

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>3</sup>

SEP 11 2003

Missouri Public  
Service Commission

In the matter of the Application of )  
American Farm Bureau, Inc. )  
d/b/a The Farm Bureau® Connection<sup>SM</sup> )  
for a certificate of service authority to )  
provide Basic Local Telecommunications ) Case No.  
Service in portions of the State of )  
Missouri and to classify said services and )  
the company as competitive. )

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY**  
**TO PROVIDE BASIC LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE**  
**AND FOR COMPETITIVE CLASSIFICATION**

Comes now American Farm Bureau, Inc. ("Applicant" or "AFB"), by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.410, 392.420, 392.430, 392.440, 392.450 RSMo 2002, the Federal Telecommunications Act of 1996, and 4 CSR 240-2.060, for authority to provide basic resold and facilities-based local telecommunications service in portions of the State of Missouri and to classify said service and company as competitive. In support of its application Applicant states as follows:

1. AFB is a company duly incorporated and existing under and by virtue of the laws of the State of Illinois and is authorized to do business in Missouri. Pursuant to the relevant provisions of 4 CSR 240-2.060, documents from the Secretary of State of Illinois and Secretary of State of Missouri are attached hereto and incorporated herein by reference as Exhibit A. Applicant's principal place of business is 225 Touhy Avenue, Park Ridge, Illinois 60068 and its toll free number is 800-362-3276.

2. All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to the case should be addressed to:

Dana L. Frese  
Carson & Coil P.C.  
515 East High Street  
Jefferson City, MO 65101  
(573) 636-2177  
(573) 636-7119 (FAX)

Patrick D. Crocker  
Early, Lennon, Crocker & Bartosiewicz, P.L.C.  
900 Comerica Building  
Kalamazoo, Michigan 49007-4752  
(269) 381-8844  
(269) 381-8822 (FAX)

All inquiries or communications regarding the ongoing operations of AFB should be addressed to:

Casey Wojciechowski, General Manager  
American Farm Bureau, Inc.  
225 Touhy Avenue  
Park Ridge, IL 60068  
Telephone: 847-685-8600  
Facsimile: 847-685-8680  
Toll Free: 800-362-3276

3. Applicant proposes to provide basic local exchange telecommunications service on a resold and facilities-based basis, using the unbundled network element platform (UNE-P), throughout all exchanges currently served by the incumbent local exchange telecommunication company(ies) of Southwestern Bell Telephone Company (SWBT), Sprint, and GTE d/b/a Verizon. *The specific SWBT, Sprint, or Verizon exchanges within which AFB proposes to offer service are listed in the incumbent providers respective local exchange tariffs. Applicant may seek authority to provide this service in other areas of the state in a subsequent proceeding.*

4. Pursuant to this application, Applicant seeks to offer and provide all forms of basic local telecommunications service to business, including: 1) Basic Exchange Services, including local exchange flat rate, measured rate service, pre-paid local exchange, operator services, etc; 2) Custom and Class Features, including call waiting, caller ID, call forwarding, etc.; 3) Ancillary Services such as 911, directory listing, and directory assistance.

5. Applicant possesses the technical and managerial expertise and experience necessary to provide the services it proposes. Description of backgrounds of Applicant's management, which demonstrate the extensive experience and expertise, are attached hereto and incorporated herein by reference as Exhibit B. Applicant also possesses the necessary financial resources. Financial statements are attached hereto as Exhibit C.

6. Applicant seeks classification of itself and its services as competitive.

7. Applicant will offer basic local telecommunications service as a separate and distinct service in accordance with applicable law. Applicant will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in Applicant's proposed service areas in accordance with applicable law.

8. Applicant is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards, including, but not limited to billing, quality of service, and tariff filing and maintenance in a manner consistent with the Commission's requirements for incumbent local exchange carrier(s) with whom Applicant seeks authority to compete. Additionally, Applicant agrees that, its service area shall be no smaller than an exchange and Applicant will offer basic local telecommunications service as a separate and distinct service. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Applicant requests that the following statutes and regulations be waived for Applicant, and its basic local exchange service offerings:

Statutes

392.210.2  
392.240 (1)  
392.270  
392.280  
392.290  
392.300.2  
392.310  
392.320  
392.330  
392.340

Missouri Public Service Commission Rules

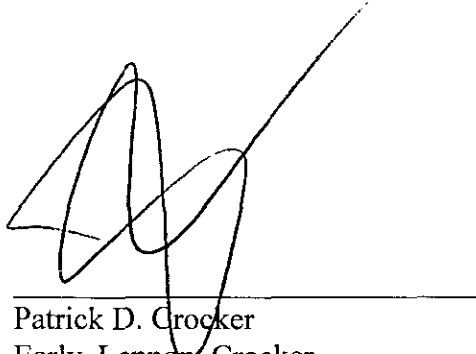
4 CSR 240-10.020  
4 CSR 240-30.040  
4 CSR 240-33.030

9. Applicant further requests a temporary waiver of 4 CSR 240-2.060(6)(C). This rule requires that an application for a certificate of service authority to provide basic local exchange service shall include a proposed tariff with a forty-five day effective date. Applicant finds it impossible at this time to develop tariffs to fully comply with this rule since Applicant has not yet executed or received Commission approval of any interconnection and/or resale agreements with incumbent local exchange carrier(s). At such time as all facts necessary for the development of such tariffs are known to Applicant, it will promptly file said tariffs bearing no less than a 45 day effective date with the Commission in a manner consistent with the Commission's practice in similar cases. In any circumstance, applicant will file its proposed basic local exchange telecommunications service tariff no later than 30 days after Commission approval of applicant's interconnection and/or resale agreement.

10. Applicant submits that the public interest will be served by Commission approval of this application because Applicant's proposed services will create and enhance competition and expand customer service options consistent with the legislative goals set forth in the federal Telecommunications Act of 1996 and Chapter 392 RSMo. Prompt approval of this application also will expand the availability of innovative, high quality, and reliable telecommunications services within the State of Missouri.

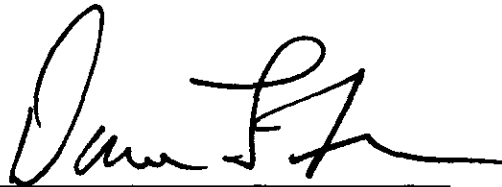
11. Applicant submits, notwithstanding the provisions of Section 392.500 RSMo. 2002, as a condition of certification and competitive classification, Applicant agrees that, unless otherwise ordered by the Commission, Applicant originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each ILEC within whose service area(s) Applicant seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Applicant agrees that if the ILEC in whose service area Applicant is operating decreases its originating and/or terminating access service rates, Applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.

WHEREFORE, applicant American Farm Bureau, Inc. d/b/a The Farm Bureau® Connection<sup>SM</sup> respectfully requests that the Commission grant it a certificate of service authority to provide facilities-based and resold local telecommunications services as herein requested, classify Applicant and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.



Patrick D. Crocker  
Early, Lennon, Crocker  
& Bartosiewicz, P.L.C.  
900 Comerica Building  
Kalamazoo, MI 49007  
(269) 381-8844

Respectfully submitted,



Dana L. Frese, MO Bar# 34646  
Carson & Coil P.C.  
515 East High  
Jefferson City, MO 65101  
(573) 636-2177

ATTORNEYS FOR APPLICANT  
American Farm Bureau, Inc.  
d/b/a The Farm Bureau Connection

#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Application, along with its verification and appendices, was sent to the PSC's General Counsel's Office and the Office of the Public Counsel by placing same in the United States Mail, first class postage prepaid, or by hand-delivery, this 11<sup>th</sup> day of September, 2003.

VERIFICATION

Casey Wojciechowski, General Manager of American Farm Bureau, Inc. d/b/a The Farm Bureau® Connection<sup>SM</sup>, first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information and belief.

BY: \_\_\_\_\_

*Casey Wojciechowski*  
Casey Wojciechowski  
Its General Manager

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of AUGUST, 2003  
by Casey Wojciechowski.



*Susan Patten*  
\_\_\_\_\_  
Notary Public  
For the County of COOK  
For the State of ILLINOIS  
My Commission expires 11-04-03

## **EXHIBIT A**

### **Secretary of State Documentation**



**To all to whom these Presents Shall Come, Greeting:**

**Whereas,** ARTICLES OF INCORPORATION OF AMERICAN FARM BUREAU, INC. INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 13, A.D. 1933.

*Now Therefore, I, Jim Edgar, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.*

*In Testimony Whereof, I hereto set my hand, and, cause to be affixed the Great Seal of the State of Illinois,*  
*at the City of Springfield, this* 23RD  
*day of* MARCH 83  
*AD. 19* and  
*of the Independence of the United States*  
*the two hundred, and* 7TH



*Jim Edgar*  
 SECRETARY OF STATE

26556115

Filing Requirements — Present 2 originally signed and fully executed copies in exact duplicate

For Insert — Use White Paper — Size 8½ x 11

(Do not write in this space)

Date Paid  
Initial License Fee \$ 23-82  
Franchise Tax \$ 1,250.00  
Filing Fee \$ 2,500.00  
7500  
Clerk 3,825.00

TO: JIM EDGAR, Secretary of State

I/We, the incorporator(s), being one or more natural persons of the age of twenty-one years or more or a corporation for the purpose of forming a corporation under "The Business Corporation Act" of the State of Illinois, do hereby adopt the following Articles of Incorporation:

ARTICLE ONE The name of the corporation is: American Farm Bureau, Inc.

ARTICLE TWO The name and address of the initial registered agent and registered office are:  
Registered Agent John Joseph Rademacher  
First Name Middle Name Last Name  
Registered Office 225 Touhy Avenue  
Number Street (Do not use P.O. Box) Suite #  
Park Ridge, Illinois 60068  
City Zip Code County

ARTICLE THREE The duration of the corporation is ☒ perpetual OR \_\_\_\_\_ years.

ARTICLE FOUR The purposes for which the corporation is organized are:

To furnish general business and management services of every kind and character to other persons, firms and corporations engaged in business; to act as the agent of such persons, firms or corporations in furnishing such services; to manufacture and produce and to directly or as agent engage in the purchase and sale of goods, commodities and products.

ARTICLE FIVE Paragraph 1: The number of shares which the corporation shall be authorized to issue, itemized by class, series and par value, if any, is

Class	Series	*Par Value per share	Number of shares authorized
Common	None	NPV	10,000

Paragraph 2: The preferences, qualifications, limitations, restrictions and the special or relative rights in respect of the shares of each class are:

Directors are hereby given power to fill vacancies arising between meetings of shareholders by reason of an increase in the number of Directors or otherwise, but at no time during an interim period may the number of Directors selected to fill vacancies in this matter exceed 33 1/3% of the total membership of the Board.

ARTICLE SIX The number of shares which the corporation proposes to issue without further report to the Secretary of State, itemized by class, series, and par value, if any, and the consideration to be received by the corporation therefor (expressed in dollars) are:

Class	Series	*Par Value per share	Number of shares to be issued	Total consideration to be received therefor
Common	None	NPV	1,000	\$ 2,500,000.
				\$
				\$
				\$
*(Use NPV if no Par Value)			Total	\$ 2,500,000.

26556115

ARTICLE EIGHT The number of directors to be elected at the first meeting of the shareholders is 23

ARTICLE NINE (Complete EITHER A or B)

☒ A. All the property of the corporation is to be located in this State and all of its business is to be transacted at or from places of business in this State, or the incorporator(s) elect to pay the initial franchise tax on the basis of the entire consideration to be received for the issuance of shares.

☐ B. Paragraph 1: It is estimated that the value of all property to be owned by the corporation for the following year wherever located will be \$ \_\_\_\_\_

Paragraph 2: It is estimated that the value of the property to be located within the State of Illinois during the following year will be: \$ \_\_\_\_\_

Paragraph 3: It is estimated that the gross amount of business which will be transacted by the corporation during the following year will be \$ \_\_\_\_\_

Paragraph 4: It is estimated that the gross amount of business which will be transacted at or from places of business in the State of Illinois during the following year will be: \$ \_\_\_\_\_

I/WE the incorporator(s) declare that I/we have examined the foregoing Articles of Incorporation and that the statements contained therein are, to the best of my/our knowledge and belief, true, correct and complete. Executed this 8th day of March, 1983.

(Signatures must be in ink. Carbon copy, xerox or rubber stamp signatures are not acceptable.)

NOTE: If a corporation acts as incorporator the name of the corporation and the state of incorporation shall be shown and the execution must be by its President or Vice-President and verified by him, and the corporate seal shall be affixed and attested by its Secretary or an Assistant Secretary.

**ILLINOIS SECRETARY OF STATE**  
**INCORPORATION BUREAU**  
Signature and Name  
Robert Delano, President  
John C. Datt  
Attested:  
1983 APR 4 AM 10 27  
Name (please print)  
3. Signature  
Name (please print) APR-4-83 7 43 50 6

Post Office Address

1. 225 Touhy Avenue  
Street  
Park Ridge, Illinois 60068  
City/Town State Zip  
2. \_\_\_\_\_  
Street  
City/Town State Zip  
3. \_\_\_\_\_  
Street  
City/Town State Zip

ARTICLES OF INCORPORATION

under the

BUSINESS CORPORATION ACT

For determination of proper fees please consult The Business Corporation Act.

FILED

MAR 28 1983  
JIM EDGAR  
Secretary of State

MAIL TO JOHN RADEMACHEK  
225 TOUHY  
PARK RIDGE, ILL 60068

RETURN TO:

Corporation Department  
Secretary of State  
Springfield, Illinois 62756  
Telephone (217) 782-6961

4.20

(Rev. Jul. 1984)

CHANGE OR CANCEL,  
AN ASSUMED CORPORATE NAME

File # D 5303-040-8

George H. Ryan  
Secretary of State  
Department of Business Services  
Springfield, IL 62756  
Telephone (217) 782-9520

**FILED**

AUG 15 1996

GEORGE H. RYAN  
SECRETARY OF STATE

SUBMIT IN DUPLICATE

This space for use by  
Secretary of State

Date 8-15-96

Filing Fee 127.50

Approved: RL

Remit payment in check or money  
order, payable to "Secretary of State".

1. CORPORATE NAME: AMERICAN FARM BUREAU, INC.
2. State or Country of Incorporation: ILLINOIS
3. Date incorporated (if an Illinois corporation) or date authorized to transact business in Illinois (if a foreign corporation): MARCH 23, 19 83  
(Complete No. 4 and No. 5 if adopting or changing an assumed corporate name.)
4. The corporation intends to adopt and to transact business under the assumed corporate name of:  
THE FARM BUREAU CONNECTION
5. The right to use the assumed corporate name shall be effective from the date this application is filed by the Secretary of State until MARCH 1, 20 00, the first day of the corporation's anniversary month in the next year which is evenly divisible by five.  
(Complete No. 6 if changing or cancelling an assumed corporate name.)
6. The corporation intends to cease transacting business under the assumed corporate name of:
7. The undersigned corporation has caused this statement to be signed by its duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true.

Dated AUGUST 8, 19 96AMERICAN FARM BUREAU, INC.

(Exact Name of Corporation)

attested by

C. David Mayfield  
(Signature of Secretary or Assistant Secretary)C. DAVID MAYFIELD, SECRETARY

(Type or Print Name and Title)

by

Dean R. Kleckner  
(Signature of President or Vice President)DEAN R. KLECKNER, PRESIDENT

(Type or Print Name and Title)

NOTE: The filing fee to adopt an assumed corporate name is \$20 plus \$2.50 for each month or part thereof between the date of filing this application and the date upon which the corporation may renew its use.

The fee for cancelling an assumed corporate name is \$5.00.

The fee to change an assumed name is \$25.

# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

## CORPORATION DIVISION

### CERTIFICATE OF CORPORATE GOOD STANDING - FOREIGN CORPORATION

I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT THE RECORDS IN MY OFFICE AND IN MY CARE AND CUSTODY REVEAL THAT

AMERICAN FARM BUREAU, INC.

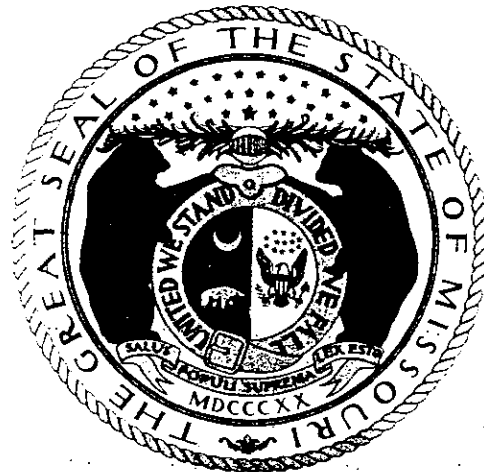
USING IN MISSOURI THE NAME

AMERICAN FARM BUREAU, INC.

A N ILLINOIS CORPORATION FILED ITS EVIDENCE OF INCORPORATION WITH THIS STATE ON THE 9TH DAY OF MAY, 1996, AND IS IN GOOD STANDING, HAVING FULLY COMPLIED WITH ALL REQUIREMENTS OF THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 9TH DAY OF AUGUST, 1996.

*Rebecca McDowell Cook*  
Secretary of State





Rebecca McDowell Cook, Secretary of State  
P.O. Box 778, Jefferson City, Mo. 65102  
Corporation Division

## Application for Foreign Corporation For a Certificate of Authority

(Submit in duplicate with filing fee of \$155.00)

- (1) The corporation's name is American Farm Bureau, Inc.  
and it is organized and existing under the laws of Illinois
- (2) The name it will use in Missouri is American Farm Bureau, Inc.
- (3) The date of its incorporation was 3/23/83, and the period of its duration is perpetual  
month/day/year
- (4) The address of its principal place of business 225 Touhy Avenue, Park Ridge, IL 60068  
Address City/State/Zip
- (5) The name and address of its registered agent and office in the State of Missouri is  
Ron McMillin, 211 E. Capitol Avenue, Jefferson City, MO 65102  
Name Address City/State/Zip
- (6) The specific purpose(s) of its business in Missouri are:  
Providing intrastate and interstate telephone services.

- (7) The name of its officers and directors and their business addresses are as follows:

(Officers)	Name	Address	City/State/Zip
President	<u>SEE ATTACHED LIST</u>		
Vice President	<u>SEE ATTACHED LIST</u>		
Secretary	<u>SEE ATTACHED LIST</u>		
Treasurer	<u>SEE ATTACHED LIST</u>		
<b>FILED</b> <b>CERTIFICATE OF AUTHORITY ISSUED</b> <b>MAY 09 1996</b>			
<b>Rebecca McDowell Cook</b> <b>SECRETARY OF STATE</b>			
(Board of Directors)			
Director	<u>SEE ATTACHED LIST</u>		
Director	<u>SEE ATTACHED LIST</u>		
Director	<u>SEE ATTACHED LIST</u>		
Director	<u>SEE ATTACHED LIST</u>		

- (8) The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows: \_\_\_\_\_

(Date may not be more than 90 days after the filing date in this office)

In affirmation thereof, the facts stated above are true.

C. David Maggard  
(Authorized signature of officer or chairman of the board)

Secretary  
(Title)

5/3/96  
(Date of Signature)

Note: You must have a current certificate of good standing or certificate of existence with this application. This may be obtained from the Secretary of State or other authority that issues corporate charters.

(BOARD OF DIRECTORS)

Name	Address	City/State/Zip Code
Dean R. Kleckner	225 Touhy Avenue	Park Ridge, Illinois 60068
Carl B. Loop, Jr.	225 Touhy Avenue	Park Ridge, Illinois 60068
Ronald Anderson	225 Touhy Avenue	Park Ridge, Illinois 60068
C. Wayne Ashworth	225 Touhy Avenue	Park Ridge, Illinois 60068
Flavius Barker	225 Touhy Avenue	Park Ridge, Illinois 60068
Harry S. Bell	225 Touhy Avenue	Park Ridge, Illinois 60068
Al Christopherson	225 Touhy Avenue	Park Ridge, Illinois 60068
Wayne Dollar	225 Touhy Avenue	Park Ridge, Illinois 60068
Keith W. Eckel	225 Touhy Avenue	Park Ridge, Illinois 60068
V. Thomas Geary	225 Touhy Avenue	Park Ridge, Illinois 60068
Gordon Gowen	225 Touhy Avenue	Park Ridge, Illinois 60068
W. B. Jenkins	225 Touhy Avenue	Park Ridge, Illinois 60068
Charles Kruse	225 Touhy Avenue	Park Ridge, Illinois 60068
John G. Laurie	225 Touhy Avenue	Park Ridge, Illinois 60068
David McClure	225 Touhy Avenue	Park Ridge, Illinois 60068
H. Eldon Merklin	225 Touhy Avenue	Park Ridge, Illinois 60068
Bryce Neidig	225 Touhy Avenue	Park Ridge, Illinois 60068
Steve Nunley	225 Touhy Avenue	Park Ridge, Illinois 60068
Norma O'Leary	225 Touhy Avenue	Park Ridge, Illinois 60068
Harry Pearson	225 Touhy Avenue	Park Ridge, Illinois 60068
Linda Reinhardt	225 Touhy Avenue	Park Ridge, Illinois 60068
William Sprague	225 Touhy Avenue	Park Ridge, Illinois 60068
Bob Stallman	225 Touhy Avenue	Park Ridge, Illinois 60068
Bob Vice	225 Touhy Avenue	Park Ridge, Illinois 60068
Don Waller	225 Touhy Avenue	Park Ridge, Illinois 60068
Andrew Whisenhunt	225 Touhy Avenue	Park Ridge, Illinois 60068
Ron Warfield	225 Touhy Avenue	Park Ridge, Illinois 60068

**AMERICAN FARM BUREAU, INC.**  
**OFFICERS**

Name	Address	City/State/Zip Code
Mr. Dean Kleckner, <i>President</i>	225 Touhy Avenue	Park Ridge, IL 60068
Mr. Carl B. Loop, Jr., <i>Vice President</i>	225 Touhy Avenue	Park Ridge, IL 60068
Mr. C. David Mayfield, <i>Secretary</i>	225 Touhy Avenue	Park Ridge, IL 60068
Mr. William Broderick, <i>Treasurer</i>	225 Touhy Avenue	Park Ridge, IL 60068
Mr. John J. Rademacher, <i>Gen. Counsel</i>	225 Touhy Avenue	Park Ridge, IL 60068
Mr. Fred Baechle, <i>Vice President Investments</i>	225 Touhy Avenue	Park Ridge, IL 60068
Mr. David P. Conover, <i>ADMINISTRATOR</i>	225 Touhy Avenue	Park Ridge, IL 60068

**FILED**  
 A ... CERTIFICATE OF  
 CITY ISSUED  
 MAY 09 1996  
*McDonnell*  
 SECRETARY OF STATE

# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

CORPORATION DIVISION  
CERTIFICATE OF CORPORATE RECORDS

THE FARM BUREAU CONNECTION

I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI AND KEEPER OF THE GREAT SEAL THEREOF, DO HEREBY CERTIFY THAT THE ANNEXED PAGES CONTAIN A FULL, TRUE AND COMPLETE COPY OF THE ORIGINAL DOCUMENTS ON FILE AND OF RECORD IN THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 5TH DAY OF SEPTEMBER, 1996.

*Rebecca McDowell Cook*  
Secretary of State





State of Missouri  
Rebecca McDowell Cook, Secretary of State  
Corporation Division

No. X **309616**

**Registration of Fictitious Name**  
(Submit in duplicate with a filing fee of \$7)

This information is for the use of the public and gives no protection to the name. There is no provision in this Chapter to keep another company or corporation from adopting and using the same name. (RSMo 417)

We, the undersigned, are doing business under the following name, and at the following address:

Name to be registered: THE FARM BUREAU CONNECTION  
Missouri Business Address: 515 EAST HIGH  
(P.O. Boxes not accepted)  
City, State and Zip Code: JEFFERSON CITY, MO 65102

The parties having an interest in the business, and the percentage they own are (if a corporation is owner, indicate corporation name and percentage owned). If all parties are jointly and severally liable, percentage of ownership need not be listed:

Name of Owners, Individual or Corporate	Street and Number	City	State and Zip Code	If listed, Percentage of ownership must equal 100%
AMERICAN FARM BUREAU, INC. F 426251AG	225 TOUHY AVENUE	PARK RIDGE,	IL60068	100%

(Must be typed or printed)

Return to: Secretary of State  
Corporation Division  
P.O. Box 778  
Jefferson City, Mo. 65102

**FILED**

AUG 29 1996

(Over)

Rebecca McDowell Cook  
SECRETARY OF STATE

The undersigned, being all the parties owning interest in the above company, being duly sworn, upon their oaths each did say that the statements and matters set forth herein are true.

Individual  
Owners  
Sign Here

X  
X  
X

X  
X  
X

309616

The undersigned corporation has caused this application to be executed in its name by its President or Vice-President and its Secretary or Assistant Secretary, this 22nd day of August, 19 96.

If  
Corporation  
is  
Owner,  
Corporate  
Officers  
Execute  
Here

American Farm Bureau, Inc.  
(Exact Corporate Title)  
By Dean R. Kleckner  
Its President or Vice-President  
By C. David Mayfield  
Its Secretary or Assistant Secretary

(Corporate Seal)  
If no seal, state "none".

State of Illinois

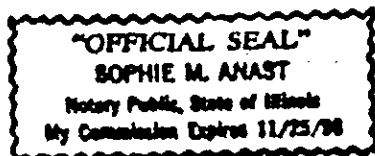
County of Cook

ss

I, Sophie Anast, A Notary Public, do hereby certify that on the 22nd day of August, 19 96, personally appeared before me Dean R. Kleckner and C. David Mayfield, and being first duly sworn by me, acknowledged that they xxx their assigned as own free act and deed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

(Notarial Seal)



Sophie M. Anast  
Notary Public

My commission expires November 25, 1996

# Missouri Public Service Commission

To: Patrick D. Crocker  
(American Farm Bureau, Inc. d/b/a  
The Farm Bureau Connection)

Date 8/20/96

The enclosed documents are being returned to you. In order to facilitate any filing errors which these documents may contain, our office would note that the enclosed is returned because:

- ☐ A verification is required. See: 4 CSR 240-2.060 (5) (C) Applications
- ☒ All pleadings, unless filed pro se, must be filed by an attorney licensed to practice law in the state of Missouri. See: 4 CSR 240-2.040 (1), (6) and (7) Practice Before the Commission.
- ☒ An Attorney who is not licensed to practice in Missouri must retain local counsel and follow the provisions of 4 CSR 240-2.040 (6) Practice Before the Commission.
- ☒ All attorney signatures must be followed by the attorney's Missouri Bar number, or similar designation from another state. See: 4 CSR 240-2.040 (3) Practice Before the Commission.
- ☐ All applications for IXC (InterExchange Carrier) must contain a tariff bearing a 45 day effective date. See: 4 CSR 240-2.060 (4) (H) Applications
- ☐ An application of the type you enclosed must include the corporation's Article of Incorporation. 4 CSR 240-2.060 (2) (A), (4) (A), (10) (A) or (11) (A) Applications.
- ☒ An application of the type you enclosed must include a Certificate of Good Standing and/or a registration of Fictitious name from the Missouri Secretary of State. See: 4 CSR 240-2.060 (1), (2), (3), (4), (10) or (11) Applications
- ☐ For applications to merge or sell a certified copy of the resolutions of the Board of Directors is required. See: 4 CSR 240-2.060 (5) Applications
- ☐ For an association, a list of it's members must be included. See: 4 CSR 240-2.060 Applications (1)(G).
- ☐ Territorial agreements must include an illustrative tariff as an exhibit. See: 4 CSR 240-2.060 Applications (10)
- ☐ OTHER: \_\_\_\_\_

Thank you for your attention to these matters. If you have additional questions you may contact the Records Department at (573) 751-7496 or (573) 751-4292.



**State of Missouri**  
**Rebecca McDowell Cook, Secretary of State**  
**Corporation Division**

No. X **309616**

## Registration of Fictitious Name

(Submit in duplicate with a filing fee of \$7)

This information is for the use of the public and gives no protection to the name. There is no provision in this Chapter to keep another company or corporation from adopting and using the same name. (RSMo 417)

We, the undersigned, are doing business under the following name, and at the following address:

Name to be registered: THE FARM BUREAU CONNECTION  
 Missouri Business Address: 515 EAST HIGH  
 (P.O. Boxes not accepted)  
 City, State and Zip Code: JEFFERSON CITY, MO 65102

The parties having an interest in the business, and the percentage they own are (if a corporation is owner, indicate corporation name and percentage owned). If all parties are jointly and severally liable, percentage of ownership need not be listed:

Name of Owners, Individual or Corporate	Street and Number	City	State and Zip Code	If listed, Percentage of ownership must equal 100%
AMERICAN FARM BUREAU, INC.	225 TOUHY AVENUE	PARK RIDGE,	IL 60068	100%

(Must be typed or printed)

Return to: Secretary of State  
 Corporation Division  
 P.O. Box 778  
 Jefferson City, Mo. 65102

# FILED

(Over)

AUG 29, 1996

*Rebecca McDowell Cook*  
 SECRETARY OF STATE

Individual  
Owners  
Sign Here

X  
X  
X

The undersigned corporation has caused this application to be executed in its name by its President  
or Vice-President and its Secretary or Assistant Secretary, this 22nd  
day of August, 19 96.

If  
Corporation  
is  
Owner,  
Corporate  
Officers  
Execute  
Here

American Farm Bureau, Inc.  
(Exact Corporate Title)  
By Dean R. Kleckner  
Its President  
By C. David Mayfield  
Its Secretary

(Corporate Seal)  
If no seal, state "none".

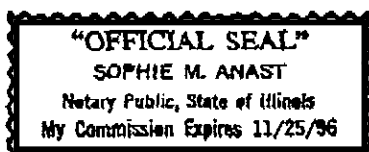
State of Illinois  
Country of Cook

} ss

I, Sophie Anast, A Notary Public, do hereby certify that on the 22nd  
day of August, 19 96, personally appeared before me Dean R. Kleckner and  
C. David Mayfield  
and being first duly sworn by me, acknowledged that they executed as their  
document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

(Notarial Seal)



Sophie M. Anast  
Notary Public

My commission expires November 25, 1996

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY**

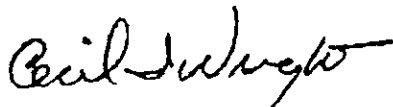
**OCTOBER 23, 1996**

**CASE NO: TA-97-99**

**Ronald R. McMillin, 5151 E. High St., P.O. Box 28, Jefferson City, MO 65102**

**Enclosed find certified copy of ORDER in the above-numbered case(s).**

**Sincerely,**

A handwritten signature in black ink, appearing to read "Cecil I. Wright", written in a cursive style.

**Cecil I. Wright  
Executive Secretary**

**Uncertified Copy:**

**Patrick D. Crocker, Early, Lennon, Peters & Crocker, 900 Comerica Bldg., Kalamazoo, MI 49007  
Office of the Public Counsel, P.O. Box 7800, Jefferson City, MO 65102**

## **EXHIBIT B**

### **Technical and Managerial Expertise**

**Casey Wojciechowski**  
**General Manager**  
**American Farm Bureau INC**

Casey Wojciechowski's penchant for communications began in the United States Marine Corps more than 30 years ago where he served in aircraft communications managing one of the largest communications and navigation repair facilities in the Marines. After the service Casey furthered his telecommunications expertise in the sales, marketing and management of the industry by focusing on Internet, data and voice applications for small to multi-million dollar businesses for both AT&T and MCI. As General Manager of American Farm Bureau Incorporated, Casey personally envisioned and launched Farm Bureau Connection<sup>®</sup>, a national long distance program. Casey is responsible for all program operations, a national call center and customer service, compliance issues and contract negotiations regarding vendors, billing, taxes and product offering. Since its inception, FB Connection has reduced its rates to Farm Bureau members three times and grossed in excess of 10 million dollars. Casey is also responsible for the management of 260 Farm Bureaus satellite network sites, and the negotiation and maintenance of Farm Bureau's 1.5 million dollar per year data contract.

**Mark Krolkowski**  
**Operations Manager**  
**American Farm Bureau INC**

Mark Krolkowski, Director of Operations for American Farm Bureau Incorporated, has over seven years of experience in the planning, engineering and management of telecommunications projects. His responsibilities cover a broad spectrum of Internet, Satellite, Networking and Telecommunications projects from inception through roll-out. Mark is also responsible for the development of strategic vendor, customer and business partner relationships. He has a proven track-record in the operational design and implementation of network communications requirements through the use of feasibility studies, integration, and testing.

# Bob Stallman

President, American Farm Bureau Federation

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Bob Stallman, a rice grower from Columbus, Texas, is serving his first term as president of the American Farm Bureau Federation, the nation's largest and most influential general farm organization. The 11<sup>th</sup> president in the organization's 81-year history, Mr. Stallman was elected president on January 13, 2000. He is the first AFBF president to hail from the Lone Star State.

Prior to becoming AFBF President, Mr. Stallman was president of the Texas Farm Bureau, a position he held since 1993. He also served on AFBF's board of directors since 1994.

Mr. Stallman served on various committees and boards during his tenure on the AFBF board of directors, including chairman of the Audit Committee and chairman of the 1998 Farm Economy Committee. He also sat on the International Trade Advisory Committee.

A third-generation farmer, Mr. Stallman also has been selected to serve on various state and federal committees. In 1996, Texas Gov. George W. Bush appointed Mr. Stallman to the Citizen's Committee on Property Tax Relief. That same year, Mr. Stallman was appointed by then-House Agriculture Committee Chairman Pat Roberts to the Commission on 21<sup>st</sup> Century Production Agriculture, a panel that is conducting extensive hearings on future farm policy alternatives.

Mr. Stallman was the recipient of the Texas A&M "Friend of Agriculture" award in 1999. In 1986, he was chosen "Man of the Year in Agriculture" by the Columbus (Texas) Rotary Club.

A 1974 honors graduate of the University of Texas, Mr. Stallman began farming in 1975. He quickly assumed leadership roles with Farm Bureau, joining the board of directors of the Colorado County (Texas) Farm Bureau in 1977. He eventually served in all officer positions for Colorado County Farm Bureau, including president.

He is a member of the Texas A&M College of Agriculture Development Council and a life member of the University of Texas Ex-Students' Association. He has served as co-chairman and sits on the executive committee of the Texas Agriculture Summit. He also served on the executive committee of the Texas Rice Task Force.

A member of St. Paul's Lutheran Church in Columbus, Texas, Mr. Stallman has two daughters, Angela, a registered nurse in Temple, Texas; and Kimberly, a student at the University of Houston.

## **RICHARD D. HARRIS**

### **Chief Administrative Officer & Secretary-Treasurer**

Richard D. Harris was elected by the American Farm Bureau Federation's board of directors in March 2000 to the newly created position of Chief Administrative Officer and Secretary/Treasurer, consolidating several former officer positions. He is also secretary/treasurer of AFBF's affiliated companies.

For more than three years prior to joining AFBF, Mr. Harris was Executive Director and Secretary/Treasurer of the Iowa Farm Bureau Federation and Senior Vice President/Secretary-Treasurer of that organization's affiliated insurance company.

Harris began his career with Iowa Farm Bureau in 1968 as a county fieldman. He also served as Director of Field Services, Director of Public Affairs and Administrative Director.

A native of Greenfield, Iowa, Mr. Harris has been active in many civic and professional organizations. He is married, and has three children and three grandchildren.

March 23, 2000

# Steve Appel

**Vice President, American Farm Bureau Federation**

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Steve Appel was elected vice president of the American Farm Bureau Federation on Jan. 10, 2001. Mr. Appel, a wheat and barley grower from Whitman County, Wash., also serves as president of the Washington State Farm Bureau.

Mr. Appel became active in Farm Bureau in 1974, serving as chairman of the Whitman County (Wash.) Farm Bureau Young Farmers and Ranchers Committee. He later served three terms as president of the Whitman County Farm Bureau.

Mr. Appel was elected to the board of directors of the Washington State Farm Bureau in 1987, and later served as first and second vice president. He was first elected state president in 1994.

By being elected AFBF vice president, Mr. Appel is the first farmer from the Pacific Northwest to serve as an officer of the organization. As vice president, Mr. Appel also serves on the AFBF executive board and board of directors. He serves as a member of the Farm Bureau Bank board and is a past chair of the AFBF trade advisory committee.

Mr. Appel is a graduate of Washington State University.

**AMERICAN FARM BUREAU FEDERATION**

**225 Touhy Avenue  
Park Ridge, IL 60068  
Phone: (847) 685-8600**

**C. DAVID MAYFIELD  
Corporate Secretary and Associate General Counsel  
American Farm Bureau Federation**

C. David Mayfield, a member of the American Farm Bureau Federation's legal staff since March, 1971, serves as Corporate Secretary for the Federation and its affiliated companies.

A native of Illinois, Mayfield received his B.A. degree from DePauw University in 1967 and his J.D. degree from the University of Nebraska in 1970.

Prior to joining the American Farm Bureau Federation staff, he worked for the Illinois State Legislative Reference Bureau. His father, the late Charles S. Mayfield, was secretary of organization and later secretary of the Illinois Farm Bureau.

Mayfield is married and has four daughters and one grand daughter and lives in Hawthorn Woods, Ill., a suburb of Chicago.

March 2001

## **EXHIBIT C**

### **Financial Statements**

# **American Farm Bureau, Inc. and Consolidated Subsidiaries**

**Report on Audits of Consolidated  
Financial Statements and Supplementary  
Consolidating Information**

**For the Years Ended October 31, 2002 and 2001**

# American Farm Bureau, Inc. and Consolidated Subsidiaries

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Consolidating Statements of Income October 31, 2002 and 2001	10-11

## Report of Independent Accountants

To the Board of Directors  
American Farm Bureau, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income and cash flows present fairly, in all material respects, the financial position of American Farm Bureau, Inc. and Consolidated Subsidiaries (the Company) at October 31, 2002 and 2001, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary consolidating information on pages 8 through 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

December 20, 2002

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Consolidated Balance Sheets October 31, 2002 and 2001

ASSETS	2002	2001
Current assets:		
Cash and cash equivalents	\$ 2,032,052	\$ 2,044,683
Accounts receivable	2,055,224	1,770,727
Prepaid expenses	70,075	26,002
Marketable securities, at cost	135,000	120,000
Deferred tax asset	111,112	131,185
Accrued interest	4,798	18,053
Total current assets	4,408,261	4,110,650
Furniture and equipment, at cost, net of accumulated depreciation of \$333,071 and \$310,053 in 2002 and 2001, respectively	164,083	91,128
Total assets	\$ 4,572,344	\$ 4,201,778
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,709,785	\$ 2,421,702
Total current liabilities	2,709,785	2,421,702
Total liabilities	2,709,785	2,421,702
Stockholder's equity:		
Common stock, no par value; 10,000 shares authorized, 1,000 shares issued and outstanding	2,447,758	2,447,758
Retained deficit:		
Beginning of year	(667,682)	(846,518)
Dividends paid	(600,000)	(500,000)
Net income	682,483	678,836
End of year	(585,199)	(667,682)
Total stockholder's equity	1,862,559	1,780,076
Total liabilities and stockholder's equity	\$ 4,572,344	\$ 4,201,778

The accompanying notes are an integral part of the consolidated financial statements.

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Consolidated Statements of Income For the Years Ended October 31, 2002 and 2001

	2002	2001
Revenues:		
Satellite subscriptions and communication income	\$ 11,129,237	\$ 9,387,147
Accounting fees	493,468	458,000
Interest income	50,764	100,269
Commission income	420,695	396,523
Equipment rental income	54,398	129,366
Total revenues	12,148,562	10,471,305
Expenses:		
Satellite and communications	8,431,643	7,353,665
Management services	150,492	94,000
Salaries and wages	1,040,384	989,981
Employee benefits	283,812	256,046
Payroll taxes	72,878	71,571
Travel	101,180	59,203
Rent	220,208	143,733
Promotion	171,207	90,529
Insurance	22,364	21,689
Telephone	44,135	45,732
Printing and office supplies	43,780	33,964
Outside services and consultant fees	164,799	159,855
Legal, auditing and accounting	85,844	147,339
Subscriptions and newsletters	638	144
Depreciation and amortization	49,548	47,054
Safekeeping, taxes, licenses and fees	56,715	40,938
Internet	14,197	5,218
Contributions	5,000	-
Miscellaneous	2,613	8,690
Total expenses	10,961,437	9,569,351
Net income before federal income tax and alternative minimum tax	1,187,125	901,954
Federal income taxes:		
Current income tax expense	(484,569)	(191,169)
Deferred income tax expense	(20,073)	(31,949)
Net income	\$ 682,483	\$ 678,836

The accompanying notes are an integral part of the consolidated financial statements.

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Consolidated Statements of Cash Flows For the Years Ended October 31, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Net income	\$ 682,483	\$ 678,836
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	49,548	47,054
Deferred tax asset	20,073	31,949
Changes in operating assets and liabilities:		
Accounts receivable (including members)	(284,497)	(513,930)
Inventory	-	4,931
Prepaid expenses and accrued interest	(30,818)	(15,729)
Accounts payable and accrued expenses	288,083	849,453
Net cash provided by operating activities	<u>724,872</u>	<u>1,082,564</u>
Cash flows from investing activities:		
Acquisition of furniture and equipment	(122,503)	(21,290)
Proceeds from sale/maturity of investments	120,000	1,458,000
Purchase of investments	(135,000)	(120,000)
Net cash (used in) provided by investing activities	<u>(137,503)</u>	<u>1,316,710</u>
Cash flows from financing activities:		
Dividends paid	(600,000)	(500,000)
Net cash used in financing activities	<u>(600,000)</u>	<u>(500,000)</u>
Net (decrease) increase in cash and cash equivalents	(12,631)	1,899,274
Cash and cash equivalents at beginning of year	<u>2,044,683</u>	<u>145,409</u>
Cash and cash equivalents at end of year	<u>\$ 2,032,052</u>	<u>\$ 2,044,683</u>

The accompanying notes are an integral part of the consolidated financial statements.

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Notes to Consolidated Financial Statements

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### 1. Nature of Business and Summary of Significant Accounting Policies

#### a. Nature of Business and Accounting for Subsidiaries

American Farm Bureau, Inc. (the Company or AFBI) began operations on April 1, 1983. The Company was established to furnish general business, communications and management services to affiliated companies. AFBI is a wholly-owned subsidiary of American Farm Bureau Federation (the Federation).

The Company's subsidiaries include American Agricultural Insurance Agency, Inc. (AAIA) and American Agricultural Communications Systems, Inc. (AACSI). AAIA primarily provides directors' and officers, group accident and health, and other liability coverage for management of affiliates and state Farm Bureaus through business written or produced by AAIA. Also, AAIA acts as a managing general agent for state Farm Bureau organizations for insurance coverage written both internally and externally. AACSI provides various communication services to affiliated Farm Bureau organizations and their members, including the distribution of economic, financial, educational and other related information.

The Company's subsidiaries have been consolidated in the accompanying consolidated financial statements (the consolidated group). All significant intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

#### b. Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of less than three months.

#### c. Marketable Securities

Marketable securities, consisting primarily of certificates of deposit and money market funds, are carried at cost which approximates market.

#### d. Depreciation

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Upon retirement or other disposition of furniture and equipment, cost and related accumulated depreciation are removed from the accounts and the gain or loss is included in the consolidated statement of income.

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Notes to Consolidated Financial Statements, Continued

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### e. Current Assets and Liabilities

Current assets include cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash, or sold or consumed during the normal operating cycle of the business (one year). Current liabilities include obligations whose liquidation is reasonably expected to require the use of existing resources properly classified as current assets or the creation of other current liabilities.

### f. Revenue and Expense Recognition

Satellite subscriptions and communication income is recognized when earned and related expenses are charged to operations as incurred on a monthly basis. Commission income and commission expenses due to insurance brokers are recognized when the related premiums are paid to the insurance carriers.

### g. Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

## 2. Related Parties

The Company provides accounting and investment services to affiliates, which are allocated on a cost basis. Income from this activity was \$503,468 and \$468,000 in 2002 and 2001, respectively.

The consolidated group reimburses the Federation for rent, which is allocated based on occupied square footage, and office expenses, which are allocated on a cost basis. These charges totaled \$156,799 and \$126,778 in 2002 and 2001, respectively.

Accounts receivable represents the Company's net receivables from various state Farm Bureau companies.

The Company paid a dividend to its parent in the amount of \$600,000 and \$500,000 during 2002 and 2001, respectively.

The State Satellite program was transferred to AACSI, effective July 1, 2002, from the Company in order to align product lines by company. No compensation was received for this transfer.

## 3. Retirement Plan

The consolidated group participates in the American Farm Bureau Employee Retirement Plan, a noncontributory defined benefit retirement plan covering substantially all employees of the Federation and its noninsurance subsidiaries. The insurance subsidiary has a separate but identical plan. Net pension expense charged to the consolidated group was \$156,982 and \$151,651 in 2002 and 2001, respectively. Pension expense is charged based upon an actuarial calculation of the portion of total plan expense relating to the consolidated group's participants.

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Notes to Consolidated Financial Statements, Continued

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The Company has incurred matching contributions related to the America Farm Bureau Federation Savings Trust (the Trust), a defined contribution retirement plan, of \$9,166 and \$6,342 in 2002 and 2001, respectively. The Company also incurred administrative costs associated with the Trust, which were \$825 and \$852 in 2002 and 2001, respectively.

### 4. Income Taxes

The Company files a consolidated tax return with its subsidiaries, and the consolidated taxes payable are allocated among the Company and its subsidiaries based on their respective contribution to consolidated taxable income. During the year, the Company made payments of \$467,516 for the current year consolidated tax expense.

There is no allocation of income tax benefits made to subsidiaries with net operating losses.

The actual income tax expense for 2002 and 2001 differed from the expected tax expense based on the U.S. federal corporate tax rate of 34 percent primarily due to nondeductible expenses and state taxes.

Deferred income taxes are recorded to reflect the tax consequences on future years of differences between the basis of assets and liabilities for income tax and for financial reporting purposes. In addition, the amounts of any future tax benefits are reduced by a valuation allowance to the extent such benefits are not expected to be fully realized.

The components of net deferred income taxes, as of October 31, 2002 and 2001 were as follows:

	2002	2001
Deferred tax assets:		
Accrued expenses	\$ 107,968	\$ 125,407
Depreciation	3,144	5,778
	<hr/>	<hr/>
	111,112	131,185
Deferred tax liabilities	-	-
	<hr/>	<hr/>
Net deferred tax assets	\$ 111,112	\$ 131,185

## **SUPPLEMENTARY CONSOLIDATING INFORMATION**

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Consolidating Balance Sheets October 31, 2002

ASSETS	AFBI	AACSI	AAIA	Total	Eliminations	Consolidated Total
Current assets:						
Cash and cash equivalents	\$ 1,820,024	\$ 39,080	\$ 172,948	\$ 2,032,052	\$ -	\$ 2,032,052
Accounts receivable (including members)	1,924,783	130,331	110	2,055,224	-	2,055,224
Prepaid expenses	30,802	39,273	-	70,075	-	70,075
Marketable securities, at cost	-	-	135,000	135,000	-	135,000
Deferred tax asset	111,112	-	-	111,112	-	111,112
Accrued interest	4,244	96	458	4,798	-	4,798
Total current assets	3,890,965	208,780	308,516	4,408,261	-	4,408,261
Investments:						
Advance to subsidiaries	1,025,000	-	-	1,025,000	(1,025,000)	-
Investment in affiliates	200,250	-	-	200,250	(200,250)	-
Furniture and equipment	214,758	282,396	-	497,154	-	497,154
Less accumulated depreciation	(65,854)	(267,217)	-	(333,071)	-	(333,071)
Furniture and equipment, net	148,904	15,179	-	164,083	-	164,083
Total assets	\$ 5,265,119	\$ 223,959	\$ 308,516	\$ 5,797,594	\$ (1,225,250)	\$ 4,572,344
<b>LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)</b>						
Current liabilities:						
Accounts payable and accrued expenses	\$ 2,458,493	\$ 163,873	\$ 87,419	\$ 2,709,785	\$ -	\$ 2,709,785
Total current liabilities	2,458,493	163,873	87,419	2,709,785	-	2,709,785
Advance from parent	-	1,025,000	-	1,025,000	(1,025,000)	-
Total liabilities	2,458,493	1,188,873	87,419	3,734,785	(1,025,000)	2,709,785
Stockholder's equity (deficit):						
Common stock	2,447,758	200,000	250	2,648,008	(200,250)	2,447,758
Retained earnings (deficit)						
beginning of year	357,056	(1,253,336)	228,598	(667,682)	-	(667,682)
Dividends paid	(600,000)	-	(150,000)	(750,000)	150,000	(600,000)
Net income (loss)	601,812	88,422	142,249	832,483	(150,000)	682,483
Retained earnings (deficit), end of year	358,868	(1,164,914)	220,847	(585,199)	-	(585,199)
Total stockholder's equity (deficit)	2,806,626	(964,914)	221,097	2,062,809	(200,250)	1,862,559
Total liabilities and stockholder's equity (deficit)	\$ 5,265,119	\$ 223,959	\$ 308,516	\$ 5,797,594	\$ (1,225,250)	\$ 4,572,344

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Consolidating Balance Sheets, Continued October 31, 2001

ASSETS	AFBI	AACSI	AAIA	Total	Eliminations	Consolidated Total
Current assets:						
Cash and cash equivalents	\$ 1,809,587	\$ 24,844	\$ 210,252	\$ 2,044,683	\$ -	\$ 2,044,683
Accounts receivable	1,724,466	45,276	985	1,770,727	-	1,770,727
Prepaid expenses	19,162	6,840	-	26,002	-	26,002
Marketable securities, at cost	-	-	120,000	120,000	-	120,000
Deferred tax asset	131,185	-	-	131,185	-	131,185
Accrued interest	5,507	89	12,457	18,053	-	18,053
Total current assets	3,689,907	77,049	343,694	4,110,650	-	4,110,650
Investments:						
Advance to subsidiaries	1,025,000	-	-	1,025,000	(1,025,000)	-
Investment in affiliates	200,250	-	-	200,250	(200,250)	-
Furniture and equipment	118,785	282,396	-	401,181	-	401,181
Less accumulated depreciation	(59,447)	(250,606)	-	(310,053)	-	(310,053)
Furniture and equipment, net	59,338	31,790	-	91,128	-	91,128
Total assets	\$ 4,974,495	\$ 108,839	\$ 343,694	\$ 5,427,028	\$ (1,225,250)	\$ 4,201,778
<b>LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)</b>						
Current liabilities:						
Accounts payable and accrued expenses	\$ 2,169,681	\$ 137,175	\$ 114,846	\$ 2,421,702	\$ -	\$ 2,421,702
Total current liabilities	2,169,681	137,175	114,846	2,421,702	-	2,421,702
Advance from parent	-	1,025,000	-	1,025,000	(1,025,000)	-
Total liabilities	2,169,681	1,162,175	114,846	3,446,702	(1,025,000)	2,421,702
Stockholder's equity (deficit):						
Common stock	2,447,758	200,000	250	2,648,008	(200,250)	2,447,758
Retained earnings (deficit), beginning of year	184,755	(1,128,707)	97,434	(846,518)	-	(846,518)
Dividends paid	(500,000)	-	(100,000)	(600,000)	100,000	(500,000)
Net income (loss)	672,301	(124,629)	231,164	778,836	(100,000)	678,836
Retained earnings (deficit) end of year	357,056	(1,253,336)	228,598	(667,682)	-	(667,682)
Total stockholder's equity (deficit)	2,804,814	(1,053,336)	228,848	1,980,326	(200,250)	1,780,076
Total liabilities and stockholder's equity (deficit)	\$ 4,974,495	\$ 108,839	\$ 343,694	\$ 5,427,028	\$ (1,225,250)	\$ 4,201,778

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Consolidating Statements of Income October 31, 2002

	AFBI	AACSI	AAIA	Total	Eliminations	Consolidated Total
<b>Revenues:</b>						
Satellite subscriptions and communication income	\$ 10,399,850	\$ 729,387	\$ -	\$ 11,129,237	\$ -	\$ 11,129,237
Accounting fees	503,468	-	-	503,468	(10,000)	493,468
Interest income	186,895	989	12,880	200,764	(150,000)	50,764
Commission income	38,207	-	382,488	420,695	-	420,695
Equipment rental income	-	54,398	-	54,398	-	54,398
<b>Total revenues</b>	<b>11,128,420</b>	<b>784,774</b>	<b>395,368</b>	<b>12,308,562</b>	<b>(160,000)</b>	<b>12,148,562</b>
<b>Expenses:</b>						
Satellite and communications	8,033,540	398,103	-	8,431,643	-	8,431,643
Management services	141,132	5,200	4,160	150,492	-	150,492
Salaries and wages	931,283	109,101	-	1,040,384	-	1,040,384
Employee benefits	258,983	24,829	-	283,812	-	283,812
Payroll taxes	65,192	7,686	-	72,878	-	72,878
Travel	96,457	2,029	2,694	101,180	-	101,180
Rent	191,144	26,314	2,750	220,208	-	220,208
Promotion	170,921	286	-	171,207	-	171,207
Insurance	14,440	2,461	5,463	22,364	-	22,364
Telephone	36,794	5,966	1,375	44,135	-	44,135
Printing and office supplies	38,550	1,719	3,511	43,780	-	43,780
Outside services and consultant fees	-	29,199	135,600	164,799	-	164,799
Legal, auditing and accounting	75,001	17,214	3,629	95,844	(10,000)	85,844
Subscriptions and newsletters	638	-	-	638	-	638
Depreciation and amortization	32,937	16,611	-	49,548	-	49,548
Safekeeping, taxes, licenses and fees	38,003	275	18,437	56,715	-	56,715
Contributions	5,000	-	-	5,000	-	5,000
Internet	14,197	-	-	14,197	-	14,197
Miscellaneous	184	2,429	-	2,613	-	2,613
<b>Total expenses</b>	<b>10,144,396</b>	<b>649,422</b>	<b>177,619</b>	<b>10,971,437</b>	<b>(10,000)</b>	<b>10,961,437</b>
<b>Net income (loss) before federal income taxes and alternative minimum tax</b>	<b>984,024</b>	<b>135,352</b>	<b>217,749</b>	<b>1,337,125</b>	<b>(150,000)</b>	<b>1,187,125</b>
<b>Federal income taxes:</b>						
Current	(362,139)	(46,930)	(75,500)	(484,569)	-	(484,569)
Deferred	(20,073)	-	-	(20,073)	-	(20,073)
<b>Net income (loss)</b>	<b>\$ 601,812</b>	<b>\$ 88,422</b>	<b>\$ 142,249</b>	<b>\$ 832,483</b>	<b>\$ (150,000)</b>	<b>\$ 682,483</b>

# American Farm Bureau, Inc. and Consolidated Subsidiaries

## Consolidating Statements of Income, Continued October 31, 2001

	AFBI	AACSI	AAIA	Total	Eliminations	Consolidated Total
<b>Revenues:</b>						
Satellite subscriptions and communication income	\$ 9,111,091	\$ 276,056	\$ -	\$ 9,387,147	\$ -	\$ 9,387,147
Accounting fees	468,000	-	-	468,000	(10,000)	458,000
Interest income	177,843	2,097	20,329	200,269	(100,000)	100,269
Commission income	27,321	-	369,202	396,523	-	396,523
Equipment rental income	-	129,366	-	129,366	-	129,366
<b>Total revenues</b>	<b>9,784,255</b>	<b>407,519</b>	<b>389,531</b>	<b>10,581,305</b>	<b>(110,000)</b>	<b>10,471,305</b>
<b>Expenses:</b>						
Satellite and communications	7,123,186	230,479	-	7,353,665	-	7,353,665
Management services	85,000	5,000	4,000	94,000	-	94,000
Salaries and wages	861,488	128,493	-	989,981	-	989,981
Net employee benefits	217,391	38,655	-	256,046	-	256,046
Payroll taxes	62,060	9,511	-	71,571	-	71,571
Travel	54,046	3,117	2,040	59,203	-	59,203
Rent	119,960	21,273	2,500	143,733	-	143,733
Promotion	89,859	670	-	90,529	-	90,529
Insurance	15,149	2,123	4,417	21,689	-	21,689
Telephone	37,669	6,623	1,440	45,732	-	45,732
Printing and office supplies	28,385	2,279	3,300	33,964	-	33,964
Outside services and consultant fees	-	28,855	131,000	159,855	-	159,855
Legal, auditing and accounting	135,915	17,474	3,950	157,339	(10,000)	147,339
Subscriptions and newsletters	144	-	-	144	-	144
Depreciation and amortization	16,901	30,153	-	47,054	-	47,054
Safekeeping, taxes, licenses and fees	34,961	257	5,720	40,938	-	40,938
Internet	5,218	-	-	5,218	-	5,218
Miscellaneous	1,504	7,186	-	8,690	-	8,690
<b>Total expenses</b>	<b>8,888,836</b>	<b>532,148</b>	<b>158,367</b>	<b>9,579,351</b>	<b>(10,000)</b>	<b>9,569,351</b>
<b>Net income (loss) before federal income taxes</b>	<b>895,419</b>	<b>(124,629)</b>	<b>231,164</b>	<b>1,001,954</b>	<b>(100,000)</b>	<b>901,954</b>
<b>Federal income taxes:</b>						
Current	(191,169)	-	-	(191,169)	-	(191,169)
Deferred	(31,949)	-	-	(31,949)	-	(31,949)
<b>Net income (loss)</b>	<b>\$ 672,301</b>	<b>\$ (124,629)</b>	<b>\$ 231,164</b>	<b>\$ 778,836</b>	<b>\$ (100,000)</b>	<b>\$ 678,836</b>