

YUNKER & ASSOCIATES

Katherine K. Yunker
P.O. Box 21784
Lexington, KY 40522-1784

859-255-0629
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RECEIVED

JUL 10 2009

PUBLIC SERVICE
COMMISSION

July 10, 2009

Jeff Derouen
Executive Director
PUBLIC SERVICE COMMISSION
P.O. Box 615
Frankfort, KY 40602-0615

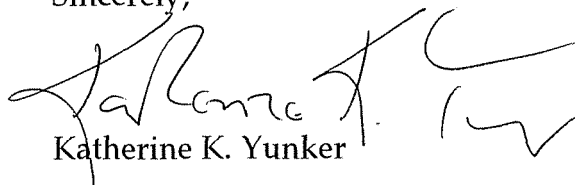
Re: Case No. 2009-_____, *Application of Budget Prepay, Inc. for*
Designation as a Non-Rural Eligible Telecommunications Carrier Pursuant to
§214(e)(2) of the Communications Act of 1934

2009-00269

Dear Mr. Derouen:

Enclosed please find an original and ten copies of Budget Prepay, Inc.'s application to be designated as a non-rural Eligible Telecommunications Carrier. Thank you for your attention to this filing. Please contact me if you have any questions.

Sincerely,


Katherine K. Yunker

enclosures

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

JUL 10 2009
PUBLIC SERVICE
COMMISSION

In the Matter of:

Application of Budget Prepay, Inc. for
Designation as a Non-Rural Eligible
Telecommunications Carrier Pursuant to
§214(e)(2) of the Communications Act of 1934

Case No. 2009- 00269

**APPLICATION OF BUDGET PREPAY, INC.
FOR DESIGNATION AS A NON-RURAL
ELIGIBLE TELECOMMUNICATIONS CARRIER**

Budget PrePay, Inc. (“Budget PrePay”), pursuant to Section 214(e)(2)¹ of the Communications Act of 1934 (“the Act”)² and the rules of the Federal Communications Commission (“FCC”), including 47 C.F.R. §§ 54.201 and 54.207, hereby applies to the Public Service Commission of Kentucky (“the Commission”) for designation as an Eligible Telecommunications Carrier (“ETC”) in areas served by two non-rural Kentucky ILECs — BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky and AT&T Southeast (“AT&T”)³ and Windstream Kentucky East, LLC (“WindstreamE”)⁴ — for the purposes of receiving low income universal service support, including Lifeline and Link-up support.⁵ In support of this Application, Budget PrePay states as follows:

¹ Budget PrePay is a competitive local exchange company falling under the jurisdiction of the Commission. Thus, the ETC rules and regulations applicable to common carriers not falling under the jurisdiction of the state commission, 47 C.F.R. § 214(e)(6), are not applicable.

² 47 U.S.C. §§ 214(e)(2).

³ AT&T’s Local Exchange Carrier (class A) utility identification number is 33313800.

⁴ WindstreamE’s Local Exchange Carrier (class A) utility identification number is 5022700.

⁵ Because Budget PrePay’s application is limited to those areas served by AT&T and WindstreamE, and to low-income universal service support, requirements specific to high-cost support are not applicable. See, e.g., *A Certification of the Carriers Receiving Federal Universal Service High Cost Support*, Adm. Case No. 381, Order dated Sept. 24, 2008, p. 3 ordering ¶3 (requiring annual filing of use plans).

I. Introduction

Budget PrePay seeks to be designated as a non-rural ETC for purposes of receiving federal low-income universal service support in Kentucky areas served by AT&T and WindstreamE. *See* Exhibit 1. As demonstrated below, Budget PrePay meets all the statutory and regulatory prerequisites for ETC designation, and designating Budget PrePay as an ETC will serve the public interest.

A. Budget PrePay, Inc.

Budget PrePay's full corporate name is "Budget PrePay, Inc.", and it does business in Kentucky as "Budget Phone." Budget PrePay's postal address is set forth below:

1325 Barksdale Boulevard; Suite 200
Bossier City, LA 71111

Budget PrePay is the corporate successor to Budget Phone, Inc.⁶ Its 1996 Articles of Incorporation and the 2005 amendment thereto are attached as Exhibit 2.

Budget PrePay is a competitive local exchange carrier ("CLEC") and is authorized by the Commission to provide basic local exchange services and long distance services within Kentucky.⁷ Budget PrePay (or its corporate predecessor) has been providing telecommunications services in Kentucky since May 28, 2000. Budget PrePay's tariff for the provision of basic local exchange service on file with the Commission is Kentucky PSC Tariff No. 1 (rec'd 4/3/2007). Budget PrePay provides service over a combination of its own facilities, including leased transport lines and leased loops, and resale lines.

⁶ On February 1, 2006, Budget PrePay acquired and succeeded to the public service business of Budget Phone, Inc. *See* P.S.C. Ky. Adoption Notice No. 1, issued February 1, 2006.

⁷ Budget PrePay's CLEC (class A) utility identification number is 5050350; its long distance carrier (class B) utility identification number is 5153200.

B. Service List Information.

All correspondence, communications, pleadings, notices, orders, and decisions relating to this Application should be directed to Budget PrePay’s general outside counsel and local counsel, respectively:

Gordon D. Polozola
KEAN, MILLER, HAWTHORNE, D’ARMOND,
MCCOWAN & JARMAN, L.L.P.
P.O. Box 3513
Baton Rouge, LA 70821
225-382-3440
Gordon.Polozola@keanmiller.com

Katherine K. Yunker
YUNKER & ASSOCIATES
P. O. Box 21784
Lexington, KY 40522-1784
859-255-0629
fax: 859-255-0746
yunker@desuetude.com

II. Budget Prepay Meets the Statutory and Regulatory Prerequisites for Eligible Telecommunications Carrier Designation.

A. Budget PrePay offers all of the services supported by the federal low-income universal service program.

Budget PrePay complies with each of the eligibility requirements for universal service support. Specifically,

- Budget PrePay is a common carrier as that term is defined in the Act.⁸
- Budget PrePay offers the services that are supported by federal universal service support mechanisms under Section 254(c), either “using its own facilities or a combination of its own facilities and the resale of another carrier’s services.”⁹ These facilities consist of switched port/loop combination unbundled network elements (“UNEs”), and resale lines.
- Budget PrePay provides the services that are eligible for universal service support, as enumerated in 47 C.F.R. § 54.101(a): (1) voice-grade access to the public switched

⁸ 47 U.S.C. § 153(10): “any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or interstate or foreign radio transmission of energy...”

⁹ 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1).

network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equivalent; (4) single party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange services; (8) access to directory assistance; and, (9) toll limitation for qualifying low income customers.

- Budget PrePay does and will “advertise the availability of such services and the charges therefor using media of general distribution.”¹⁰

In conformity with Commission requirements for an application for ETC designation,¹¹ Budget PrePay provides additional detail, descriptions, and certifications as to its eligibility in the following sections.

B. Budget PrePay provides the required services using a combination of its own facilities and resale of another carrier’s services.

As previously stated, Budget PrePay provides the supported services using a combination of its own facilities, which include switched port/loop combination UNEs,¹² and resale of another carrier’s services. These facilities are physical components of the telecommunications network that are used in the transmission or routing of the services for which support is requested. Because these facilities include UNEs, the method by which Budget PrePay provides the supported services is consistent with FCC regulations.¹³ The Commission has concluded in previous proceedings for non-rural ETC designation that a CLEC’s use of a combination of UNEs and resale

¹⁰ 47 U.S.C. § 214(e)(1)(B).

¹¹ See listing in *Petition of Bluegrass Wireless LLC for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky, etc.*, Case Nos. 2005-00017, -00018, -00019, -00020, Order dated July 8, 2005, p. 3.

¹² Budget PrePay obtains its facilities through respective Commercial Facilities Agreements with AT&T and WindstreamE. “For purposes of this section, the term ‘own facilities’ includes, but is not limited to, facilities obtained as unbundled network elements pursuant to Part 51 of this chapter, provided that such facilities meet the definition of the term ‘facilities’ under this subpart.” 47 C.F.R. § 54.201(f).

¹³ See 47 C.F.R. § 54.201(e) and (f).

is defined by the FCC as a satisfactory method of having “own facilities” under 47 C.F.R. § 54.201(f).¹⁴

C. Advertisement of universal service offering using media of general distribution.

Budget PrePay will advertise the availability of the supported services and the corresponding charges in a manner that fully informs the general public, within the vicinity of the service area, of the services and charges using media of general distribution.¹⁵ It also will publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.¹⁶ Samples, of a brochure and of a poster for Budget PrePay services, are attached as Exhibit 3. In addition, Budget PrePay agrees to comply with all form and content requirements, if any, promulgated by the FCC or this Commission in the future and required of all designated ETCs.

D. Service Areas in which Budget PrePay seeks ETC designation.

As stated above, Budget PrePay requests that the Commission declare that the “service areas” in which it is entitled to receive the federal low income universal service support are the entire areas served by AT&T and WindstreamE in Kentucky; these areas are within the Kentucky areas already served by Budget PrePay. *See* Exhibit 1. The Act and FCC rules define the term “service area” to be a “geographic area established by a State commission for the purpose

¹⁴ *Petition of BLC Management LLC d/b/a Angles Communication Solutions as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky*, Case No. 2008-00389, Order dated Feb. 6, 2009, pp. 5-6 and ordering ¶¶ 4-5; *Application of New Talk, Inc. for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky*, Case No. 2008-00539, Order dated May 22, 2009, p. 6 and ordering ¶4

¹⁵ 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2).

¹⁶ 47 C.F.R. § 54.495(b).

of determining universal service obligations and support mechanisms.”¹⁷ Budget PrePay does not seek certification as an ETC in any areas served by rural ILECs.

E. Commitment to Consumer Protection and Service Quality Standards.

Budget PrePay (or its corporate predecessor) has been providing quality services to consumers in Kentucky for over nine years.¹⁸ If designated as an ETC, Budget PrePay will continue to provide service on a timely basis to requesting customers within its service area where its network passes the potential customer’s premises or where it can serve the customer through resale.¹⁹ Budget PrePay, as a CLEC operating in Kentucky, will continue to abide by other applicable rules and regulations of this Commission. Budget PrePay affirms its commitment to satisfy applicable consumer protection and service quality standards if designated as an ETC.

F. Public Interest.

It is in the public interest for the Commission to grant Budget PrePay’s request for designation as an eligible telecommunications carrier. Budget PrePay has the financial resources and commitment to bring quality, cost-effective communications services to Kentucky consumers, and has done so for years. Budget PrePay has already been certified as an ETC in Alabama, Florida, Iowa, Louisiana, Maryland, Mississippi, Nebraska, Oklahoma, and Tennessee.

The requested designation will lead to increased consumer choice of carriers for low-income users, subscribership, and availability of premium services to low-income consumers.²⁰

¹⁷ 47 U.S.C. § 214(e)(5); 47 C.F.R. § 54.207(a).

¹⁸ Budget PrePay’s corporate predecessor (Budget Phone) qualified to do business in Kentucky in 1999.

¹⁹ See, e.g., 47 C.F.R. § 54.202(a)(1)(A).

²⁰ Cf. *Petition of SouthEast Telephone Company, Inc. for Designation as an Eligible Telecommunications Carrier*, Case No. 2002-00080, Order dated September 17, 2002, p. 3 (finding that “designation will benefit consumers ... by expanding the range of competitive choices and by providing an incentive for incumbent telephone companies to improve their existing networks”); *Bluegrass Wireless etc.*, Case Nos.

Budget PrePay will pass through to its Lifeline and Link-Up eligible customers all discounts and waivers required by the FCC's rules. Budget PrePay will also perform the audits relating to these services as required by the Commission of all customers receiving Lifeline benefits.²¹

Budget PrePay has requested ETC designation for low-income support in the AT&T and WindstreamE service areas only. It will contribute to Kentucky's telecommunications network through its payment of rates and charges to AT&T and WindstreamE, which rates and charges include the cost of maintenance and expansion of the network. There will be no effect on a state or federal Universal Service Fund due to Lifeline customers switching from another provider, because low-income funds for these customers will simply move to Budget PrePay from the previous provider.

On similar showings, the Commission has previously found that designating a CLEC like Budget PrePay as an ETC for purposes of receiving federal low-income universal service support is in the public interest.²²

III. Conclusion

WHEREFORE, Budget PrePay has demonstrated that it possesses sufficient technical, financial and managerial resources and abilities to provide the required basic local exchange service in the areas requested. Budget PrePay respectfully requests that the Commission:

- A. Set a procedural schedule for consideration of this Application;

2005-00017, -00018, -00019, -00020, Order dated July 8, 2005, p. 6 (public interest analysis re Bluegrass Cellular).

²¹ Budget PrePay understands that the Commission's current requirement is that each ETC perform a yearly audit of all its customers receiving Lifeline benefits to confirm the eligibility of each Lifeline consumer. *An Inquiry into Universal Service and Funding Issues*, Adm. Case No. 360, Order dated May 24, 2007, p. 2 and ordering ¶¶ 1 & 3.

²² See, e.g., *BLC Management*, Case No. 2008-00389, Order dated Feb. 6, 2009, pp. 4, 6; *New Talk*, Case No. 2008-00539, Order dated May 22, 2009, pp. 4, 6.

B. Designate Budget PrePay as an eligible telecommunications carrier for purposes of receiving federal Universal Service Fund support for low income assistance in Kentucky;

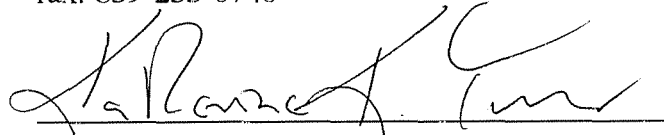
C. Designate the entire service territories in Kentucky of non-rural ILECs BellSouth Telecommunications, Inc. (d/b/a AT&T Kentucky and AT&T Southeast) and Windstream Kentucky East, LLC, as the service area within which Budget PrePay shall offer low-income universal support services;

D. Send appropriate notice of the designation order to the FCC and the Universal Service Administrative Company; and

E. Order such other relief as may be appropriate.

Respectfully submitted,

Katherine K. Yunker
YUNKER & ASSOCIATES
P.O. Box 21784
Lexington, KY 40522-1784
859-255-0629
fax: 859-255-0746



ATTORNEY FOR BUDGET PREPAY, INC.

OF COUNSEL:

Gordon D. Polozola
KEAN, MILLER, HAWTHORNE, D'ARMOND,
McCOWAN & JARMAN, L.L.P.
P.O. Box 3513
Baton Rouge, LA 70821
225-382-3440
fax: 225-215-4040

Exhibit 1

Designated Areas in the Commonwealth of Kentucky for which Budget PrePay seeks ETC status

<u>ILEC</u>	<u>Designation</u>	<u>Wire Centers</u>
Windstream Kentucky East, LLC	Non-rural	All
BellSouth Communications, Inc. d/b/a	Non-rural	All
AT&T Kentucky and AT&T Southeast		

The exchange boundaries for the ILECs' respective service areas are as depicted on the Commonwealth map made available on the Commission's website:

<http://psc.ky.gov/agencies/psc/images/lecbyexchange.pdf>

Exhibit 2

Articles of Incorporation and 2005 amendment

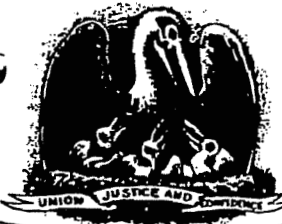
Certificate noting issuance of Certificate of Incorporation on May 1, 1966.

Articles of Incorporation of Budget Phone, Inc., dated April 30, 1996

Certificate noting filing and recording of Amendment to the Articles of Incorporation on December 20, 2005

Articles of Amendment of Articles of Incorporation changing the name of Budget Phone, Inc. to Budget PrePay, Inc., dated December 17, 2005

UNITED STATES OF AMERICA



State of Louisiana

Jox McKeithen
SECRETARY OF STATE

As Secretary of State of the State of Louisiana, I do hereby Certify that

the Articles of Incorporation of

BUDGET PHONE, INC.

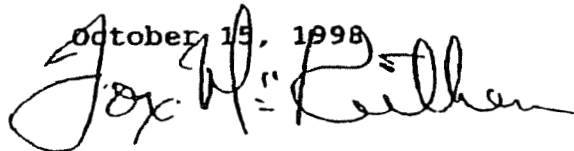
Domiciled at SHREVEPORT, LOUISIANA,

Were filed in this Office and a Certificate of Incorporation was issued on May 01, 1996,

I further certify that no Certificate of Dissolution has been issued.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on.

October 15, 1998



CBU

Secretary of State



This page conforms with the duplicate original filed with the Secretary of State.

ARTICLES OF INCORPORATION

OF

BUDGET PHONE, INC.

STATE OF LOUISIANA

PARISH OF CADDO

BE IT KNOWN, on this 30th day of April, 1996, before me, the undersigned Notary Public, personally came and appeared JOHN M. FRAZIER, person of the full age of majority and a resident of Caddo Parish, Louisiana, who declared to me, in the presence of the undersigned competent witnesses, that, availing himself of the provisions of the Louisiana Business Corporations Law (Title 12, Chapter 1, Louisiana Revised Statutes of 1950, as revised and codified by Act 105 of 1968, Legislature of Louisiana, as amended from time to time), do hereby organize BUDGET PHONE, INC., successors and assigns, into a corporation in pursuance of that law, under and in accordance with the following articles of incorporation.

ARTICLE I. NAME

The name of this corporation is BUDGET PHONE, INC.

ARTICLE II. OBJECTS AND PURPOSES

The objects and purposes for which this corporation is organized and the nature of the business to be carried on by it are stated and declared to be as follows:

To enter into any business lawful under the laws of the State of Louisiana, either for its own account, or for the account of others, as agent, and either as agent or principal, to enter into or engage in any kind of business of any nature whatsoever, in which corporations organized under the Louisiana Business Corporations Law may engage; and to the extent not prohibited, to enter into and engage in any kind of business of any nature whatsoever in any other state of the United States of America, any foreign nation, and any territory of any country to the extent permitted by the laws of such other state, nation or territory.

ARTICLE III. DURATION

The duration of this corporation shall be in perpetuity, or such maximum period as may be authorized by the laws of Louisiana.

ARTICLE IV. AUTHORIZED CAPITAL

A. The total authorized capital stock of this corporation is 10,000 shares of no par value common stock.

B. Shareholders shall have pre-emptive rights.

ARTICLE V. DIRECTORS

A. Unless and until otherwise provided in the by-laws, all of the corporate powers of this corporation shall be vested in, and all of the business and affairs of this corporation shall be managed by a board of not less than one nor more than three directors. The number of directors may be increased or decreased within the limits above provided by a majority vote of the directors.

B. The Board of Directors shall have the authority to make and alter by-laws, including the right to make and alter by-laws fixing their qualifications, classifications, or terms of office, or fixing or increasing their compensation, subject to the power of the shareholders to change or repeal the by-laws so made.

C. The Board shall further have the authority to exercise all such other powers and to do all such other lawful acts and things which this corporation or its shareholders might do, unless prohibited from so doing by applicable law, or by the articles of incorporation, or by the by-laws of the corporation.

D. The general annual meeting of the stockholders for the election of Board shall be held within five months from the close of the Corporation's fiscal year unless and until otherwise provided in the By-Laws.

E. The number, classification, qualifications, term of office, manner of election, time and place of meeting, whether within or outside the State of Louisiana, and the powers and duties

of the directors, may from time to time be fixed, changed, increased or reduced by the by-laws.

F. Until otherwise provided in the by-laws, any director absent from a meeting may be represented by any other director, who may cast the vote of the absent director according to the written instructions, general or special, of the absent director according to the written instructions, general or special, of the absent director, filed with the Secretary.

G. Upon the written request of stockholders holding a majority of the voting stock of this corporation issued and outstanding, any member of the Board of Directors of this corporation, whether or not his term of office shall have expired, may be replaced by a director designated by such stockholder in writing, at any time.

ARTICLE VI. INCORPORATOR

The name and post office address of the incorporator is as follows:

John M. Frazier
Peatross, Greer and Frazier
P. O. Box 404
Shreveport, LA 71162-0404

ARTICLE VII. PURCHASE AND REDEMPTION OF SHARES

The corporation may purchase or redeem its own shares in the manner and on the conditions permitted and provided in Section 55 of the Business Corporations Law or other applicable law, and as

may be authorized by the Board of Directors. Shares so purchased shall be considered treasury shares, and may be cancelled and the capital stock reduced, as the Board of Directors may, from time to time, determine in accordance with law.

ARTICLE VIII. CONVERTIBLE SECURITIES AND STOCK PURCHASE RIGHTS

The corporation may issue convertible securities and rights to convert shares or obligations of the corporation into shares of any authorized class of stock, and the right or option to purchase shares of any authorized class of stock in the manner and on the conditions permitted and provided in Section 56 of the Business Corporations Law or other applicable law, and as may be authorized by the Board of Directors.

ARTICLE IX. CAPITAL SURPLUS AND DIVIDENDS

The Board of Directors shall have such power and authority with respect to capital, surplus and dividends, including allocation, increases, reduction, utilization, distribution and payment, as it permitted and provided in Sections 61, 62 and 63 of the Business Corporations Law or other applicable law.

ARTICLE X. AMENDMENTS TO ARTICLES OF INCORPORATION

Changes in the rights of holders of shares of any class shall be made by a majority vote or written consent, of the shareholders.

given voting power by these articles; and in addition, by a majority vote or written consent, of the class or classes of shareholders affected, whether they are otherwise entitled to vote or not.

Any other amendment for which a larger vote is not specifically made mandatory by the Business Corporations Law of Louisiana, may be made upon the majority vote or written consent, of the shareholders entitled to vote under these articles, including an increase or reduction of capital stock.

ARTICLE XI. SALES AND OTHER TRANSFER OF STOCK

Restrictions against, and regulation of, the sale and any other transfer of stock in this corporation may be prescribed in the by-laws or by shareholder agreements as permitted and provided in Sections 29 and 58 of the Business Corporations Law of Louisiana, or other applicable law.

THUS DONE AND SIGNED at my office in the Parish and State aforesaid, on the day, month and year set forth above, in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

Bruna C Baker

F. John D.

INCORPORATOR:

John M. Frazier
JOHN M. FRAZIER

Margaret Carroll
NOTARY PUBLIC in and for the
Parish of Caddo, State of
Louisiana

UNITED STATES OF AMERICA
State of Louisiana
Al Ater

SECRETARY OF STATE

As Secretary of State, of the State of Louisiana, I do hereby Certify that
a copy of an Amendment to the Articles of Incorporation of

BUDGET PHONE, INC.

Domiciled at SHREVEPORT, LOUISIANA, changing the corporate
name to

BUDGET PREPAY, INC.

Was filed and recorded in this Office on December 20, 2005.

Gary Loftin
Caddo Parish Clerk of Court
2013866
12/28/2005 10:57 AM

*In testimony whereof, I have hereunto set
my hand and caused the Seal of my Office
to be affixed at the City of Baton Rouge on,
December 20, 2005*


Al Ater
BBO 34525907D 36076954

Secretary of State



ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
CHANGING THE NAME OF
BUDGET PHONE, INC.
TO
BUDGET PREPAY, INC.

STATE OF LOUISIANA
Office of the Secretary of State
I hereby certify that this is a true and correct copy
as taken from the original on file in this office.


Secretary of State
Date: DEC 20 2005 B.B.

On December 17, 2005, the shareholders of Budget Phone, Inc., whose date of incorporation was April 30th, 1996, amended Article I. of the Articles of Incorporation to read as follows:

"I.

The name of this corporation is Budget PrePay, Inc."

Article X. of the Articles of Incorporation allows amendment of the Articles of Incorporation upon the majority vote or written consent of the shareholders entitled to vote. This corporation's total authorized capital stock is ten thousand (10,000) shares of no par value common stock, all of which are issued and outstanding and are entitled to vote. The foregoing amendment was adopted by the written consent of the holders of seven thousand (7,000) shares of this corporation's common stock, which constitutes a majority.

BUDGET PHONE, INC.

BY: 

R. Daniel Hyde, Jr., President

STATE OF LOUISIANA
PARISH OF CADDO

On December __, 2005, before me personally appeared: R. DANIEL HYDE, JR., to me personally known, who, being by me duly sworn, did say that he is the President of Budget Phone, Inc. (to be renamed Budget PrePay, Inc.), and that the foregoing instrument was signed by him in behalf of this corporation by authority of a majority of its shareholders, and he acknowledged said instrument to be the free act and deed of this corporation.


R. DANIEL HYDE, JR.

SWORN TO AND SUBSCRIBED before me, Notary, this 17 day of December, 2005.


NOTARY PUBLIC

WRITTEN CONSENT OF SHAREHOLDERS AND DIRECTORS

OF

BUDGET PHONE, INC.

The undersigned, being a majority of the shareholders and being all of the members of the Board of Directors of Budget Phone, Inc. (the "Corporation), pursuant to the provisions of La. R.S. 12:32, 12:76 and 12:81, hereby consent to the adoption of the following resolutions on behalf of the Corporation:

RESOLVED, that Article I. of the Articles of Incorporation of Budget Phone, Inc., be amended to read as follows:

"I.

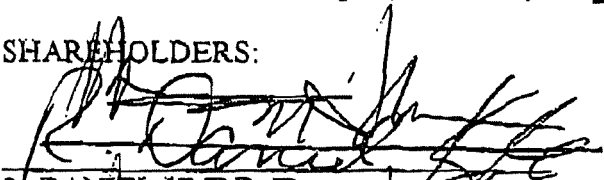
The name of this corporation is Budget PrePay, Inc."


RESOLVED, that in accordance with Article X. of the Corporation's Articles of Incorporation, the written consent of a majority of the holders of the Corporation's ten thousand (10,000) shares of authorized, issued and outstanding common stock shall be sufficient to approve this amendment to the Corporation's Articles of Incorporation.

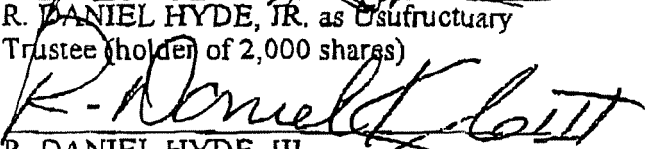
RESOLVED, that R. Daniel Hyde, Jr., President, may appear before any Notary Public and execute a notarial act of amendment putting this amendment to the Articles of Incorporation into authentic form, and the said R. Daniel Hyde, Jr., President, is authorized to do any and all things necessary and proper to carry out this resolution and to fulfill the objects and purposes thereof.

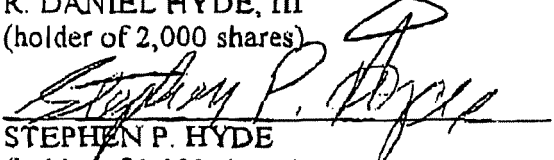
SIGNED in Shreveport, Louisiana, this 17th day of December, 2005.

SHAREHOLDERS:

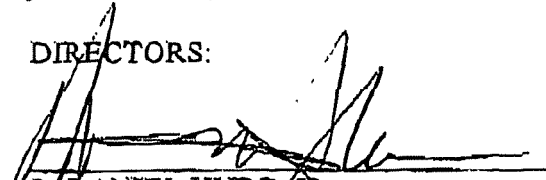

R. DANIEL HYDE, JR.
(holder of 2,000 shares)


R. DANIEL HYDE, JR. as Usufructuary
Trustee (holder of 2,000 shares)


R. DANIEL HYDE, III
(holder of 2,000 shares)


STEPHEN P. HYDE
(holder of 1,000 shares)

DIRECTORS:


R. DANIEL HYDE, JR.


R. DANIEL HYDE, III


STEPHEN P. HYDE

CERTIFICATE

I, R. Daniel Hyde, III, Secretary of Budget Phone, Inc. (to be renamed Budget PrePay, Inc.), do hereby certify that R. Daniel Hyde, R. Daniel Hyde, III, and Stephen P. Hyde are holders of a majority of the 10,000 authorized, issued and outstanding shares of the Corporation's common stock, that they are the only members of the Board of Directors of Budget Phone, Inc., and that the above resolutions are in full force and effect as of the date set forth below and have not been rescinded or modified in any manner.

Witness my signature and the seal of said corporation at Shreveport, Louisiana, this 17^{R dan} of December, 2005.

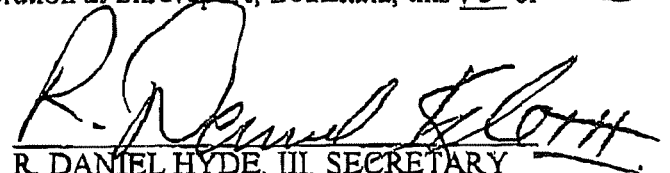
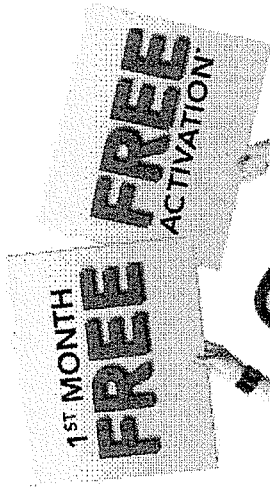

R. DANIEL HYDE, III, SECRETARY

Exhibit 3

Sample brochure and poster

HOME PHONE SERVICE



Choose your plan!
See reverse for details

NO Contracts • NO Credit Checks • NO Deposits

Budget Phone
For Activation for government assisted service only.

T-A

PICK A PLAN
1ST MONTH FREE
FREE ACTIVATION

For government assisted service only.
\$19.95 activation fee may apply to non-government assisted customers.

DOUBLE FEATURE PLAN

\$29.95* • Unlimited Local Calling
per mo. • 500 Minutes Long Distance
• Call Waiting, Caller ID

\$39.95/mo. for non-government assisted customers

DELUXE PLAN

\$39.95* • Unlimited Local Calling
per mo. • Unlimited Long Distance
• Most Popular Features

\$49.95/mo. for non-government assisted customers

No Contracts
No Credit Checks
No Deposits

Budget Phone
For Activation for government assisted service only.

www.budgetprepay.com

T-A

HOME PHONE SERVICE

1ST MONTH
FREE

FREE
ACTIVATION

Government-assisted
service only



PICK A PLAN

DOUBLE FEATURE PLAN

\$29.95*
per mo.

- Unlimited Local Calling
- 500 Minutes Long Distance
- Call Waiting & Caller ID

\$39.95/mo. for non-government
assisted customers

DELUXE PLAN

\$39.95*
per mo.

- Unlimited Local Calling
- Unlimited Long Distance
- Most Popular Features

\$49.95/mo. for non-government
assisted customers

No Contracts

No Credit Checks

No Deposits

Budget Phone INC.

*Limited time offer. Customers must meet government assistance eligibility requirements to qualify for the package prices above. Features and packages offered may vary by market. Fees and taxes not included. Phone service is available for residential voice calling in the continental United States only. Budget Phone reserves in its sole discretion, to terminate, suspend or restrict service without notice on any activity presumed to be inconsistent with residential use.