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> > June 16, 2011

RECEIVED

Via Hand-Delivery Mr. Jeff DeRouen, Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

RE: Case No. 2009-00110

Dear Mr. DeRouen:

Please find enclosed for filing an original and ten (10) copies of Nexus Communications, Inc.'s Responses to the Commission's Third Request for Information from the Commission's Staff.

Be advised that one copy of Nexus Communications, Inc.'s Responses contains a confidential document and therefore Nexus has marked the document as "Confidential" and requests that the Commission segregate and not disclose this certain Response containing the yellow highlighted sections in its Exhibit D with this copy pending resolution of Nexus' Petition for Confidentiality – which is also enclosed with an original and ten (10) copies.

Please place the documents of file. Should you have any questions regarding the enclosed, please contact me at your convenience.

Regards,

Matthew Malone

C: File; Hon. B. May; Hon. D. Frappier; Hon. C. Fedeli

* Of Counsel

Jennifer S. Scutchfield *

JUN **1 6** 2011

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

Petition of Nexus Communications, Inc. for Additional Designation as an Eligible Telecommunications Carrier in Kentucky

Case No. 2009-00110

JUN 1 6 2011 PUBLIC SERVICE COMMISSION

RECEIVED

PETITION FOR CONFIDENTIALITY OF NEXUS COMMUNICATIONS, INC.

Nexus Communications, Inc. ("Nexus") respectfully submits this Petition for Confidentiality ("Petition") for certain of its responses to the Third Request for Information ("Requests") from the staff of the Kentucky Public Service Commission ("Commission" or "PSC"). Nexus asks for confidentiality for its responses to two (2) data requests out of the fifty-nine (59) data requests propounded by Commission Staff on April 5, 2011. Nexus makes this request pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1).

BACKGROUND

By this Petition, Nexus requests that the Commission grant confidential protection to Nexus' response to Commission Staff's Wireless Question No. 2 and Wireless Question No. 3. These questions ask Nexus to disclose the services provided over its network facilities and the services provided via private commercial arrangements with other carriers.

GROUNDS FOR PETITION

The Kentucky Open Records Act exempts from disclosure certain commercial information, including records generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records. KRS 61.878(l)(c). Nexus provides pre-paid wireline and wireless

services targeting low income consumers. That market is highly competitive, as consumers can choose among several pre-paid wireline and wireless carriers for affordable services.

If Nexus were forced to disclose its services and network information called for in Wireless Questions 2. and 3., competitors would be easily able to copy Nexus' facilities-based solution to providing pre-paid wireless ETC services. In particular, since facilities-based ETC service providers must offer the FCC's required nine supported services in part over their own facilities, the disclosure of how Nexus has accomplished this would provide a roadmap for Nexus' competitors to deploy similar or identical solutions. This would allow Nexus' competitors to avoid spending the time and money that Nexus spent in developing its servicesand-facilities solution. Nexus' confidential disclosures relating to its network and private commercial agreements used to provide its services are therefore highly confidential trade secret information subject to protection under the Kentucky Open Records Act.

The Commission has taken the position that the statute and the regulation require the party requesting confidentiality to demonstrate 1) actual competition and 2) the likelihood of competitive injury if the information is disclosed. Those requirements are easily met here.

1. Nexus Faces Actual Competition

Nexus competes or plans to compete against other Kentucky Eligible Telecommunications Carriers ("ETCs") like Tennessee Telephone Service, LLC d/b/a Freedom Communications USA, LLC, Smart Connections, Inc., and Absolute Home Phones, Inc., all of whom have been granted ETC status by this Commission. In addition, Nexus faces stiff competition nationally in the provision of ETC low income services from providers such as Tracfone and Virgin Mobile.

In light of this competition, disclosure of the information would hurt Nexus in the marketplace because it would allow competitors to employ the same successful business model Nexus has without the costs and time Nexus spent to develop the model. These costs and time are detailed below in Section 2.B. As demonstrated in that Section – especially when read in conjunction with Nexus' confidential responses to Wireless Questions 2. and 3. – the explanation of how Nexus provides its service is inextricably intertwined with Nexus' network facilities and business model. Thus, any public disclosure of this information would be a boon to Nexus competitors, who could then emulate Nexus network, service strategy, and business plan without the investments of time and money Nexus has made.

In addition to the cost issue, disclosure of the information could allow Nexus' competitors to injure Nexus through misleading dissemination of the information to potential customers. Consumers choose providers based on a variety of factors, including their subjective impression about the business models of particular carriers. Public disclosure of proprietary information could easily cause competitive injury to Nexus if the information were to be used selectively by a competitor. Such selective disclosure could take the form of drawing negative comparisons between Nexus' business model and the "pure reseller" business model.

2. Nexus Will Likely Suffer Competitive Injury if the Information is Disclosed

As a certified provider of wireless ETC services in thirteen states, Nexus' business information is particularly sensitive and in need of protection from this Commission. As Nexus faces intense competition in the low income telecommunications services market both inside and outside of Kentucky, disclosure of the information would likely cause Nexus serious competitive injury. The specific injury is: the thousands of hours Nexus spent defining and

honing its business model and plan would be published for all of its competitors to review and copy without making any similar investments of their own. This would allow Nexus' competitors to save time and money by copying Nexus' highly efficient business model, allowing those competitors to compete for and serve the same customers as quickly and costeffectively as Nexus does. This in turn would allow those competitors to capture a greater share of the low income services market, causing a corresponding decline in Nexus' revenues.

A. Release of Nexus' Information Would Meet the Kentucky PSC Standard of Likely Competitive Injury

The Commission has long recognized the highly competitive nature of wireless services as a reason to provide confidential treatment to information submitted to the Commission by wireless service providers. *See, e.g., In the Matter of ACC of Kentucky LLC's Petition for Confidential Protection*, Case No. 99-1 84 (January 24, 2000) (confidential treatment for intrastate gross revenue reports). More recently, the Commission extended blanket protection for all wireless carriers' access line count information submitted with monthly TRS and TAP reports. *Petition of the Kentucky Commission on the Deaf and Hard of Hearing*, Case No. 2007-00464 (April 16, 2009).

In *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766 (Ky. 1995), the Kentucky Supreme Court held that financial information submitted by General Electric Company with its application for investment tax credits was not subject to disclosure simply because it had been filed with a state agency. The Court applied the plain meaning rule to the statute, reasoning that "[i]t does not take a degree in finance to recognize that such information concerning the inner workings of a corporation is 'generally recognized as confidential proprietary.'" *Id.* at 768. The same analysis applies here.

Nexus is disclosing information about its facilities and business partners, and this information is capable of being misinterpreted and deliberately misused. Specifically, Nexus' competitors could review this confidential information and disseminate it to Nexus' subscribers in a way that mischaracterizes it and criticizes Nexus for having a CLEC-style network architecture and business instead of an ILEC or ILEC reseller network and business. In other words, competitors might allege that ILEC or ILEC resellers are better or more reliable because the ILEC has a huge legacy network, while Nexus has a smaller network. A competitor of Nexus, whether an ILEC or a wireless carrier, could therefore use this confidential services and facilities information to disparage Nexus or attempt to paint Nexus' operations in a false light.

Additionally, as explained above, public disclosure of the confidential information would allow Nexus' competitors to save time and money by mimicking Nexus' efficient and effective business model. Nexus' competitors would then be able to compete for and serve the same customers as quickly and cost-effectively as Nexus does, taking away customers from Nexus and harming Nexus' business.

B. Nexus Has Invested Intensive Time and Effort Developing its Particular Business Model and Network Architecture, Disclosure of Which Would Constitute Irreparable Competitive Injury

Following the FCC's elimination of the UNE-P business model in its 2005 Triennial Review Order, Nexus set about planning and implementing a strategy to develop a telecommunications network that would allow it to remain relevant and competitive in a changing industry. This planning phase involved choosing the proper platform and technologies for Nexus' network that would allow Nexus the flexibility to adapt and advance as quickly as the technology and the market. As a privately held, entrepreneurial business, Nexus needed to ensure that its network would be cost effective both from a capital and operating expense perspective. Nexus focused on taking advantage of technological developments in network design to create a nimble network core. The time and financial resources invested in this network design effort were substantial. Unlike legacy telecommunications infrastructure, which is little changed over the past several decades, the new generation of equipment presented compatibility challenges for Nexus in order to assemble the right network elements to create a reliable and functional network. Nexus worked with different vendors to review various pieces of specialized equipment designed to reduce operating costs and increase carrying capacity. Choosing the right equipment and network integration plan to ensure a successful design and business case was also a time intensive process.

To construct a network that could effectively serve wireless customers, Nexus next joined an industry association and designed a quick-start network for a go-to-market plan. During this phase, Nexus analyzed factors including what kind of core functionality the network design required, whether the system as designed required a central node for billing, and the backhaul bandwidth requirements. Nexus engaged consultants to assist in the design of the automated carrier functions for customer support and activation, and the evaluation of integrated PINs or PIN-less marketing strategies, post-paid and or prepaid billing and rating, revenue assurance, and the costs of an internal company owned customer service call center. Additional details that needed to be analyzed included the appropriate equipment configuration and the type of highcapacity facilities and how they would be provisioned. Also, the infrastructure needed to be designed with sufficient port equipment and network synchronization functionality. The design

and provisioning of a firewall to protect the purchased hardware and to prevent security breaches to Nexus' network and/or equipment was also implemented during this phase.

Nexus also had to determine how to take the best advantage of the off-the-shelf equipment available in order to build a cost-effective network. Developing specially designed network equipment was financially out of the reach of Nexus, so Nexus utilized new and technologically-sophisticated existing equipment for its network. Through extensive due diligence and many hours of market research, Nexus determined that use of a newer technology platform would give Nexus the flexibility and technological capabilities it needed to serve its market.

In order to make a pre-paid wireless solution network feasible using Nexus' network, Nexus worked with specialized industry-specific consultants to determine the best approach that would fit into the budget allocated for the network build. One challenge Nexus faced was integrating cellular technology with the existing PSTN infrastructure. Although there are standards in place to do so, they are not easily deployed. Nexus had to spend a considerable number of hours to integrate cellular services with existing PSTN technology so that Nexus would not have to duplicate the purchase of resources to serve its customers.

As a result of this time and labor intensive process, Nexus has developed a facilitiesbased network solution which makes Nexus ideally suited to serve lower revenue subscribers. The time and investment Nexus made allows Nexus to deploy services quickly in a given area with minimal investments of time and money. Nexus' ability to formulate and build this costeffective network was crucial to ensure its operating margins were sustainable for serving low income customers almost exclusively. This formula was the result of many years of effort, planning, and expense, and as such is properly regarded as a highly confidential trade secret.

Disclosure of this confidential information would provide our competitors with a roadmap to Nexus' success while simultaneously harming Nexus' market position.

SPECIFIC QUESTIONS FOR WHICH NEXUS SEEKS CONFIDENTIALITY

As stated above, Nexus only seeks confidential treatment for two (2) out of the fiftynine (59) questions Commission Staff directed at Nexus in their April 5, 2011 "Third Request for Information" in the above-referenced docket. The questions are:

Wireless Question 2.

In Wireless Question 2, Commission Staff asked:

Describe in detail the services that are designated for support in accordance with 47 C.F.R. §54.100 that are provided by Nexus' "own facilities."

Nexus requests confidential treatment of this response and exhibit. This document constitutes confidential commercial information. Because Nexus' competitors in the telecommunications industry would obtain significant operational information from the discussion of Nexus' services-and-facilities ETC solution contained in the confidential document filed in response to this request. This services and facilities information is Nexus' business model and network architecture, which were the result of the time and labor intensive process described above in Section 2.B. The release of such information to the general public would place Nexus at a competitive disadvantage in the Kentucky telecommunications marketplace. Specific information regarding the details of Nexus's facilities is not generally known and is not readily discernable to third parties by any proper means.

Disclosure of this information to Nexus' competitors would permit these entities to gain a significant competitive advantage over Nexus by copying key aspects of Nexus' business plans and operations. The arrangement of facilities used by ETCs serving the participants in the Low Income program can vary significantly from ETC to ETC.

Furthermore, Nexus has taken all appropriate and legal measures to ensure that its facilities information is disseminated only to those with a need to know, and that all measures have been taken to protect this information from disclosure when it is required to be filed in a public forum. Accordingly, this information should not be subject to disclosure to the public.

Wireless Question 3.

In Wireless Question 3, Commission Staff asked:

Describe in detail the services that are designated for support in accordance with 47 C.F.R. §54.100 that are provided by resale of Verizon Wireless service.

Nexus requests confidential treatment of this response. Information about Nexus business arrangements constitutes confidential commercial information. Nexus's competitors in the telecommunications industry would obtain significant operational information from the discussion contained in this response and document; therefore, the release of such information to the general public would place Nexus at a competitive disadvantage in the Kentucky telecommunications marketplace. Specific information regarding the details of Nexus's use of Verizon's facilities is not generally known and is not readily discernable to third parties by any proper means.

Disclosure of this information to Nexus' competitors would permit these entities to gain a significant competitive advantage over Nexus, possibly by copying key aspects of Nexus' business plans and operations. The arrangement of facilities used by ETCs serving the participants in the Low Income program can vary significantly from ETC to ETC. Furthermore, Nexus has taken all appropriate and legal measures to ensure that its facilities information is disseminated only to those with a need to know, and that all measures have been taken to protect this information from disclosure when it is required to be filed in a public forum. Accordingly, this information should not be subject to disclosure to the public.

CONCLUSION

Nexus is entitled to confidential protection for the information at issue and requests that the Commission confirm that it will not be disclosed. If the Commission disagrees, however, it must hold an evidentiary hearing (a) to protect the due process rights of Nexus and (b) to supply the Commission with a complete record to enable it to reach a decision with regard to this matter. *Utility Regulatory Commission v. Kentucky Water Service Company, Inc.*, 642 S.W.2d 591,592-94 (Ky. Ct. App. 1982). Nexus further requests that it be afforded the right to withdraw the information at issue if the Commission disagrees that it should be kept confidential. *Sprint Communications Company, L.P.*, Case No. 2010-00012, Letter from Jeff Deroun, Executive Director, Kentucky Public Service Commission to John Hughes (February 12, 2010).

Respectfully submitted,

Danielle Frappier Chris Fedeli

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Counsel for Nexus Communications, Inc.

June 16, 2011

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 1 6 2011

PUBLIC SERVICE COMMISSION

Petition of Nexus Communications, Inc. for Additional Designation as an Eligible Telecommunications Carrier in Kentucky

Case No. 2009-00110

RESPONSES OF NEXUS COMMUNICATIONS, INC. TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Nexus Communications, Inc. ("Nexus") respectfully submits these responses to the Third

Request for Information ("Requests") from the staff of the Kentucky Public Service Commission

("Commission" or "PSC"). These responses were prepared by undersigned counsel for Nexus,

in consultation with Nexus' personnel. Nexus President Steven Fenker is the contact individual

for each response, and has personally certified to the accuracy of all answers in the attached

Declaration.

Danielle Frappier Chris Fedeli

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Counsel for Nexus Communications, Inc.

June 16, 2011

Wireline Questions

Question 1. Commission records indicate that the current interconnection agreement between Nexus and AT&T Kentucky expired on January 14, 2011. Is Nexus still operating under this agreement or is Nexus negotiating a replacement agreement?

Response to 1.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: The parties have confirmed that Nexus may continue to operate under the existing Interconnection Agreement indefinitely until the parties can agree on a successor agreement. The new Interconnection Agreement has been executed by both parties and it is Nexus understanding that AT&T has filed the successor agreement in Kentucky awaiting Commission approval.

Question 2. Other than the interconnection agreement referenced in question 1 and the interconnection agreement with Cincinnati Bell, does Nexus have any other resale or commercial agreements in Kentucky with other telecommunications carriers? If so, include signed evidence of the agreements.

Response to 2.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: In addition to the interconnection agreements with AT&T Kentucky and Cincinnati Bell, Nexus also has executed a commercial agreement with AT&T Kentucky commonly known as Local Wholesale Complete ("LWC"). Under the terms of its LWC agreement, Nexus continues to obtain section 251 loops commingled with section 271 elements, such as a port unbundled local switching, as Nexus previously described to the Commission in this docket. *See* Response of Nexus Communications, Inc. to Commission Order Dated April 20, 2010, Case No. 2009-00110, ¶ 2 (filed May 7, 2010). Other than these specific agreements, Nexus does not have any other agreements in Kentucky with any other telecommunications carrier.

Attached with these responses, as **Exhibit A**, is a copy of the signature page of Nexus' LWC agreement with AT&T Kentucky. As Nexus understands it, AT&T has filed its commercial agreements with the Commission in Case No. 2004-00427. The entire executed agreement is available online here:

https://clec.att.com/clec_cms/clec/docs/99eed6ebe13f4e07b44382c5595ad0ea.pdf

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Question 3. Describe the process in which Nexus orders a Section 251 loop and commingles it with Section 271 elements to provide service. Provide copies of orders or contracts that show the process.

Response to 3.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: In its December 12, 2007 Order in Case No. $2004-00427^{1}$, the Commission concluded that Local Wholesale Complete commercial agreements offered in Kentucky by AT&T provide CLECs with access to "facilities" including network elements, and thus allow AT&T Kentucky to meets its Section 271(c)(2)(B) "Competitive Checklist" obligations, which require a Bell operating company to continue to provide those network elements that are no longer required under Section 251. At this time, loops are not a Section 271 "Competitive Checklist" element as loops continue to be required under Section 251.

Nexus maintains that since the Commission has reasoned that Local Wholesale Complete commercial agreement offerings allow AT&T Kentucky to meet its Section 271(c)(2)(B) "Competitive Checklist" obligations to provide "nondiscriminatory access to network elements," such as unbundled local switching and local loop transport, it reasonably follows that this same agreement allows a competitive carrier, such as Nexus, to meet the facilities requirement established in Section 214(e)(1)(A) of the Telecommunications Act. As such Nexus maintains that it will be able to obtain network elements for the foreseeable future, as described to the Commission previously. *See* Response of Nexus Communications, Inc. to Commission Order Dated April 20, 2010, Case No. 2009-00110, ¶ 2 (filed May 7, 2010).

¹ See In the Matter of Petition of BellSouth Telecommunications, Inc. to Establish Generic Docket to consider Amendments to Interconnection Agreements Resulting from Change of Law (Final Order dated December 12, 2007).

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Question 4. How many Kentucky residential and business customers does Nexus presently serve? Provide the number of Lifeline, residential, and business customers and whether they are providing service through Unbundled Network Elements, pursuant to Section 251, commingled with Section 271 Elements, Resale, or wholesale local platform, pursuant to a commercial agreement.

Response to 4.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Please see the chart immediately below.

	Section 251 Elements Commingled with Section 271 Elements	Resale	Commercial Agreement (formerly UNE-P)
Number of Lifeline Lines	0	41	1
Number of Residential Lines	0	58	4
Number of Business Lines	0	0	0

Question 5. Refer to page 23 of the Company's tariff at 6.1.5. Nexus is currently certified as an ETC only in the Cincinnati Bell Telephone, Inc. ("Cincinnati Bell") Service Area. Question 5.a. Is Nexus providing Lifeline Services in the Cincinnati Bell Service Area? If so, is it resale of Cincinnati Bell's Lifeline or some other manner?

Response to 5.a.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes, Nexus is currently providing Lifeline service in the Cincinnati Bell Service Area and provides this service on a resale basis.

Question 5.b. Is Nexus providing Lifelines Services in the AT&T Kentucky Area? If so, is it resale of AT&T Kentucky's Lifeline?

Response to 5.b.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes. Nexus is currently providing Lifeline services in the AT&T Kentucky Area and provides this service on a resale basis.

Question 6. Does Nexus understand that any resold Lifeline or Link-Up service purchased through another carrier cannot be claimed by Nexus for reimbursement from Universal Service Administrative Company ("USAC")?

Response to 6.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes, Nexus understands that any Lifeline or Link Up service obtained exclusively on a resale basis cannot be claimed by Nexus for reimbursement from USAC.

Question 7. Explain the process which Nexus will employ to audit each wireline Lifeline customer on an annual basis.

Response to 7.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: In its August 24th, 2004 Order in Administrative Case 360, the Commission ordered all ETCs to implement annual certification audits to verify a Lifeline subscribers continued eligibility. Consistent with this Order, Nexus annually verifies the continued eligibility of all of its wireline Lifeline subscribers in Kentucky. To accomplish this, Nexus has implemented a process whereby the Company sends verification forms and instructions to all active Kentucky Lifeline subscribers. Consistent with the requirements of 47 C.F.R. § 54.410(c)(2), subscribers who qualify under program-based eligibility must prove their continued eligibility by sending a copy of their Lifeline-qualifying public assistance card and self-certification, under penalty of perjury, that they continue to participate in the Lifeline-qualifying public assistance program. Subscribers who qualify under the income-based eligibility criteria must prove their continued eligibility by presenting current income documentation consistent with the income-certification process in §54.410(a)(2). These subscribers must also self-certify, under penalty of perjury, the number of individuals in their household and that the documentation presented accurately represents their annual household income. Subscribers who have not responded to the verification request within thirty days (30) receive a follow up request and are provided an additional 30 days to respond. Subscribers who have not responded within the additional 30-day time frame are de-enrolled from Lifeline. For resale Lifeline lines, Nexus then places an order with the appropriate incumbent LEC to remove all Lifeline discounts from the subscriber's line. As required by state and federal rules, Nexus reports the results of its annual Lifeline audit to USAC and the Commission.

However, Nexus has filed a petition for exemption of this requirement and has requested permission to audit pursuant to an alternative method permitted by and described in the FCC's April 2, 2004 Report and Order and Further Notice of Proposed Rulemaking.²

² See In the Matter of Lifeline and Link Up, WC Docket No. 03-109 (April 2004) at ¶ 35.

Question 8. Explain the process by which Nexus will verify the initial eligibility of wireline Lifeline customers. Provide details about how and where Lifeline subscribers will be able to initiate service.

Response to 8.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Consistent with its July 16, 2009 responses to Commission Staff's First Data Request, Nexus uses self-certification as the process to verify the initial eligibility of its wireline Lifeline subscribers. Under this form of verification, subscribers who qualify under program-based eligibility are required to self-certify, under penalty of perjury, that they participate in one or more of the state approved low-income assistance programs. Subscribers who qualify under income-based eligibility are also required to self-certify their eligibility, but are also required to provide documentation of household income consistent with the requirements of 47 C.F.R. § 54.400(f). Lifeline home phone subscribers in Nexus' Designated Service area will be able to initiate service by calling Nexus. or via Nexus' website at http://www.tsihomephone.com/registration.php.

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Question 9. Provide a list of all states in which Nexus operates.

Response to 9.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus became a competitive local exchange carrier in 2000, and received its first ETC designation in June 2006. Nexus now focuses on providing service to low-income consumers. It provides service to consumers using wireline technology in Alabama, Florida, Kentucky, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas. It serves consumers using both wireline and wireless technology to Low Income participants in Arkansas, Illinois, Kansas, Louisiana, Michigan, Mississippi, and Wisconsin. It uses only wireless technology to serve low-income consumers in Georgia, Maryland, Missouri, New Jersey, and West Virginia.

Question 10. Provide the docket numbers of Nexus' petitions for ETC in any other states.

Also, indicate if those petitions have been granted, denied, withdrawn or are pending.

Response to 10.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus' ETC applications are pending or have been granted at several State PSCs as described on the chart immediately below.

State	Docket/Case No.	Status
Alabama	25980	Granted
Arkansas	05-151-U	Granted
California	U-4387-C	Granted
Florida	050889-TX	Granted
Georgia	18664	Granted
Idaho	NCI-T-11-01	Pending
Illinois	06-0381/09-0067	Granted
Indiana	4105-ETC59	Pending
Iowa	ETA-2011-0002	Pending
Kansas	06-NXCT-635-ETC/09-NXCT-823-ETC	Granted
Louisiana	S-30699	Granted
Maryland	ML-122689	Granted
Maine	2011-134	Pending
Michigan	U-14742/U-15694	Granted
Minnesota	P6656/M-10-264	Pending
Missouri	RA-2009-0375	Granted
Mississippi	2005-UA-667/2009-UA-280	Granted
Montana	D 2011.3.20	Pending
Nevada	Not Yet Available	Pending
New Mexico	Not Yet Available	Pending
New Jersey	TO09040331	Granted
North Carolina	P-100, SUB 133c	Granted
Ohio	Not Yet Available	Pending
Oklahoma	PUD 200500519	Granted
Oregon	UM 1533	Pending
Pennsylvania	Not Yet Available	Pending
Rhode Island	Not Yet Available	Pending
South Carolina	2008-275-С	Granted
Tennessee	08-00119	Granted
Texas	32277	Granted
Utah	11-2540-01	Pending
Washington	UT-110518	Pending
West Virginia	09-0903-T-PC	Granted
Wisconsin	7648-TI-101	Granted

In addition, Nexus has pending FCC applications for authority to operate as a wireless ETC in the following states: Alabama, Connecticut, District of Columbia, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, and Virginia.³ The FCC docket number is WC Docket No. 09-197.

³ In Alabama, North Carolina, and Tennessee, Nexus seeks FCC authority for wireless ETC designation. Nexus has already been granted ETC status for wireline services from the PSCs in these states, but those PSC have not asserted jurisdiction over wireless services.

Question 11. If Nexus receives additional ETC designation in Kentucky, approximately how long will it take for Nexus to offer Lifeline service in the area in which it receives the

ETC designation? Elaborate on any extenuating or special circumstances.

Response to 11.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus anticipates it will be able to provide Lifeline service in the additional service areas within 30 days of receiving additional ETC designation.
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Question 12. Do Nexus' customers have access to competitive directory assistance providers as defined by 47 C.F.R. 54.101(a)(8)? If not, explain why.

Response to 12.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes. Nexus subscribers are able to access basic directory assistance and competitive directory assistance.

Question 13. As a condition of receiving local service, are Nexus' residential customers required to subscribe to Nexus long-distance services?

Response to 13.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Residential subscribers are not required to subscribe to any long distance service as a condition of receiving local service.

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Question 14. Provide an example of a typical Nexus residential customer bill. What is the average residential bill in Kentucky?

Response to 14.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: An example of a typical Nexus residential subscriber bill was provided with the Company's Kentucky Tariff No. 1. As requested, Nexus is providing a copy of this example as **Exhibit B**.

According to section 4.1 of the Company's current and effective Kentucky Tariff No. 1, Nexus' monthly rate for service in the state of Kentucky is \$49.95, plus applicable fees, surcharges and taxes. Lifeline subscribers are provided with a \$13.50 discount plus an additional Company provided discount of \$6.50, which reduces the monthly rate for a Lifeline qualified subscriber in Kentucky to \$29.95 (plus applicable fees, surcharges and taxes). .

Question 15. What recurring and nonrecurring costs will a new Lifeline customer incur over the period of a year due to becoming a Nexus customer?

Response to 15.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: A Lifeline subscriber's monthly recurring cost is equal to the amount of the Company's tariffed rate for service less the applicable Lifeline discounts, which is \$29.95 per month, plus applicable fees and taxes. Over the period of a year, the recurring cost to a Lifeline subscriber would be \$359.40.

Nonrecurring costs include charges applicable to a subscriber request to connect service. According to Section 5.6 of the Company's Kentucky Tariff No. 1, these charges are a service ordering charge and a Line Connection Charge. The application of the Link Up credit reduces the nonrecurring charge. In addition, Nexus allows subscribers to defer payment of this amount for up to twelve months without interest. .

Question 16. Does Nexus propose to make any modifications to its Lifeline tariff? If so, provide a proposed tariff that details the Company's proposed Lifeline offering.

Response to 16.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: No. Nexus does not intend to make any modifications to its Lifeline tariff at this time.

Question 17. Nexus' current Lifeline tariff provides the \$13.50 Lifeline discount to an eligible subscriber and provides a company discount of \$6.50 to the eligible customer. What is the rational for offering the additional company discount?

Response to 17.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: It is the Company's policy to provide qualified low-income subscribers with the highest possible amount of low-income support. As a result, Nexus provides an additional discount amount to qualified low-income subscribers.

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Question 18. Does Nexus provide service to its customers via a prepaid service? If so, what percentage of its customers receive their service via a prepaid service?

Response to 18.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes. Nexus offers service entirely on a prepaid basis. By doing so, Nexus is able to provide service with no credit checks, deposits or term agreements commonly associated with traditional post-paid service allowing subscribers to obtain service regardless of age, credit worthiness, or residency.

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Question 19. Describe Nexus' local usage plans pursuant to 47 C.F.R. 54.101(a)(2). If phone service is offered in a bundled package, describe and enumerate the wireline local component (charge for local phone service) upon which universal service compensation would be based.

Response to 19.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: As required by 47 C.F.R. § 54.101(a)(2), Nexus' local service plan incorporates local usage into its rate for service. Nexus then applies all applicable Lifeline credits, thereby reducing the monthly recurring charge for Lifeline qualified subscribers.

Question 20. Describe the process which Nexus will employ if a customer does not pay his or her monthly fee.

Response to Question 20.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Subscribers are billed on a monthly (30 day) billing cycle. If the invoice is not paid by the due date, a subsequent late/disconnect notice is sent out to the subscriber. A subscriber's account will be in jeopardy of disconnection if payment is not received after the 30th day of service. Subscribers may be given a grace period to beyond the 30th day (up to 7 days).

Question 20.a. Is there a grace period for making payment?

Response to 20.a.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Subscribers are provided a grace period from the initial due date of any invoice. This grace period can be up to 16 days. In addition, Nexus' service is prepaid, so as payment is made in advance of receiving service late payments are rarely an issue.

Question 20.b. Would the customer have to re-enroll in Lifeline if they do not make payment for a month?

Response to 20.b.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Subscribers who purchase an additional 30-days of service within the grace period would not be required to re-enroll in Lifeline. However, a Lifeline subscriber who chooses not to purchase additional service by the end of the grace period and whose service has been subsequently disconnected would be required to re-enroll in Lifeline.

Question 20.c. Are customers who reconnect service with the company required to pay the past-due bill and a reconnection fee prior to receiving service?

Response to 20.c.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: As previously stated, service is provided on a prepaid basis. Any past due amounts for such calls are rare. If a reconnecting consumer had a past-due balance, the consumer would be required to pay those amounts in addition to a reconnection fee. A subscriber who reconnects service, including Lifeline subscribers, will be charged a reconnection fee prior to the re-establishment of service.

Question 20.d. Are Lifeline customers allowed to pay past-due amounts over time? If so, describe the terms of such payments.

Response to 20.d.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc. Response: Yes. Nexus always works directly with Lifeline subscribers regarding payment terms for past due amounts. Nexus allows subscribers to defer payment of any remaining balance of the initial Service Activation Fee ("SAF") over twelve months without interest.

Question 20.e. Are Lifeline customers charged a reconnection fee?

Response to 20.e.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: All subscribers, including Lifeline subscribers, are charged a reconnection fee prior to the re-establishment of service.

Question 21. Does Nexus use agents or other retailers to market and sell its service? Provide a list.

Response to 21.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus deals directly with all Lifeline eligible subscribers, and does not utilize third parties to enroll Lifeline eligible subscribers.

Question 22. Will Nexus be using any subcontractors (operations, call centers, etc.) to provide the required services? If so, provide the name of each company and the physical address.

Response to 22.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Although Nexus handles the majority of its subscriber calls through its own call center, which is located in Columbus, Ohio. Nexus does utilize various outsourced customer service but only on an ad hoc basis and only in situations when call volume spikes.

Question 23. Will Nexus be willing to advertise Lifeline and Link-Up availability in languages other than English? If so, name the other languages.

Response to 23.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes. In fact routinely advertises the availability of Lifeline and Link Up throughout selected markets in both English and Spanish language outreach materials.

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Question 24. Has Nexus been audited by other state utility commissions regarding its use of universal service funds? If so, list the state and the result of the audit.

Response to 24.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus has never been audited by any state utility commission regarding its use of universal service funds, however Nexus does work in conjunction with various state commission staffs and routinely provides various state staffs detailed information reading Nexus' Lifeline subscriber information.

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Question 25. Does Nexus have any outstanding complaints at any state commission or at the Federal Communications Commission ("FCC")? Provide detailed documentation of any complaint filed with a state commission or at the FCC in the past three years.

Response to 25.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus does not have any outstanding or unanswered complaints at any state commission or at the FCC.

Question 26. Will Nexus seek toll limitation service reimbursement from USAC if granted ETC status? If so, provide a detailed list of the incremental costs it will be claiming, along with a detailed description to support the amounts to be claimed.

Response to 26.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: As previously stated Nexus will not seek reimbursement from USAC for its Lifeline lines that are provided via resale and will limit reimbursement from USAC only on those Lifeline lines that are provided using a combination of the Company's own facilities and resale.

Question 27. Will Nexus seek Link-Up reimbursement from USAC if granted ETC status? If so, list the amount per customer that Nexus would be claiming.

Response to 27.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Consistent with its response to No. 26, Nexus will not seek Link Up reimbursement from USAC for lines that are provided via resale and will limit reimbursement from USAC only on those lines that are provided using a combination of the Company's own facilities and resale. Nexus will claim \$30.00 in Link-Up reimbursement under the program rules, per each subscriber who is eligible to receive the Link Up subsidy.

Question 28. If granted ETC status, what is the amount per customer Nexus will seek for Lifeline reimbursement from USAC?

Response to 28.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus estimates the amount of Lifeline reimbursement it will receive from USAC will be a maximum of \$10.00 per eligible line, per month depending upon the amount of Tier 1 support available as determined by the service wire center area.
Question 29. Nexus stated in response to the Commission's first data request that it would not seek Lifeline reimbursement from the Kentucky Universal Service Fund if granted ETC status. Is this still Nexus' position?

Response to 29.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes. Nexus does not at this time intend to seek support from the Kentucky Universal Service Fund.

Question 30. Does Nexus maintain separate books/general ledgers for each state in which it operates? Where are the books/general ledgers for Kentucky customers maintained? Provide the physical address, office telephone number, and name and title of employees responsible for maintaining those books/general ledgers.

Response to 30.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus maintains financial accounting that is separated by financial operations per states. These financial records are maintained and located at the Company's corporate headquarters located at:

3629 Cleveland Ave., Suite C Columbus, OH 43224.

Question 31. Provide the address (URL) to the Nexus website, if there is one.

Response to 31.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: The website address for the Company's home phone service is www.tsihomephone.com.

Question 32. Provide the name of the person (with business title) and/or entity that will be

filing the Form 497 with USAC if Nexus obtains ETC status.

Response to 32.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: The person that will be responsible for any Form 497 filings is:

Steven Fenker, President Nexus Communications, Inc.

Question 33. Provide a description of Nexus' corporate structure, with both names and titles. Also provide a list of Nexus' owners or corporate officers and indicate if any are also owners, corporate officers, or employees of any other telecommunications companies and provide a vitae for each listed.

Response to 33.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus is 100% owned by the Company's President, Steven Fenker. Mr. Fenker holds a Bachelors of Arts from Ohio University and a Juris Doctor from Cleveland Marshall College of Law.

Wireless Questions

Question 1. Is Nexus currently providing Wireless Service in Kentucky?

Response to 1.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: No, Nexus is not currently providing Wireless Service in Kentucky.

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Question 2. Describe in detail the services that are designated for support in accordance with 47 C.F.R. §54.100 that are provided by Nexus' "own facilities."

Response to 2.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: See **Confidential Exhibit D**. Nexus has filed a Petition for Confidential Protection of this certain Exhibit under 807 KAR 5:001, Section 7, and KRS 61.878(1)(c). In accordance with 807 KAR 5:001, Section 7, Nexus has filed with its Response one copy of Confidential Exhibit D highlighted and 10 copies without the confidential information.

Question 3. Describe in detail the services that are designated for support in accordance with 47 C.F.R. §54.100 that are provided by resale of Verizon Wireless service. Response to 3.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: See **Confidential Exhibit D**. Nexus has filed a Petition for Confidential Protection of this certain Exhibit under 807 KAR 5:001, Section 7, and KRS 61.878(1)(c). In accordance with 807 KAR 5:001, Section 7, Nexus has filed with its Response one copy of Confidential Exhibit D highlighted and 10 copies without the confidential information. .

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Question 4. In response to question 1 of Commission Staffs Second Data Request, Nexus responded that it would only provide wireless ETC services in the exchanges of Cincinnati Bell, AT&T Kentucky, and Windstream Kentucky East, LLC ("Windstream"). What procedures will be put in place to restrict that prospective Lifeline customers reside in one of these areas?

Response to 4.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Upon a call or inquiry from a prospective customer requesting service, Nexus will verify that the customer resides in the Designated Service Area for its Kentucky service granted by the Commission by cross-checking the customer address against the areas where Nexus serves in Kentucky. Nexus' internal system enables the company to accurately determine whether an applicant's address is in the territory served by Cincinnati Bell, AT&T Kentucky or Windstream Kentucky East. Nexus' system, consisting of a propriety database capable of determining with certainty a service address down to a granular level that includes the specific CLLI code of the ILEC switch used to provide service, the ILEC rate center, geographic location, NPA-NXX and ultimately the LEC service area itself.

Nexus's proprietary database is not based solely on ZIP code boundaries, municipal boundaries, or other such readily discernable boundaries but is instead based on whether the address is served by facilities that originate from an Cincinnati Bell, AT&T, or Windstream central office switch. As a result, only an address that is definitively serviced by a Cincinnati Bell, AT&T or Windstream carrier's central office will positively validate and any inquiry for an address not served by one of these three carriers simply will not validate enabling Nexus to conclusively exclude those customers who reside in any other territory. In addition, the backend

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systems that feed Nexus's proprietary database are updated automatically and at regular intervals ensuring Nexus will not be providing subsidized service in any area where it has not been designated as an ETC.

If the prospective customer does <u>not</u> reside in Nexus' Kentucky Designated Service Area, Nexus will decline to offer service to the prospective customer.

Question 5. Nexus does not currently have an interconnection agreement with Windstream filed with the Commission. Does Nexus intend to provide wireline service in the Windstream service area?

Response to 5.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Upon successful completion of negotiations Nexus plans entail entering into an interconnection agreement with Windstream.

Question 6. In response to question 4 of Commission Staffs First Data Request, Nexus stated that "a consumer is eligible to participate in Lifeline and Link-Up of (sic) his is at or below 135 percent of the federal poverty guidelines." Does Nexus understand that Kentucky does not allow consumers to qualify for Lifeline under the income guidelines? Response to 6.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Pursuant to 47 C.F.R. § 54.409(a), Nexus understands that Kentucky residents are eligible to enroll in the Lifeline program or the Link-Up program if they participate in one of the following: Medicaid, Food Stamps, Federal Public Housing, Supplemental Security Income, Low-Income Home Energy Assistance Program, Temporary Assistance to Needy Families, National School Free Lunch Program, AND if they have paid or made payment arrangements for any outstanding balance for telephone services provided to them or any member of their household at their current address.⁴

⁴ See Guide to Telephone Service Programs for Low-Income Consumers, Kentucky Public Service Commission, available at http://psc.ky.gov/agencies/psc/consumer/lifeline.pdf (visited April 11, 2011).

Question 7. Do Nexus' customers pay the statewide wireless 911 fee?

Response to 7.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: As a prepaid wireless Lifeline service provider, Nexus will face technical issues in collecting E911 surcharges from its customers. According to KRS 65:7635 "each CMRS provider shall act as a collection agent for the CMRS fund" and "shall, as a part of the provider's billing process, collect the CMRS service charge levied upon CMRS connections under KRS 65:7629(3) from each CMRS connection to whom the billing provider provides CMRS." As a provider of "free" lifeline minutes in which the subscriber does not need to pay a bill, Nexus like other prepaid wireless Lifeline providers do not bill the company's subscribers. In a situation where no bill is presented to the subscriber Nexus, like other prepaid wireless Lifeline providers, is devoid of the means in which to collect, and in turn, is devoid of the means remit the E911 surcharge for the company's prepaid wireless Lifeline subscribers.

Accordingly, Nexus will commit to complying with its obligations under state and federal law, including its E911 remittance obligations, to the extent those obligations are applied equally and in a non-discriminatory manner to other prepaid providers that do not issue monthly billing statements.

In doing so, Nexus does not concede that the Commission has jurisdiction over E911 matters, and reserves the right to address the issue at a later time. Moreover, to the extent that the Commission intends to condition Nexus' ETC status on its compliance with the E911 statutes, Nexus respectfully objects on the ground that it believes an applicant's ETC designation is an issue that is separate and apart from its E911 obligations. Because the E911 issue affects all prepaid wireless providers in the state, the issue would be more appropriately considered in a

separate, industry-wide proceeding initiated by the agency with jurisdiction to address such matters.

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Question 8. If Nexus receives ETC designation in Kentucky, approximately how long will it take for Nexus to offer Lifeline service in the area in which it receives the ETC designation? Elaborate on any extenuating or special circumstances.

Response to 8.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus anticipates it will be able to provide Lifeline service in the additional service areas within 30 days of receiving additional ETC designation.

Question 9. Does Nexus understand that there may be an audit by the Commission of the use of universal service funds and that the eligible telecommunications service designation may be reviewed annually?

Response to 9.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes. Nexus will comply with any audit or review process imposed by the Kentucky PSC.

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Question 10. Has Nexus been audited by other state utility commissions regarding its use of universal service funds? If so, list the state and the result of the audit.

Response to 10.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus has never been audited by any other state utility commission regarding its use of universal service funds, however Nexus does work in conjunction with various state commission staffs and routinely provides various state staffs detailed information reading Nexus' Lifeline subscriber information.

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Question 11. Does Nexus have any outstanding complaints at any state commissions or at the FCC? Provide detailed documentation of any complaint filed with a state commission or at the FCC in the past three years.

Response to 11.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus does not have any outstanding or unanswered complaints at any state commission or at the FCC.

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Question 12. Will Nexus seek toll limitation service reimbursement from USAC if granted ETC status? If yes, provide a detailed list of the incremental costs it will be claiming, along with a detailed description to support the amounts to be claimed.

Response to 12.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus does not plan on seeking toll limitation service for the company's wireless service that the prepaid nature of the service eliminates the requirement for Toll Limitation or Toll Restriction. Nexus will not seek reimbursement for TLS for the company's wireless subscribers.
Question 13. Will Nexus seek Link-Up reimbursement from USAC if granted ETC status? If yes, list the amount per customer Nexus would be claiming.

Response to 13.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus will claim \$30.00 in Link-Up reimbursement under the program rules, per each subscriber who is eligible to receive the Link Up subsidy.

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Question 14. Will Nexus seek Lifeline reimbursement from USAC if granted ETC status? If yes, list the amount per customer Nexus would be claiming.

Response to 14.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus estimates the amount of Lifeline reimbursement it will receive from USAC will be a maximum of \$10.00 per eligible line, per month, depending upon the amount of Tier 1 support available as determined by the service wire center area.

Question 15. Nexus stated in response to Commission Staffs First Data Request that it would not seek Lifeline reimbursement from the Kentucky Universal Service Fund if granted ETC status. Is this still the Nexus' position?

Response to 15.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes. Nexus is only seeking federal Universal Service Fund reimbursement.

Question 16. Provide the number of requests for service from potential customers in Kentucky that were unfulfilled by Nexus in the previous calendar year.

Response to 16.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus has not begun providing wireless service in Kentucky, and as a result, has not yet marketed its services or received requests for service.

Question 17. Does Nexus use agents or other retailers to market and sell its service? If so, provide a list.

Response to 17.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus deals directly with all Lifeline eligible subscribers, and does not utilize third parties to enroll Lifeline eligible subscribers.

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Question 18. Will Nexus be willing to advertise Lifeline and Link-Up availability in languages other than English? If so, name the other languages.

Response to 18.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes. In fact, Nexus routinely advertises the availability of Lifeline and Link Up throughout selected markets in both English and Spanish.

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Question 19. Nexus states in the notice of reactivation filed January 27, 2011 that unused minutes and text messages do not carry forward to the following month under plan 1. Under plans 2 and 3, unused minutes will carry forward to the following month. Will the company consider changing this so that all unused minutes and text messages will not expire and will remain available until used or until the customer account is terminated? Response to 19.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc. Response: Nexus' pricing structure will only allow Nexus to carry forward unused minutes and text messages to the following month under plan 2 and 3 and will not allow Nexus to carry forward unused minutes and text messages to the following month under plan 1.

Question 20. Nexus stated, in response to Commission Staffs First Data Request, that additional minutes can be purchased by the Lifeline Subscriber and the rate is a market rate. What is the current market rate for these minutes? Do these minutes have an expiration date?

Response to 20.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Lifeline customers are never required to purchase additional minutes directly from Nexus. The service provided by Nexus is subject to competition, which ensures that the Company's rates are market-based.

Nexus will offer Lifeline subscribers who purchase airtime cards, either directly from the Company or from authorized retail locations, standard minutes and bonus minutes at the following prices:

Airtime Card	Standard Minutes	Lifeline "Bonus" minutes	Total Minutes	Cost per Minute
\$5	25	15	40	\$0.13
\$10	50	70	120	\$0.08
\$20	100	200	300	\$0.07
\$30	150	350	500	\$0.06
\$50	250	700	950	\$0.05

Question 21. Does Nexus charge against the customer account for all calls and text messages both sent and received, including calls to customer service, 911, and company-initiated text messages?

Response to 21.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Upon designation as an ETC in the State of Kentucky, Lifeline subscribers will be able to contact Nexus customer service with no deduction of airtime by dialing 611 from their handset. Nexus will not deduct calls to customer service that are initiated by dialing 611 from the customer's handset and that communication from the subscriber to Nexus will not count against plan minutes and Nexus subscribers will have the ability to contact Nexus' customer service without deducting monetary value from their accounts. In addition, Nexus will also provide a toll free customer service number that can be used from any landline phone.

Question 22. Would Nexus be willing to file its non-usage report with the Commission as detailed on pages 19 and 20 of Nexus' responses to the Commission Staffs First Data Request submitted July 16, 2009?

Response to 22.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.
Response: As stated in the July 16, 2009 responses at pages 19 and 20, Nexus has
implemented a policy whereby the inactive handsets that are enrolled in Lifeline and exceed two
(2) months without incurring usage will be deactivated. Further, Nexus will no longer seek
reimbursement from the federal Universal Service Fund for any handset that has been
deactivated. Customers who have been deactivated following 60 days of non-usage may reenroll by contacting Nexus at the Company's toll-free number.

As far as providing the Commission with a "report of non-usage," Nexus will be happy to comply with any reasonable reporting requirements the Commission requests.

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Question 23. Provide a proposed customer agreement for Lifeline service detailing all service conditions and charges.

Response to 23.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: A copy of Nexus' wireless terms of use is attached at **Exhibit C**., and is also available on Nexus' website at https://www.reachoutmobile.com/terms.php.

Question 24. Will Nexus charge customers an additional charge (in the form of minutes) for any taxes, fees or surcharges?

Response to 24.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Nexus collects and remits all applicable taxes and fees from Lifeline and non-Lifeline subscribers. . .

Question 25. Does Nexus plan to charge a service activation fee?

Response to 25.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Yes, a Service Activation Fee of \$72.00 will be imposed by Nexus on all subscribers to activate service irrespective of product offering. For subscribers who are eligible to receive Link-Up, Nexus will then apply the \$30.00 in Link Up funding to the \$72.00 SAF producing a remaining balance \$42.00. In addition, consistent with 47 C.F.R. § 54.411(a)(2), Nexus will offer low income subscribers a "deferred schedule" for a period not to exceed one year for payment of the charges that are a result of the application of Link Up and will do so without interest.

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Question 26. Does Nexus plan to charge a reconnect fee?

Response to 26.

Responsible Party: Steven Fenker, President, Nexus Communications, Inc.

Response: Deactivated handsets will be allowed 30 days for reactivation at no charge. After

that, standard charges will apply.

Respectfully submitted,

Danielle Frappier Chris Fedeli

DAVIS WRIGHT TREMAINE LLP 1919 Pennsylvania Ave. NW Suite 800 Washington, DC 20006-3401 Phone: (202) 973-4242 Bill May Matt Malone

HURT, CROSBIE & MAY PLLC The Equus Building 127 West Main Street Lexington, Kentucky 40507 Phone: (859) 254-0000

Counsel for Nexus Communications, Inc.

June 16, 2011

List of Exhibits

- **Exhibit A**: A copy of the signature page of Nexus' LWC agreement with AT&T Kentucky
- **Exhibit B**: An example of a typical Nexus residential subscriber bill, as originally submitted with Nexus' Kentucky Tariff No. 1
- **Exhibit C**: Nexus' customer Terms of Use
- **Exhibit D**: Confidential facilities and private commercial services document
- **Exhibit E**: Declaration of Steven Fenker

Nexus Communications, Inc., Nexus Communications, Inc. d/b/a Nexus Communications TSI, Inc., Nexus Communications TSI, Inc., Nexus Communications, Inc. d/b/a TSINexus, Inc., Nexus Communications, Inc. d/b/a TSI

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HOME SIMPLE PLAN RATES FEATURES COVERAGE FAQ PHONE MANUALS BLOG UPGRADE PHONE ANNUAL RECERTIFICATION

Terms and Conditions of Service

REACHOUT WIRELESS™ is a service provided by Nexus Communications, Inc., ("Nexus")

Existing NEXUS COMMUNICATIONS, INC., DBA REACHOUT WIRELESS™ tariffs govern the Services. Tariffs which are officially on file with the various state public utilities commissions and the Federal Communication Commission ("FCC") supersede any terms related to the Services.

NEXUS COMMUNICATIONS, INC., DBA REACHOUT WIRELESS™ may from time to time offer access through its website for users to obtain access to tariffs which are officially on file with the various state public utilities commissions and the Federal Communication Commission ("FCC"). However, users who access tariffs online should be aware that the documents accessible through the website herein may not be the official documents and users assume sole responsibility for any reliance on the tariffs available through this website. NEXUS COMMUNICATIONS, INC., DBA REACHOUT WIRELESS™ bears no responsibility or liability for the accuracy of documents available through this website.

The following *REACHOUT WIRELESS*[™] Terms and Conditions of Service contains extremely important information about your rights as a subscriber, and by qualifying and/or enrolling in the *REACHOUT WIRELESS*[™] service (or Service) and/or by accepting delivery and/or making a call on your *REACHOUT WIRELESS*[™] or using your *REACHOUT WIRELESS*[™] phone after you make a change to your account, you are agreeing to the following Terms and Conditions of Service are a legally binding agreement between you as the subscriber and Nexus;

REACHOUT WIRELESS[™] service requires: (1) eligibility for Lifeline and Link-Up; and (2) residence within the Coverage Area.

Coverage Area: The only way to conclusively determine if *REACHOUT WIRELESS*TM provides service in your area is to input your zip code into the *REACHOUT WIRELESS* TM website found at <u>www.Reachoutwireless.com</u>. The *REACHOUT WIRELESS* TM Map depicts an approximation of outdoor coverage. Actual coverage area may differ substantially from area shown on map, as coverage may be affected by terrain, weather, foliage, buildings and other construction, signal strength, customer equipment and other factors. *REACHOUT WIRELESS* TM does not guarantee coverage or network availability. Charges will be based on the location of the site receiving and transmitting the call, not your location. Rates apply to calls to and from the *REACHOUT WIRELESS* TM Coverage Area.

Taxes/Surcharges: *REACHOUT WIRELESS* [™] are solely responsible for paying all charges including, but not limited to all applicable surcharges, fees, taxes, and regulatory charges. *REACHOUT WIRELESS* [™] subscribers are responsible for all charges applicable to Customer handset service, whether or not Customer was the user of the wireless phone. REACHOUT WIRELESS [™] will automatically deduct applicable all applicable surcharges, fees, taxes, and regulatory charges from the Customer's available minutes. Changes to a surcharge, fee or tax will become effective as provided by the taxing
authority and change to applicable contribution amounts for the Federal Universal Service Fund ("FUSF"). Other regulatory charges may become effective immediately. Additional taxes and other fees: In many jurisdictions, certain recurring fees or taxes will be debited from your account balance as allowed by law. Other taxes, surcharges and fees apply on top of refill denominations or other airtime purchases.

REACHOUT WIRELESS [™] subscribers will incur per minute charges and minutes will be depleted for 611 automated customer service, and 611 may not work in all areas. All calls to *611, any of REACHOUT WIRELESS [™] toll free customer service numbers and calls to the Customer Service IVR will incur standard airtime charges.

REACHOUT WIRELESS TM subscribers have the option of requesting a copy of their paper bill. All requests for a copy of paper bill paper bill must be submitted in writing via mail or via fax:

IF BY MAIL:

Nexus Communications, Inc., dba REACHOUT WIRELESS™ P.O. Box 247168 Columbus, OH 43224 IF BY FAX to: 740-548-1173

If money/value/airtime is added to your *REACHOUT WIRELESS* [™] account before the current balance expires, the existing balance will carry over to the new expiration date. Any unused account balance is forfeited upon expiration or termination of eligibility in the *REACHOUT WIRELESS* [™] program.

Per Minute Rates: Airtime, when used for standard voice usage cellular calls, is valued at and will be decremented at \$0.20 per minute of use. Airtime charges and domestic long distance charges apply to forwarded/transferred calls even in the event the call is sent to a wireline telephone. Airtime charges apply to all calls simultaneously, and airtime charges apply to message retrieval.

Directory Assistance is \$1.25 plus standard airtime rates. (effective 2/15/2010)

Operator Assistance is available by dialing *611 and standard airtime rates apply.

REACHOUT WIRELESS[™] voice usage is deducted in full-minute increments with partial minutes rounded up to the next full minute at the end of each call. No credit is given for dropped calls.

REACHOUT WIRELESS™ plan minutes will be depleted for per-minute charges (and/or, where applicable, access fees) apply to calls made using features including Call Waiting, Call Forwarding, Three-Way Calling and voicemail retrievals.

REACHOUT WIRELESS™ calling features include Call Waiting, Call Forwarding, Three-Way Calling and voicemail retrievals.

Caller ID: Your billing name may be displayed along with your wireless number on outbound calls to other wireless and landline phones with Caller ID capability. *REACHOUT WIRELESS™* accounts do not have the ability to block the display of your name and number.

Monthly Access Fee: The REACHOUT WIRELESS™ plan has an access fee of \$0.99 which is deducted every thirty (30) days and is assessed each month to you use your phone to make or receive voice calls. West Virginia subscribers do not incur an access fee of \$0.99 and are automatically credited back \$0.99.

Roaming Usage: Per minute usage on *REACHOUT WIRELESS*[™] accounts while Roaming deduct at \$0.59 per minute of use. Roaming charges are applicable in addition to standard usage charges and are automatically deducted from your balance of available minutes. A Roaming occurs when a *REACHOUT WIRELESS*[™] subscriber due to the physical location of the handset, uses the facilities of another wireless service provider. Roaming occurs when you make and receive calls outside your home calling area. Availability, quality of coverage and Services while roaming are not guaranteed.

Domestic Text Messages: The rates to send or receive a text message to another person's phone using your *REACHOUT WIRELESS*[™] handset are \$0.10 per text message for sending, and \$0.10 per text for receiving. If you do not want minutes/units deducted from your *REACHOUT WIRELESS*[™] phone, then do not send a text message and/or do not open any incoming text messages. Each message is limited to 160 characters in total length.

International Text Messages: The rates to send or receive an international text message to another person's phone using your REACHOUT WIRELESS ^{IM} handset are \$0.20 per text message for sending, and \$0.20 per text for receiving. If you do not want minutes/units deducted from your REACHOUT WIRELESS ^{IM} phone, then do not send a text message and/or do not open any incoming text messages.

REACHOUT WIRELESS[™] subscribers hereby consent to accept/receive incoming text messages from time to time from REACHOUT WIRELESS.[™] related to certain mandatory aspects of the REACHOUT WIRELESS[™] program as a condition to remaining eligible for the REACHOUT WIRELESS[™] program. REACHOUT WIRELESS[™] subscribers hereby acknowledge that incoming REACHOUT WIRELESS[™] text messages will be charged \$0.10 per text. REACHOUT WIRELESS[™] subscribers may opt out of accepting/receiving incoming text messages from REACHOUT WIRELESS.[™] related to certain non-mandatory aspects of the REACHOUT WIRELESS[™] program by calling 1-877-870-9444.

Premium SMS: Premium SMS is a text message to a designated "short code" or buying or attempting to buy SMS services from anyone other than *REACHOUT WIRELESS*.[™] Premium SMS campaigns include activities such as casting a vote, expressing your opinion, playing a game, subscribing to a service, or interactive television programs. *REACHOUT WIRELESS*[™] does not generally participate in Premium SMS services or campaigns. You are solely responsible for any charges incurred for Premium SMS services or campaigns. Any text message sent to a "short code" will in all likelihood not go through. Any charges you may incur as a result of any attempts to participate in Premium SMS services or campaigns (not authorized by *REACHOUT WIRELESS*[™]) whether you incur charges as deductions from your *REACHOUT WIRELESS*[™] minutes or from your credit card, are not refundable.

Data: The rates to send or receive Data using your *REACHOUT WIRELESS*[™] handset is \$1.25 per megabyte.

A \$0.20 minimum account balance on the REACHOUT WIRELESS™ plan is required to place or receive a call.

900/976 numbers are not available with REACHOUT WIRELESS™

REACHOUT WIRELESS[™] standard airtime charges apply to 800, 866, 877 and other toll-free calls

REACHOUT WIRELESS[™] allows Domestic Long Distance calls to be originated and terminated within the 50 United States.

A fee may be charged for calls to and to add funds using a live customer service representative.

*REACHOUT WIRELESS*TM Mobile to Mobile Minutes: Standard airtime charges apply to all Mobile to Mobile calls (i.e. *REACHOUT WIRELESS*TM to *REACHOUT WIRELESS*TM calls).

Your *REACHOUT WIRELESS*[™] handset display does not indicate the rate you will be charged.

DISPUTES: YOU MUST NOTIFY NEXUS IN WRITING WITHIN TWO MONTHS OR (90) DAYS, WHICHEVER COMES FIRST, OF THE DATE OF ANY EVENT GIVING RISE TO ANY DISPUTE INCLUDING, BUT NOT LIMITED TO, A DISPUTE OVER ANY CHARGES, ANY SERVICE PROVIDED, OR ANY EQUIPMENT PROVIDED TO YOU, OR YOU WILL HAVE WAIVED YOUR RIGHT TO DISPUTE THE CHARGES (OR SERVICES, OR EQUIPMENT) AND WAIVED YOUR RIGHT TO BRING, OR PARTICIPATE IN, ANY LEGAL ACTION RAISING ANY SUCH DISPUTE. ALL DISPUTES MUST BE IN WRITING AND SENT TO:

IF BY MAIL: Nexus Communications, Inc., dba REACHOUT WIRELESS™ P.O. Box 247168 P.O. Box 247168 Columbus, OH 43224 IF BY FAX to: 740-548-1173

If your *REACHOUT WIRELESS*[™] is interrupted for 24 or more continuous hours by a cause within Nexus' control, Nexus will issue you, upon written request, either a credit equal to a pro-rata adjustment of any recurring charge (if applicable) for the time period your *REACHOUT WIRELESS*[™] service was unavailable, not to exceed the charges collected for the period of interruption, or an extension of the expiration period. Nexus' liability to any *REACHOUT WIRELESS*[™] subscriber for service failures is limited solely to the credit set forth above.

REACHOUT WIRELESS™ services excludes all incidental or consequential damages, unless otherwise provided by law. Some states do not allow the exclusion or limitation of incidental or consequential damages.

DISPUTE RESOLUTION BY BINDING ARBITRATION: By accepting delivery and making a call on your *REACHOUT WIRELESS*[™] handset you are agreeing to the condition that requires that certain disputes that may arise between you the subscriber and Nexus be resolved through Binding Arbitration instead of a court trial or in courts of general jurisdiction. The sole remedy for any dispute shall be binding arbitration on an individual basis, rather than by a jury trial or class actions. Binding Arbitration limits the remedies available to you in the event of a dispute.Binding Arbitration is on an individual basis exclusively and class arbitrations and class actions are hereby excluded as a remedy.

By accepting delivery and making a call on your *REACHOUT WIRELESS*[™] handset **you agree that the parties (***REACHOUT WIRELESS*[™] and you the *REACHOUT WIRELESS*[™] subscriber) **are each waiving the right to a trial by jury or to participate in a class action** and the Federal Arbitration Act governs the interpretation and enforcement of any claim brought by you. This binding arbitration provision shall survive termination of your service with *REACHOUT WIRELESS*.[™]

REACHOUT WIRELESS[™] and you as the REACHOUT WIRELESS[™] subscriber agree to arbitrate **all disputes and claims** between the parties. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to claims arising out of or based in contract, tort, statute, fraud, misrepresentation, claims relating to advertising, or any other legal theory and claims that are currently the subject of purported class action litigation in which you are not a member of a certified class. The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. YOU AND REACHOUT WIRELESS™ AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS OR REPRESENTATIVE PROCEEDING. Further, unless both you and REACHOUT WIRELESS™ agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding.

Either party (*REACHOUT WIRELESS™* or you the *REACHOUT WIRELESS™* subscriber) who intends to seek binding arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice"). The Notice to *REACHOUT WIRELESS™* must be sent to:

Nexus Communications, Inc., dba REACHOUT WIRELESS™ P.O. Box 247168 Columbus, OH 43224

The Notice must (1) contain a description the facts and basis of the claim or dispute; and (2) and the specific relief the party is seeking. If *REACHOUT WIRELESS* $^{\text{M}}$ and you do not reach an agreement to resolve the claim within 30 days after the Notice is received, you or REACHOUT WIRELESS $^{\text{M}}$ may commence a binding arbitration proceeding. During the binding arbitration, the amount of any settlement offer made by either party shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which the other party is entitled. The binding arbitration will be governed by the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA") and will be administered by the AAA. The AAA Rules are available online at <u>www.adr.org</u>, by calling the AAA at 1-800-778-7879, or by writing to the Notice Address. The arbitrator is bound by this terms and conditions. The only issues that are outside the substance of the arbitrator are issues, if any relating to the scope and enforceability of the arbitration provision. If the arbitrator finds that either the substance of the filer's claim or the relief sought is frivolous or brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), then the payment of any fees will be governed by the AAA Rules.

LIMITATION OF LIABILITY: NEXUS MAKES NO WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, OR PERFORMANCE REGARDING ANY SERVICES OR GOODS, AND IN NO EVENT SHALL NEXUS BE LIABLE, WHETHER OR NOT DUE TO ITS OWN NEGLIGENCE, for any: (a) act or omission of a third party; (b) damage or injury caused by the use of service or Device, including use in a vehicle; (c) mistakes, omissions, interruptions, errors, failures to transmit, delays or defects in the service provided by or through us; (d) claim against you by third parties; (e) damage or injury caused by a suspension or termination of service by Nexus; or (f) damage or injury caused by failure or delay in connecting a call to 911 or any other emergency service.

Unless applicable law precludes parties from contracting to so limit liability, and provided such law does not discriminate against arbitration clauses, Nexus shall not be liable for any indirect, special, punitive, incidental or consequential losses or damages you or any third party may suffer by use of, or inability to use, service or Device provided by or through Nexus, including loss of business or goodwill, revenue or profits, or claims of personal injuries.

INDEMNITY: To the full extent allowed by law, you hereby release, indemnify, and hold Nexus and its officers, directors, employees and agents harmless from and against any and all claims of any person or entity for damages of any nature arising in any way from or relating to, directly or indirectly, service provided by Nexus or any person's use thereof (including, but not limited to, vehicular damage and personal injury), INCLUDING CLAIMS ARISING IN WHOLE OR IN PART FROM THE ALLEGED NEGLIGENCE OF NEXUS. This obligation shall survive termination or expiration of your service with Nexus.

SOME STATES DO NOT ALLOW DISCLAIMERS OF IMPLIED WARRANTIES OR LIMITS ON REMEDIES FOR BREACH. THEREFORE, THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. YOU MAY HAVE OTHER LEGAL RIGHTS WHICH VARY FROM STATE TO STATE.

NEXUS DOES NOT GUARANTEE UNINTERRUPTED SERVICE OR COVERAGE. NEXUS CANNOT ASSURE YOU THAT IF A 911 CALL IS PLACED BY YOU WILL BE LOCATED. Limitations of liability set forth herein govern unless prohibited by applicable law.

Service may be interrupted, delayed or otherwise limited for a variety of reasons, including environmental conditions, unavailability of radio frequency channels, system capacity, priority access by National Security and Emergency Preparedness personnel in the event of a disaster or emergency, coordination with other systems, equipment modifications and repairs, and problems with the facilities of interconnecting carriers.

REACHOUT WIRELESS™ service blocks access to certain categories of numbers (e.g. 976, 900 and international destinations) at the sole discretion of REACHOUT WIRELESS.™

REACHOUT WIRELESS™ may send you from time to time alert messages via SMS or email however there is no guarantee you will receive them.

Nexus also reserves the right to change or modify any of these *REACHOUT WIRELESS™* and Conditions of Service at any time and at Nexus' sole discretion.

Your *REACHOUT WIRELESS*[™] account is non-transferrable.

REACHOUT WIRELESS™ cards and other account refills are nontransferable and nonrefundable.

REACHOUT WIRELESS™ Service is available as long as you have a positive account balance.

REACHOUT WIRELESS™ Handset Requirements: A compatible phone is required for *REACHOUT WIRELESS™*. Not all calling features work on all phones and in all areas.

Any changes or modifications to these *REACHOUT WIRELESS*™ Terms and Conditions of Service will be binding once posted on the *REACHOUT WIRELESS*™ website found at <u>www.Reachoutwireless.com</u>.

WRELESS™ website found at <u>www.rkeachoutwireless.com</u>. Service Activation Fee: Your *REACHOUT WIRELESS™* account requires a Service Activation Fee ("SAF"). A portion of your Service Activation Fee ("SAF") may be paid by your eligibility for Link-Up. However you are solely liable for the remaining balance, if any, to the Service Activation Fee ("SAF") not covered by Link-Up. Your *REACHOUT WIRELESS™* Service Activation Fee ("SAF") varies per state. For the State of Michigan residents the Service Activation Fee is \$72.00. For the State of Wisconsin residents the Service Activation Fee is \$72.00. For the State of Wisconsin residents the Service Activation Fee is \$72.00. For the State of Wisconsin residents the Service Activation Fee is \$72.00. For the State of Visconsin residents the Service Activation Fee is \$72.00. For the State of Visconsin residents the Service Activation Fee is \$72.00. For the State of Visconsin residents the Service Activation Fee is \$72.00. For the State of Louisiana residents the Service Activation Fee is \$72.00. For the State of Louisiana residents the Service Activation Fee is \$72.00. For the State of Illinois residents the Service Activation Fee is \$72.00. For the State of Louisiana residents the Service Activation Fee is \$72.00. For the State of Illinois residents the Service Activation Fee is \$72.00. For the State of Illinois residents the Service Activation Fee is \$72.00. For the State of Illinois residents the Service Activation Fee is \$72.00. For the State of Arkansas residents the Service Activation Fee is \$72.00. For the State of Tennessee residents the Service Activation Fee is \$72.00. For the State of Missouri residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective August 1, 2009 and expires September 30, 2009. Effective August 1, 2009 and expires September 30, 2009. Effective August 1, 2009 and expires September 30, 2009. Effective August 1, 2009 and expires September 30, 2009. Effective August 1, 2009 and

Optional Deferred Service Activation Fee: The remaining balance, if any, to the Service Activation Fee ("SAF") not covered by Link-Up will be automatically deferred over a period of twelve (12) months. The amount of the deferred Service Activation Fee ("SAF") not covered by Link-Up will consist of the total dollar amount of the remaining balance divided by twelve (12). For residents of the state of West Virginia the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. For residents of the state of New Jersey the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. For residents of the state of the \$72.00 Service Activation Fee not covered by Link-Up is waived. For residents of the state of the \$72.00 Service Activation Fee not covered by Link-Up is waived. For residents of the state of the \$72.00 Service Activation Fee not covered by Link-Up is waived. For residents of the state of the \$72.00 Service Activation Fee not covered by Link-Up is waived.

Optional Deferred Service Activation Fee Credits: If any additional airtime is added to your REACHOUT WIRELESS account via purchases of

additional airtime, a credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") based upon the dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$5.00 Additional Airtime	\$1.50 Credit
\$10.00 Additional Airtime	\$3.00 Credit
\$20.00 Additional Airtime	\$6.00 Credit
\$30.00 Additional Airtime	\$9.00 Credit
\$50.00 Additional Airtime	\$15.00 Credit

Deferred Service Activation Fee Credit Bonus

Deterred Service Activation Fee Credit Bonus Existing Subscriber Optional Deferred Service Activation Fee Bonus Credits: If you are an existing *REACHOUT WIRELESS* subscriber and any additional airtime is added to your *REACHOUT WIRELESS* account via purchases of additional airtime, an additional credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") will be based upon the actual retail face value dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Bonus Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$3.00 Additional Airtime	\$3.00 Credit plus \$0.00 = Credit \$3.00 Credit
\$5.00 Additional Airtime	\$1.50 Credit plus \$3.50 = Credit \$5.00 Credit
\$10.00 Additionai Airtime	\$3.00 Credit plus \$7.00 = Credit \$10.00 Credit
\$20.00 Additional Airtime	\$6.00 Credit plus \$14.00 = Credit \$20.00 Credit
\$30.00 Additional Airtime	\$9.00 Credit plus \$21.00 = Credit \$30.00 Credit
\$50.00 Additional Airtime	\$15.00 Credit plus \$35.00 = Credit \$50.00 Credit

New Subscriber Optional Deferred Service Activation Fee Bonus Credits: If you are a new REACHOUT WIRELESS subscriber and any additional airtime is added to your *REACHOUT WIRELESS* account via purchases of additional airtime, a credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") will be based upon the actual retail face value dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Bonus Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$3.00 Additional Airtime	\$3.00 Credit
\$5.00 Additional Airtime	\$5.00 Credit
\$10.00 Additional Airtime	\$10.00 Credit
\$20.00 Additional Airtime	\$20.00 Credit
\$30.00 Additional Airtime	\$30.00 Credit
\$50.00 Additional Airtime	\$50.00 Credit

Under the Optional Deferred Service Activation Fee Bonus Credit program if a REACHOUT WIRELESS subscriber adds any denomination of monetary value (i.e. \$5.00, or \$5.95, or \$7.95 retail dollar value) the Deferred Service Activation Fee Bonus Credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") based upon the retail face value dollar amount of the purchase, excluding fees or surcharges if any.

You will be solely liable to pay for the full Service Activation Fee ("SAF") if you are not eligible for Link-Up.

If your REACHOUT WIRELESS™ service is ever disconnected or suspended for any reason, a Service Activation Fee ("SAF") and new wireless phone

number may be required to reactivate *REACHOUT WIRELESS*[™] service.

REACHOUT WIRELESS™ account balance limit is \$500.00; any amount over that limit will be deducted from your balance.

REACHOUT WIRELESS™ rates and services are subject to change without notice.

REACHOUT WIRELESS[™] accounts that have no activity for a period of sixty (60) days will be canceled, and the phone will be deactivated. You have to option of re-enrolling in the REACHOUT WIRELESS[™] program by calling 1-877-870-9444. All initial certification requirements will still apply.

International Long Distance: You may use your *REACHOUT WIRELESS*TM phone to make international calls to landlines (including some cellular phones in some countries) but additional per minute rates apply. The actual rates and the available countries are subject to change without prior notice. (See www.Reachoutwireless.com for available countries and details). Airtime deductions for international calls begin the moment the International Long Distance ("ILD") access number is dialed and apply to dropped calls, misdialed numbers and busy destination numbers. When making international calls, you may experience connection failures more frequently than calls made within the United States. *REACHOUT WIRELESS*TM reserves the right to block calls to any international location without notice, and to suspend or terminate international calling capability without notice. Call Forwarding is blocked to all international locations.*REACHOUT WIRELESS*TM reserves the right to require subscribers, in order to complete an international call, the requirement to first dial a toll free number; or enter a "pound code;" or a "short code;' or a "star code" in order to complete the call.

International Calling: Per minute international long distance charges apply in addition to regular airtime charges. Higher charges may apply to mobile terminated calls in certain countries. International calling rates a subject to change without notice.

REACHOUT WIRELESS™ will not credit airtime minutes deducted for unsuccessful calls. You will not be able to make or receive calls on your REACHOUT WIRELESS™ phone when you are located outside of the 50 United States.

Adding Additional Airtime: Your REACHOUT WIRELESS™ phone will only operate when you have airtime minutes/units/value available on the REACHOUT WIRELESS™ handset. If you run out of your free monthly allotment of airtime, you may purchase and add airtime to your phone.

Additional Airtime Cards: REACHOUT WIRELESS[™] customers may purchase and use any REACHOUT WIRELESS[™] airtime cards, or obtain additional airtime directly through REACHOUT WIRELESS.[™] You add airtime by entering the PIN obtained from a REACHOUT WIRELESS[™] airtime card. You must add your airtime to your REACHOUT WIRELESS[™] phone within one year from the date of purchase; otherwise the card/PIN expires and you will not be able to add those minutes to your REACHOUT WIRELESS[™] phone; nor receive a refund for any unused minutes. Each Nexus airtime card comes with a number of minutes and a service period that begins to run from the day you add airtime to your REACHOUT WIRELESS[™] phone.

Any airtime purchased and loaded on to a *REACHOUT WIRELESS™* Non-Lifeline Non-Government Assisted handset will be valid and available for use for up to 90 days from the date the airtime value was loaded if no additional airtime purchase(s) are loaded within the 90 day period from the date the last airtime purchase was loaded. Failure to purchase and load additional airtime within the 90 day period from the date the last airtime purchase was loaded will result in loss of any unused airtime.

Maintaining an active account: In order to keep your service active on the *REACHOUT WIRELESS™* Non-Lifeline Non-Government Assisted, you must purchase and load airtime at least once during any consecutive 120 day period. As explained above, airtime expires 90 days from date of loading. If no additional airtime is loaded within 30 days after the 90 day expiration of your airtime (90 days + 30 days = 120 days), then your service on the *REACHOUT WIRELESS™* Non-Lifeline Non-Government Assisted will be deactivated.

Once deactivated REACHOUT WIRELESS[™] may also reassign your phone number to a different user. If your REACHOUT WIRELESS[™] Non-Lifeline Non-Government Assisted phone number is deactivated for non-use as described above, then a new phone number will be assigned to you by REACHOUT WIRELESS[™] and all outstanding activation fees must be paid prior to reactivation on the REACHOUT WIRELESS[™] Non-Lifeline Non-Government Assisted service.

Bonus Minutes: REACHOUT WIRELESS[™] may from time to time offer Bonus minutes on minutes purchased via airtime card, PIN, or directly from REACHOUT WIRELESS.[™] The free monthly allotment of REACHOUT WIRELESS[™] minutes received by the customer while enrolled in the REACHOUT WIRELESS[™] program, will not increase in value/airtime with the purchase of any additional airtime.

A fee may apply to all the *REACHOUT WIRELESS*[™] rate plan changes.

Service End Date: Is the last day of your REACHOUT WIRELESS™ service period. Airtime minutes added to your REACHOUT WIRELESS™ account do not expire if you elected to be on a rollover plan and as long as your REACHOUT WIRELESS™ account remains active, and at least one airtime

transaction occurs during a consecutive sixty (60) day period. An Airtime transaction can include, but is not limited to, per minute voice cellular call, inbound SMS text message, outbound SMS text message, or data usage. Service End Date can be calculated from (i) the date your REACHOUT WIRELESS[™] account became active; (ii) the date you placed or received the initial airtime transaction on your REACHOUT WIRELESS[™] account; (iii) the receipt of the monthly allotment of REACHOUT WIRELESS[™] plan airtime minutes; (iii) or the purchase or addition of a REACHOUT WIRELESS[™] airtime card, or (iiiii) the date you were determined to be eligible for the REACHOUT WIRELESS[™] plan, whichever can be conclusively determined by REACHOUT WIRELESS[™] at its sole discretion.

If for whatever reason your REACHOUT WIRELESS[™] service is suspended within the initial (or subsequent twelve month renewal period, or any subsequent twelve month renewal period thereafter) and subsequently restored you will only receive the monthly minutes that you were entitled to receive until being suspended but you will lose any minutes that you would have received during your suspension period. If your REACHOUT WIRELESS[™] service is deactivated for whatever reason within the initial twelve month period after initial enrollment, and you desire to re-activate your REACHOUT WIRELESS[™] service then you will need to re-qualify and re-enroll and no replacement or reimbursement of unused minutes will be provided. If your account is REACHOUT WIRELESS[™] to void any unused minutes on a Lifeline account, if any unused minutes remain on that account. If for whatever reason Nexus were to lose its ability to seek reimbursement for Lifeline or Link-Up, Nexus reserves the right to void or cancel any unused minutes (and or monetary value) associated with Lifeline subsidized service.

If you fail to annually verify continued eligibility for the Lifeline program and fail to re-qualify and re-enroll in the REACHOUT WIRELESS[™] service so and you do not purchase any additional airtime minutes, then your REACHOUT WIRELESS[™] service will be deactivated and you will potentially lose your phone number, even if you have minutes remaining.

The purchase of any *REACHOUT WIRELESS™* airtime card is non-refundable. *REACHOUT WIRELESS™* airtime cards, airtime rate plans, and card denominations are subject to change without prior notice.

Non-Utilization De-Enrollment and Deactivation: If a Reachout Wireless subscriber exceeds two (2) months without any Utilization (as defined in this section), the Reachout Wireless subscriber will be de-enrolled from the Reachout Wireless Lifeline Program. "Utilization" is defined as any transaction including, but not limited to, making or receiving a call, making an attempted call, checking voicemail message, sending or opening a text message, checking airtime balance by dialing pound 6673, downloading content, data usage or adding airtime. Upon de-enrollment for non-Usage, the Reachout Wireless subscriber will have up to a thirty (30) day grace period to reenroll by demonstrating usage activity or by contacting the Reachout Wireless Lifeline Program by calling 877-870-9444. If you do not re-enroll or call Reachout Wireless customer service within thirty (30) days of your de-enrollment, your phone service will be deactivated and any airtime will be lost.

In order to reactivate your Reachout Wireless phone and re-enroll in the Reachout Wireless Lifeline Program, you will need to call Reachout Wireless customer service and you will need to pay a Service Activation Fee ("SAF") Upon re-enrollment in the Reachout Wireless Lifeline Program, you will be provided your first entitlement of airtime for the thirty (30) day period of time in which the service was reactivated.

MMS Data Services: *REACHOUT WIRELESS™* is not responsible to provide Data Services. With existing *REACHOUT WIRELESS™* phone models, subscribers are not able to download ring tones, graphics, access information services such as news, weather and sports ("Information Services") and utilize multi-media services ("MMS") (ringtones, graphics, Information Services and MMS are collectively referred to as "Data Services"). Data Services are not currently additional Services offered by the *REACHOUT WIRELESS*.™

MMS Data service is only available in certain plans.

In case of damage or destruction of any of *REACHOUT WIRELESS*[™] equipment, handset or accessories due to the negligence or willful act of the *REACHOUT WIRELESS*[™] subscriber, the *REACHOUT WIRELESS*[™] subscriber will be held responsible for the cost of restoring the equipment, handset or accessories to its original condition, or of replacing the equipment, handset or accessories destroyed, or will be responsible to pay an equipment replacement fee. *REACHOUT WIRELESS*[™] may suspend a subscriber's service while the subscriber effectuates replacement or repair of the equipment, handset or accessories.

All REACHOUT WIRELESS[™] handset makes and models provided under the REACHOUT WIRELESS[™] program are selected and dispensed at the sole option of REACHOUT WIRELESS.[™]

REACHOUT WIRELESS™ recycles used phones.

REACHOUT WIRELESS[™] phone models will vary. REACHOUT WIRELESS[™] reserves the right to substitute and/or replace any REACHOUT WIRELESS[™] equipment (including handsets) with other REACHOUT WIRELESS[™] equipment at any time and at the sole discretion of REACHOUT WIRELESS.[™]

REACHOUT WIRELESS[™] subscribers acquire no proprietary interest in any telephone number assigned to their REACHOUT WIRELESS[™] account. REACHOUT WIRELESS[™] subscribers must accept the telephone number assigned to the REACHOUT WIRELESS[™] account at the time of activation, which shall be assigned at the sole discretion of REACHOUT WIRELESS.[™]

Your *REACHOUT WIRELESS*TM handset can only be used through *REACHOUT WIRELESS*TM and cannot be activated with any other wireless or cellular service provider. Any unauthorized use of your *REACHOUT WIRELESS*TM handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and may result in immediate discontinuance of service along with legal action. Any attempt at tampering with or altering *REACHOUT WIRELESS*TM phone or its software by unlocking, re-flashing, entering unauthorized PINs, or engaging in any other unauthorized or illegal use of your *REACHOUT WIRELESS*TM phone or the Service, or assisting others in such acts, including but not limited to selling your *REACHOUT WIRELESS*TM handsets or minutes will be prosecuted to the fullest extent of the law. You hereby agree that any illegal or unauthorized use or sale of your *REACHOUT WIRELESS*TM phone or minutes shall entitle Nexus to recover liquidated damages from you in an amount of not less than \$5,000 per *REACHOUT WIRELESS*TM handset used in violation of this agreement.

REACHOUT WIRELESS[™] service is subject to certain limitations caused by many factors. Some of but not all of the factors can include, system issues, equipment compatibility issues, geographical limitations, atmospheric conditions, and other conditions outside of the control of *REACHOUT WIRELESS*.[™] Likewise, *REACHOUT WIRELESS*[™] Service may be interrupted, quality degridated, blocked, or limited due to system capacity limitations, technology migration or limitations imposed by the Carrier, or due to but not limited to, equipment malfunction, outages, modifications, repairs or other similar actions on the part of *REACHOUT WIRELESS*[™] to maintain its service offering. Neither Nexus, nor any Carrier, shall have any liability whatsoever for service failures, outages or limitations of *REACHOUT WIRELESS*[™] service.

REACHOUT WIRELESS™ cannot and does not warrant or guarantee availability of its wireless services nor guarantee that *REACHOUT WIRELESS™* services will be provided without interruption.

REACHOUT WIRELESS[™] services are provided at Nexus' sole discretion.

REACHOUT WIRELESS™ may modify or cancel any Service or take corrective action at any time without prior notice and for any reason, including but not limited to your violation of REACHOUT WIRELESS™ terms and conditions.

REACHOUT WIRELESS[™] customer service can be reached by dialing 1-877-870-9444.

CHARGES YOU ARE RESPONSIBLE FOR: You are responsible for paying all charges for or resulting from services provided hereunder. Charges may include, without limitation: airtime, roamer, recurring monthly service, activation, administrative, returned-check and late payment charges; network and other surcharges; optional feature charges; toll, collect call and directory assistance charges; any other charges or calls charged to your phone number; and applicable taxes, surcharges and governmental fees, whether assessed directly upon you or upon Nexus. Nexus reserves the right to add its own charges to those charged by third parties. Payment for all charges is made in advance and there is no protation of such charges. You hereby agree to pay for incoming and outgoing calls to and from your phone. Additional charges may apply for detailed information about your usage of services. unless otherwise specifically provided for hereunder any unused allotment of services from one monthly period will not carry over to the next monthly period.

AIRTIME AND OTHER MEASURED VOICE USAGE ("CHARGEABLE TIME") IS BILLED IN FULL-MINUTE INCREMENTS AND IS ROUNDED UP TO THE NEXT FULL-MINUTE INCREMENT AT THE END OF EACH CALL FOR CHARGING PURPOSES. NEXUS CHARGES A FULL MINUTE OF AIRTIME USAGE FOR EVERY FRACTION OF THE LAST MINUTE OF AIRTIME USED ON EACH WIRELESS CALL.

Chargeable Time begins for outgoing calls when you press SEND (or similar key) and for incoming calls when a signal connection from the caller is established with our facilities. Chargeable Time ends after you press END (or similar key), but not until your wireless telephone's signal of call disconnect is received by our facilities and the call disconnect signal has been confirmed.

ACCOUNT ACCESS:REACHOUT WIRELESS[™] may provide information about and to make changes to REACHOUT WIRELESS[™] subscriber's accounts, including, but not limited to, suspending, deactivating, adding new service, changing service, providing information that my amount to Customer Proprietary Network Information ("CPNI") upon the direction of any person able to provide information REACHOUT WIRELESS[™] deems sufficient to identify you as the REACHOUT WIRELESS[™] subscriber.

Your caller identification information (such as your name and phone number) may be displayed on the equipment or bill of the person receiving your call; technical limitations may, in some circumstances, prevent you from blocking the transmission of caller identification information. You hereby consent to the use by *REACHOUT WIRELESS™* or our authorized agents of regular mail, predictive or autodialing equipment, email, text messaging, facsimile or other reasonable means to contact you the *REACHOUT WIRELESS™* subscriber to advise you about our services or other matters

https://www.reachoutmobile.com/terms.php

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Page

REACHOUT WIRELESS™ may believe to be of interest to you the *REACHOUT WIRELESS™* subscriber. the *REACHOUT WIRELESS™* reserves the right to contact you the *REACHOUT WIRELESS™* subscriber by any means regarding customer service related notifications, or other such information.

If you do not want to accept these terms and conditions, do not activate an REACHOUT WIRELESS™ phone or use your REACHOUT WIRELESS™ phone after you make a change to your account and contact REACHOUT WIRELESS™ at 1-877-870-9444.

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Overview of the Lifeline and Link-Up Program

REACHOUT WIRELESS[™] service offering is a part of a program that derives from the Universal Service Fund. The part of the program that REACHOUT WIRELESS[™] offers to qualified subscribers is called the Lifeline and Link Up program. Lifeline and Link Up provide discounts that make telephone service (and wireless service) more affordable for more than 7 million Americans. The wireline and wireless companies that provide Lifeline and Link-Up are approved to participate in the low income program of the Universal Service Fund for the revenue they forgo by providing discounted service to eligible consumers.

What is Lifeline Support?

Lifeline is essentially monthly support that lowers the cost of monthly local wireline or wireless telephone service. An eligible customer may receive the Lifeline discount on either a wireline or wireless connection, but the discount is available for only one telephone connection per household. Lifeline support is essentially a monthly support amount that varies between states, and eligible consumers can receive up to \$10.00 per month in Lifeline subsidies.

What is Link Up Support?

Link Up is essentially a one-time support that reduces the one-time cost associated with initiating telephone service to an eligible consumer. Link Up discounts reduce the cost of either wireline or wireless service. An eligible consumer may only receive the Link Up discount once, unless that consumer moves to a new residence. Consecutive discounts at the same address are not allowed. Carriers that provide Link-Up only to eligible consumers who qualifying for Link Up support.

In order to qualify for and participate in the REACHOUT WIRELESS™ Lifeline and Link Up service offering, a person must meet certain state and federal eligibility requirements that can be unique to the particular state where the subscriber resides and the Service is to be provided.

These state and federal eligibility requirements are based on several factors. Eligible subscribers can qualify for the Lifeline and Link Up program one of two ways; Either through what is known as 1) Program Based Eligibility or 2) Income Based Eligibility.

PROGRAM BASED ELIGIBILITY: Generally under the Program Based Eligibility criteria, subscribers are eligible to receive Lifeline discounts if they participate in one or more of the following programs:

- 1. Medicaid
- 2. Food Stamps
- 3. Supplemental Security Income (also know as SSI)
- 4. Federal Public Housing Assistance (Section 8)
- 5. Low Income Home Energy Assistance Program (LIHEAP)
- 6. National School Lunch program's free lunch program
- 7. Temporary Assistance for Needy Families Program (TANF)

Program Based Eligibility criteria varies by state. To determine if your state provides service in your area you should refer to the REACHOUT WIRELESS™ website found at www.Reachoutwireless.com.

Generally under the Income Based Eligibility criteria, subscribers are eligible to receive Lifeline discounts if their total combined household income

meets the Income Poverty Guidelines as defined by the U.S. Government. Income based criteria varies by state.

INCOME BASED ELIGIBILITY: To demonstrate eligibility based upon Income Based Eligibility criteria only, please fax or mail the following information:

A signed REACHOUT WIRELESS™ Lifeline and Link-Up application form signed and dated along with documentation demonstrating proof of income and total amount of household income for last year (Example: income tax return form, W2 form).

Some states do not offer Income Based Eligibility criteria for Lifeline and Link-Up. Please review the state specific requirements for Income Based Eligibility criteria before submitting an Income Based Eligibility application.

Some restrictions on REACHOUT WIRELESS™ Lifeline and Link Up Service application requirements include, but are not limited to:

REACHOUT WIRELESS™ Lifeline and Link Up Service offering is limited to one (1) per household;

All potential subscribers applying for the REACHOUT WIRELESS™ Lifeline and Link Up Service offering must declare under penalty of perjury that:

Applicant authorizes Nexus, Inc., d/b/a REACHOUT WIRELESS™ or its duly appointed representative(s) to access records relating to applicant, applicant's family, that may reside in any state or federal database to verify applicant's eligibility for the Lifeline/Linkup program;

Applicant authorizes representatives of any state or federal assistance programs to discuss with and/or provide copies of or records relating to applicant if requested by REACHOUT WIRELESS;^M

Applicant authorizes representatives of any state or federal assistance programs to verify applicant's participation in any state or federal assistance programs and applicant's eligibility for Lifeline or Link-Up service;

Applicant will notify REACHOUT WIRELESS[™] if and when applicant no longer participates in at least one of the qualifying state or federal assistance programs;

Applicant certifies that applicant has not utilized Link-Up at applicant's existing address;

Applicant certifies that applicant does not currently have Lifeline service and no other resident at applicant's residential address participates in the Lifeline program;

If Applicant has Lifeline service now applicant agrees to cancel applicant's current Lifeline support in favor of REACHOUT WIRELESS;™

Applicant affirms that applicant is over eighteen, head of household and that applicant is not claimed as a dependant on another person's federal or state income tax return;

Applicant agrees to notify REACHOUT WIRELESS™ if applicant has a change of address;

Applicant affirms under penalty of perjury, that the foregoing representations are true and correct to the best of applicant's knowledge and belief.

Upon written request, applicants who do not meet the eligibility requirements will be provided with the reason for non-eligibility.

REACHOUT WIRELESS™ cannot certify or verify your eligibility for Lifeline Link-Up service without the submission of your Social Security Number. REACHOUT WIRELESS™ The information is strictly confidential and will not be disclosed without your consent. If you submit your Social Security Number online your personal information is Secure Socket Layer (SSL) encrypted.

Description of Annual Recertification/Verification

For applicants who successfully submit a REACHOUT WIRELESS[™] application if and when required and for applicants who meet the specific eligibility requirements, those approved applicants will receive a free cellular phone provided by REACHOUT WIRELESS[™] along with a free allotment of airtime minutes each month for a period of twelve (12) consecutive months from the service start date.

Nexus reserves the right to determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate and/or continue

to participate in the REACHOUT WIRELESS[™] Service.

The actual amount of airtime minutes eligible subscriber's will receive on a monthly basis varies from state to state. Nexus reserves the right to change or modify, increase or decrease the actual amount of airtime minutes and eligible subscriber's will receive on a monthly basis without notice.

Every REACHOUT WIRELESS[™] Service enrolled subscriber will be required to re-qualify on an annual basis to remain eligible to receive benefits under the REACHOUT WIRELESS[™] program. Each REACHOUT WIRELESS[™] subscriber is required to re-qualify for the Lifeline and Link-Up program pursuant to the appropriate federal and/or state rules associated with verification of Lifeline and Link-Up.

Nexus reserves the right to determine at its sole discretion if a REACHOUT WIRELESS[™] subscriber meets the annual Recertification/Verification requirements and if the subscriber fails to re-qualify for REACHOUT WIRELESS[™] Service.

If Nexus determines that a customer fails to re-qualify for REACHOUT WIRELESS[™] Service, such customer will immediately be deemed ineligible to participate in the REACHOUT WIRELESS[™] Service and will no longer receive the free monthly minutes. Once a customer no longer participates in the REACHOUT WIRELESS[™] Service (either by choice, disqualification, cancellation or termination), such customer may retain the REACHOUT WIRELESS[™] Service handset.

REACHOUT WIRELESS[™] subscribers who fail to meet the annual Recertification/Verification requirements, may remain as a Nexus customer however that subscriber will no longer receive the free monthly minutes.

Upon the request of a state and/or federal authority, a REACHOUT WIRELESS[™] customer's enrollment may also be cancelled. REACHOUT WIRELESS[™] reserves the right to cancel the enrollment of any customer and suspend or deactivate any REACHOUT WIRELESS[™] phone for any fraud related reasons.

OPTION TO DE-ENROLL. REACHOUT WIRELESS[™] subscribers have the ability to de-enroll from the REACHOUT WIRELESS[™] program at any time for any reason. Subscribers who choose to de-enroll from the REACHOUT WIRELESS[™] program will no longer be entitled to receive the free monthly minutes. Subscribers who choose to voluntarily de-enroll from the REACHOUT WIRELESS[™] program will be required to re-qualify for the Lifeline and Link-Up program pursuant to the appropriate federal and/or state rules associated with verification of Lifeline and Link-Up. Subscribers who choose to voluntarily de-enroll from the REACHOUT WIRELESS[™] program multiple and Link-Up. Subscribers who choose to subscribers who choose to subscribers who choose to subscribers will be required to do so in writing and must provide REACHOUT WIRELESS[™] program sufficient information for REACHOUT WIRELESS[™] to conclusively determine the de-enrolling subscriber's identity. All voluntarily de-enrollments should be sent to:

Nexus Communications, Inc., dba REACHOUT WIRELESS™ P.O. Box 247168 Columbus, OH 43224 Voluntarily de-enrollments can also be sent in writing via fax to: 740-548-1173

SUPPORTED SERVICES

Voice Grade Access to the Public Switched Telephone Network: Voice grade access to the public switched telecommunications network ("PSTN") is a functionality that enables a subscriber of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call in a bandwidth, at a minimum, between 300 and 3,000 Hertz. Nexus service provides wireless access to the Public Switched Network.

Dual Tone Multi-Frequency ("DTMF") Signaling or Its Functional Equivalent: DTMF is a method of signaling that facilitates the transportation of signaling through the public telecommunications network, shortening call set-up time. All Nexus provided telephone handsets are DTMF-capable.

Single-party Service or its Functional Equivalent: Single-party wireless service is a dedicated message path for the length of a subscriber's particular transmission. Nexus provides customers with single-party access for the duration of every phone call but does not provide multi-party or party Line service.

Access to 911 and E911 Emergency Service: Access to Emergency Service is a service that permits a subscriber, by dialing the three-digit code 911, to call emergency services through a Public Service Access Point (PSAP) operated by local government.

Access to Operator Services: Access to operator services is access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call.

Access to Interexchange Service: Access to interexchange service is a service that permits a telecommunications user to complete a long distance

call or toll call.

Access to Directory Assistance: Access to directory assistance is access to a service of making available to customers, upon request, information contained in directory listing.

Toll Limitation Service: Nexus subscribers have the optional ability to use their service to complete a long distance call or toll call in an amount of service that limits the amount of service to which they have already paid.

1-Arkansas

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$12.40 which includes a company included discount of \$3.60 which equates to sixty-two (62) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- 1. Medicaid
- 2. Food Stamps
- 3. Supplemental Security Income (also know as SSI)
- 4. Federal Public Housing Assistance (Section 8)
- 5. Low Income Home Energy Assistance Program (LIHEAP)
- 6. National School Lunch program's free lunch program
- 7. Temporary Assistance for Needy Families Program (TANF)

Income Based Eligibility: Customers residing in the state of Arkansas also qualify if they have a total household income at or below 135% of the federal poverty guidelines as indicated below.

Number of Persons	Total Annual	Total Monthly
in Household	Household Income	Household Income
1	\$14,621	\$1,218.42
2	\$19,670	\$1,639.17
3	\$24,719	\$2,059.91
4	\$29,768	\$2,480.67
5	\$34,817	\$2,901.42
6	\$39,866	\$3,322.17
7	\$44,915	\$3,742.92
8	\$49,964	\$4,163.67
For Each Additional Person, add	\$5,049	\$420.75

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

- 1. the prior year's state, federal, or tribal tax return
- 2. current income statement from an employer or paycheck stub
- 3. a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits
- 4. an Unemployment/Workmen's Compensation statement of benefits
- 5. federal or tribal notice letter of participation in General Assistance
- 6. a divorce decree, child support, or other official document

If documentation that does not cover a full year is used to as proof of income, you must present three consecutive months worth of the same types of document within that calendar year.

Discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

2 - Illinois

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*TM applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*TM provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*TM converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$3.72 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility- Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more

of the following programs:

- 8. Medicaid
- 9. Food Stamps
- 10. Supplemental Security Income (also know as SSI)
- 11. Federal Public Housing Assistance
- 12. Low Income Home Energy Assistance Program (LIHEAP)
- 13. National School Lunch free lunch program
- 14. Temporary Assistance for Needy Families Program (TANF)

Income Based Eligibility - Currently, customers residing in the state of Illinois are not eligible to receive Lifeline discounts based on income criteria alone.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a REACHOUT WIRELESS™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact *REACHOUT WIRELESS*[™] at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

3-Kansas

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*TM applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*TM provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*TM converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$1.97 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- 15. Temporary Assistance for Needy Families (TANF)
- 16. Supplemental Security Income (SSI)
- 17. Food Stamps
- 18. Medicaid
- 19. Federal Public Housing Assistance/Section 8
- 20. Low Income Home Energy Assistance Program (LIHEAP)
- 21. National School Lunch (NSL) free lunch program

Income Based Eligibility Under the Income Based eligibility Criteria, you are eligible if your household income level is at or below 150% of the federal poverty guidelines as indicated below.

Number of Persons	Total Annual	Total Monthly
in Household	Household Income	Household Income
1	\$16,245	\$1,353.75
2	\$21,855	\$1,821.25
3	\$27,465	\$2,288.75
4	\$33,075	\$2,756.25
5	\$38,685	\$3,223.75
6	\$44,295	\$3,691.25
7	\$49,905	\$4,158.75
8	\$55,515	\$4,626.25
For Each Additional Person, add	\$5,610	\$467.50

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*[™] customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Customer's claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their income and the total number of persons in their household along with documentation that provides proof of income such as a copy of the prior year's tax return. Any other type of documentation, presented as proof of income, must consist of three (3) consecutive months of statements.

Lifeline discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS*™ 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up heips you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

4-Louisiana

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*TM applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*TM provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*TM converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to **\$10.00**which includes a company included discount of **\$1.75** which equates to **fifty (50)** free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- 22. Medicaid
- 23. Food Stamps
- 24. Supplemental Security Income (also know as SSI)
- 25. Federal Public Housing Assistance (Section 8)
- 26. Low Income Home Energy Assistance Program (LIHEAP)
- 27. National School Lunch program's free lunch program
- 28. Temporary Assistance for Needy Families Program (TANF)

Income Based Eligibility – Customers residing in the state of Louisiana also qualify if they have a total household income at or below 135% of the federal poverty guidelines as indicated below.

Number of Persons	Total Annual	Total Monthly
in Household	Household Income	Household Income
1	\$14,621	\$1,218.42
2	\$19,670	\$1,639.17
3	\$24,719	\$2,059.91
4	\$29,768	\$2,480.67
5	\$34,817	\$2,901.42
б	\$39,866	\$3,322.17
7	\$44,915	\$3,742.92
8	\$49,964	\$4,163.67
For Each Additional Person, add	\$5,049	\$420.75

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

- 7. the prior year's state, federal, or tribal tax return
- 8. current income statement from an employer or paycheck stub
- 9. a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits
- 10. an Unemployment/Workmen's Compensation statement of benefits
- 11. federal or tribal notice letter of participation in General Assistance
- 12. a divorce decree, child support, or other official document

If documentation that does not cover a full year is used to as proof of income, you must present three consecutive months worth of the same types of document within that calendar year.

Discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

5 - Michigan

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*TM applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*TM provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*TM converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which includes a company included discount of \$6.09 which equates to sixty-eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

29. Medicaid

- 30. Food Stamps
- 31. Supplemental Security Income (SSI)
- 32. Federal Public Housing Assistance (Section 8)
- 33. Low Income Home Energy Assistance Program (LIHEAP)
- 34. Temporary Assistance to Families
- 35. National School Lunch Program's Free Lunch

Income Based Eligibility – Under the Income Based Eligibility Criteria, you are eligible if your household income level is at or below 150% of the federal poverty guidelines as indicated below.

Number of Persons	Total Annual	Total Monthly
in Household	Household Income	Household Income
7	\$16,245	\$1,353.75
2	\$21,855	\$1,821.25
3	\$27,465	\$2,288.75
4	\$33,075	\$2,756.25
5	\$38,685	\$3,223.75
6	\$44,295	\$3,691.25
7	\$49,905	\$4,158.75
8	\$55,515	\$4,626.25
For Each Additional Person, add	\$5,610	\$467.50

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS* ™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Customer's claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their income and the total number of persons in their household along with documentation that provides proof of income such as a copy of the prior year's tax return. Any other type of documentation, presented as proof of income, must consist of three (3) consecutive months of statements.

Lifeline discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS*™ at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

6- Missouri

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$1.97 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you or a dependent member of your household participates in one or more of the following programs:

- 36. Medicaid
- 37. Food Stamps
- 38. Supplemental Security Income (SSI)
- 39. Federal Public Housing Assistance or Section 8
- 40. National School Lunch Program's free lunch program
- 41. Temporary Assistance for Needy Families
- 42. Low Income Home Energy Assistance Program (LIHEAP)

Income Based Eligibility - Currently, customers residing in the state of Missouri are not eligible to receive Lifeline discounts based on income criteria alone.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above by completing a board approved application.

Missouri customers are also required to provide documentation that provides proof of participation. Acceptable documentation includes a valid copy of a document issued by a qualifying agency, such as the Department of Human Services, that establishes proof of participation in the claimed program. Discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

7- Tennessee

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which includes a company included discount of \$3.60 which equates to sixty-eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- 43. Food Stamps
- 44. TennCare (Medicaid)
- 45. Supplemental Security Income (SSI)
- 46. Temporary Assistance for Needy Families (TANF)
- 47. Low Income Home Energy Assistance Program (LIHEAP)
- 48. National Free School Lunch
- 49. Federal Public Housing Assistance/Section 8

Income Based Eligibility – if you do not participate in one of the above public assistance programs, you may qualify if your total household income is at or below 135% of the federal poverty level as indicated below.

Number of Persons	Total Annual	Total Monthly
in Household	Household Income	Household Income
1	\$14,621	\$1,218.42
2	\$19,670	\$1,639.17
3	\$24,719	\$2,059.91
4	\$29,768	\$2,480.67
5	\$34,817	\$2,901.42
6	\$39,866	\$3,322.17
7	\$44,915	\$3,742.92
8	\$49,964	\$4,163.67
For Each Additional Person, add	\$5,049	\$420.75

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline

customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

- 13. the prior year's state, federal, or tribal tax return
- 14. current income statement from an employer or paycheck stub
- 15. a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits
- 16. an Unemployment/Workmen's Compensation statement of benefits
- 17. federal or tribal notice letter of participation in General Assistance
- 18. a divorce decree, child support, or other official document

Discounts will not apply until all required documentation is received.

For additional information, or to request an application form, contact Nexus at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

8- West Virginia Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*TM applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*TM provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*TM converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which includes a company included discount of \$3.60 which equates to sixty-eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you or a dependent member of your household participates in one or more of the following programs:

- 50. Emergency Assistance
- 51. Medicaid

- 52. Supplemental Nutrition Assistance Program (Food Stamps)
- 53. Supplemental Security Income (SSI)
- 54. Federal Public Housing Assistance or Section 8
- 55. National School Lunch Program's free lunch program
- 56. Temporary Assistance for Needy Families
- 57. Low Income Home Energy Assistance Program (LIHEAP)
- 58. School Clothing Allowance
- 59. WV Children's Health Insurance Program (WV CHIP)

Income Based Eligibility - Currently, customers residing in the state of West Virginia are not eligible to receive Lifeline discounts based on income criteria alone.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a REACHOUT WIRELESS™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

9- Wisconsin Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*TM applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*TM provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*TM converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$2.57 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you or a dependent member of your household participates in one or more of the following programs:

- 60. Food Stamps
- 61. Medicaid
- 62. Low Income Home Energy Assistance Program (LIHEAP)
- 63. Supplemental Security Income (SSI)
- 64. Temporary Assistance for Needy Families (TANF)
- 65. WI Homestead Tax Credit
- 66. Badger Care

Income Based Eligibility - Currently, eligibility is based on program participation only.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact a REACHOUT WIRELESS™ at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

10 - New Jersey Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*TM applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*TM provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*TM provides the converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which equates to sixty (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- 67. Temporary Assistance for Needy Families (TANF) Work First New Jersey (WFNJ)
- 68. Supplemental Security Income (SSI)
- 69. General Assistance (GA)
- 70. Food Stamps
- 71. Medicaid
- 72. Federal Public Housing Assistance/Section 8
- 73. Low Income Home Energy Assistance Program (LIHEAP)
- 74. Lifeline Utility Credit/Tenants Lifeline Assistance
- 75. Pharmaceutical Assistance to the Aged and Disabled (PAAD)

Income Based Eligibility – Under the Income Based eligibility Criteria, you are eligible if you are 65 and older and your household income level is at or below 150% of the federal poverty guidelines as indicated below.

Number of Persons in Household	Total Annual	Total Monthly Household Income
1	\$16,245	\$1,353.75
2	\$21,855	\$1,821.25
3	\$27,465	\$2,288.75
4	\$33,075	\$2,756.25
5	\$38,685	\$3,223.75
6	\$44,295	\$3,691.25
7	\$49,905	\$4,158.75
8	\$55,515	\$4,626.25
For Each Additional Person, add	\$5,610	\$467.50

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Customer's claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their income and the total number of persons in their household along with documentation that provides proof of income such as a copy of the prior year's tax return. Any other type of documentation, presented as proof of income, must consist of three (3) consecutive months of statements.

Lifeline discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a REACHOUT WIRELESS™ 877-870-9444.

How do I continue to receive Lifeline benefits?

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

11- Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which equates to sixty four (64) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- 76. Electric Universal Service Program
- 77. Supplemental Security Income (SSI)
- 78. Maryland Energy Assistance Program
- 79. Food Stamps
- 80. Medical Assistance
- 81. Public Assistance to Adults
- 82. Temporary Cash Assistance
- 83. Temporary Disability Assistance Program

Income Based Eligibility - Currently, eligibility is based on program participation only.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a REACHOUT WIRELESS™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact a REACHOUT WIRELESS™ 877-870-9444.

How do I continue to receive Lifeline benefits?

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

12 - Georgia Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*TM applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*TM provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*TM converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which equates to sixty eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- 84. Temporary Assistance for Needy Families (TANF)
- 85. Supplemental Security Income (SSI)
- 86. Food Stamps
- 87. Medicaid
- 88. Federal Public Housing Assistance/Section 8
- 89. Low Income Home Energy Assistance Program (LIHEAP)
- 90. Senior Citizen Low-Income Discount Plan (offered by gas or electric provider)

Income Based Eligibility - Currently, eligibility is based on program participation only.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact a REACHOUT WIRELESS™ 877-870-9444.

How do I continue to receive Lifeline benefits?

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

13 - Mississippi Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*[™] applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*[™] provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*[™] provides converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which includes a company included discount of \$3.60 which equates to sixty-eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Food Stamps
- Medicaid
- Supplemental Security Income(SSI)
- Temporary Assistance for Needy Families (TANF)
- Low Income Home Energy Assistance Program (LIHEAP)
- National Free School Lunch
- Federal Public Housing Assistance/Section 8, Section 521, Section 202, and Public Housing (including HOPE VI)

Income Based Eligibility – if you do not participate in one of the above public assistance programs, you may qualify if your total household income is at or below 135% of the federal poverty level as indicated below.

Number of Persons	Total Annual	Total Monthly Household Income
in Household	Household Income	
1	\$14,621	\$1,218.42
2	\$19,670	\$1,639.17
3	\$24,719	\$2,059.91
4	\$29,768	\$2,480.67
5	\$34,817	\$2,901.42
6	\$39,866	\$3,322.17
7	\$44,915	\$3,742.92
8	\$49,964	\$4,163.67
For Each Additional Person, add	\$5,049	\$420.75

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

- the prior year's state, federal, or tribal tax return
- · current income statement from an employer or paycheck stub
- a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits
- an Unemployment/Workmen's Compensation statement of benefits
- federal or tribal notice letter of participation in General Assistance
- a divorce decree, child support, or other official document

Discounts will not apply until all required documentation is received.

For additional information, or to request an application form, contact Nexus at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. iscounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

REACHOUT WIRELESS TRADITIONAL NON-LIFELINE SERVICE

No contract

No credit check

Nationwide coverage Airtime Cards available at convenient locations

Key Features of REACHOUT WIRELESS[™] Non-Lifeline service offering:

Handsets starting at \$9.95

One Time Service Activation Fee of \$72.00 - Optional Deferred Activation Fee - Pay \$30.00 upfront and only \$3.50 a month for twelve months

:: chOut Wireless ::

Free Shipping



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CONFIDENTIAL EXHIBIT D (NOT TO BE DISSEMINATED PUBLICLY)





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Declaration of Steven Fenker – Exhibit E

I, Steven Fenker, do hereby declare under penalty of perjury as follows:

- 1. I am the President of Nexus Communications, Inc. ("Nexus"), an Ohio corporation with its principal place of business at 3629 Cleveland Avenue, Suite C, Columbus, OH 43224.
- 2. I have prepared the responses to the questions in the foregoing RESPONSES OF NEXUS COMMUNICATIONS, INC. TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION and confirm the information contained therein to be true and correct to the best of my knowledge, information, and belief.
- 3. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

NRES,

Steven Ferker, President Nexus Communications, Inc.

Dated: June 16, 2011