on this 21 day of January 2002<sup>3</sup>

  
Signature of Notary

Seal:

Name of Notary (printed or typed) Charlotte Hager

My commission expires: April 30, 2005

