

LAW OFFICES
BRYDON, SWEARENGEN & ENGLAND
PROFESSIONAL CORPORATION

DAVID V.G. BRYDON
JAMES C. SWEARENGEN
WILLIAM R. ENGLAND, III
JOHNNY K. RICHARDSON
GARY W. DUFFY
PAUL A. BOUDREAU
SONDRA B. MORGAN
CHARLES E. SMARR

312 EAST CAPITOL AVENUE
P.O. BOX 456
JEFFERSON CITY, MISSOURI 65102-0456
TELEPHONE (573) 635-7166
FACSIMILE (573) 635-0427
E-MAIL: KARENBS@AOL.COM

DEAN L. COOPER
MARK G. ANDERSON
TIMOTHY T. STEWART
GREGORY C. MITCHELL
RACHEL M. CRAIG
BRIAN T. MCCARTNEY
DALE T. SMITH

July 19, 1999

FILED

JUL 19 1999

Missouri Public
Service Commission

TA-2000-33

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: In the matter of the application of Grand River Communications, Inc., d/b/a Grand River Long Distance Distance for a certificate of service authority to provide interexchange and local exchange telecommunications services.

Dear Mr. Roberts:

Enclosed please find the original plus fourteen (14) copies of Application for filing on behalf of Grand River Communications, Inc., d/b/a Grand River Long Distance in the above referenced matter. Please bring this matter to the attention of the appropriate Commission personnel. A copy of this filing is being sent to all parties of record.

Thank you for your attention to this matter.

Very truly yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

Sondra B. Morgan
Sondra B. Morgan

SBM/k

Enclosures

cc: Office of Public Counsel
Phillip Johnson
Terry Robinson

0000061

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

JUL 19 1999

Missouri Public
Service Commission

In the matter of the application of)
Grand River Communications, Inc.,)
d/b/a Grand River Long Distance)
for a certificate of service authority)
to provide interexchange and local)
exchange telecommunications)
services)

Case No. TA-2000-33

APPLICATION

Grand River Communications, Inc., d/b/a Grand River Long Distance ("Applicant" or "Grand River"), a Missouri corporation, files this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

(a) grants Applicant a Certificate of Service Authority to provide interexchange and local exchange telecommunications services pursuant to Chapter 392 of the Missouri Revised Statutes;

(b) grants competitive status to Applicant; and

(c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMO Supp. 1998.

In support of its request, Applicant states:

1. Applicant is a Missouri corporation with its principal office and place of business at 1001 Kentucky Street, Princeton, Missouri 64663. A copy of Applicant's Articles of Incorporation and Certificate of Authority from the Missouri Secretary of State to transact business in Missouri are attached hereto as Appendix A. A copy of Applicant's Registration of Fictitious Name is attached as Appendix B. A list of Applicant's current officers and directors is attached as Appendix C and is incorporated by reference herein.

0000061

2. All communications, notices, orders and decisions respecting this Application and proceeding should be addressed to:

Philip S. Johnson
General Manager
Grand River Communications, Inc.
1001 Kentucky Street
Princeton, Missouri 64663

W.R. England, III, Esq.
Sondra B. Morgan, Esq.
Brydon, Swearngen & England, P.C.
312 East Capitol Street
P.O. Box 456
Jefferson City, Missouri 65102

3. Applicant proposes to resell one plus (1+) interexchange telecommunications services and associated operator and directory assistance services to business and residential customers located throughout the State of Missouri. Initially, Applicant will only provide service to local exchange customers of Grand River Mutual Telephone Corporation. Applicant will utilize its own facilities, or purchase for resale, the services or facilities of other carriers in order to provide the services sought to be provided.

4. Applicant proposes to charge for its services based upon rates, rules and regulations as proposed in the tariff attached hereto and incorporated by reference as Appendix D.

5. Applicant requests classification as a competitive telecommunications company within the State of Missouri. Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will allow greater price and service options for telephone users.

6. Applicant also requests, pursuant to Section 392.420, RSMO 1994, that the Commission waive the application of the following rules and statutory provisions as they relate to the regulation of Applicant:

§392.240(1)	Rates-reasonable average return on investment.
§392.270	Property valuation.
§392.280	Depreciation rates.
§392.290	Issuance of stocks and bonds.
§392.310	Issuance of stocks and bonds.
§392.320	Issuance of stocks and bonds.
§392.330	Issuance of stocks and bonds.
§392.340	Reorganization.
4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-30.040	Uniform System of Accounts.
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	In-state record keeping.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin telephones.
4 CSR 240-33.030	Inform customers of lowest priced service.
4 CSR 240-33.040(5)	Finance fee.

It is Applicant's understanding that the above-referenced rules and statutory provisions have typically been waived for other interexchange carriers in prior cases.

7. Applicant is a wholly owned subsidiary of Grand River Mutual Telephone Corporation. The interexchange services provided by Applicant will be performed by the Applicant or by independent contractors, agents or employees of Grand River Mutual Telephone Corporation. For example, billing & collection and billing inquiry services will be performed by the Applicant, or they will be provided under contractual agreements between Applicant and independent contractors, including local exchange carriers. Applicant will compensate its

independent contractors, or local exchange carriers fully for all services provided on Applicant's behalf.

8. Applicant's parent corporation, through its subsidiaries, including Grand River Communications, Inc., has extensive experience in providing reliable and affordable telecommunications services to the public in, among others, the State of Missouri. As a result, Applicant will have available to it the technical expertise to provide interexchange telecommunications services that meet or exceed all service standards established by the Commission.

9. Applicant is financially capable of providing the proposed service. For purposes of illustration, Comparative Balance Sheets of the Applicant are attached hereto as Appendix E.

10. The Commission has found that the interexchange market which Applicant seeks to enter is sufficiently competitive so as to justify a lesser degree of regulation. In Re Classification of Service Provided by Interexchange Telecommunications Carrier within the State of Missouri, Case No. TO-88-142, Report and Order (effective October 16, 1989) at pp. 19-20. Expedient grant of the instant Application will increase the competition in the provision of interexchange services, consistent with the Commission's policies and increase the variety and number of interexchange telecommunications providers and services available to users. Accordingly, Applicant's proposed operations are in the public interest.

WHEREFORE, Applicant respectfully requests that the Commission grant it a certificate of service authority to provide intrastate interexchange and local exchange telecommunications services to the public in the State of Missouri. If granted local exchange authority, such authority will be limited to the provisioning of dedicated, non-switched local exchange private line services.

Applicant also requests classification as a competitive telecommunications company. In addition,
Applicant requests a waiver of the above-referenced rules and statutory provisions.

Respectfully submitted,



W.R. England, III Mo Bar#23975
Sondra B. Morgan Mo Bar #35482
Brydon, Swearngen & England P.C.
312 East Capitol Avenue
P. O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166

VERIFICATION

STATE OF Missouri)
COUNTY OF Mercer) ss.

Phillip S. Johnson, having been duly sworn upon his oath, states that he is General Manager of Grand River Communications, Inc. Applicant herein, and as such, is duly authorized to execute said Application and to make this affidavit on its behalf; that the matters and things stated in the foregoing Application and exhibits thereto are true and correct to the best of his information, knowledge and belief.

Phillip S. Johnson

Subscribed and sworn to before me, a notary public, on this 8th day of July, 1999.

Mary Pearl Scurlock
Notary Public

My Commission expires:

MARY PEARL SCURLOCK
Notary Public - State of Missouri
County of Mercer
My Commission Expires Apr 24, 2003

Appendix A

**Articles of Incorporation
Grand River Communications, Inc.**

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

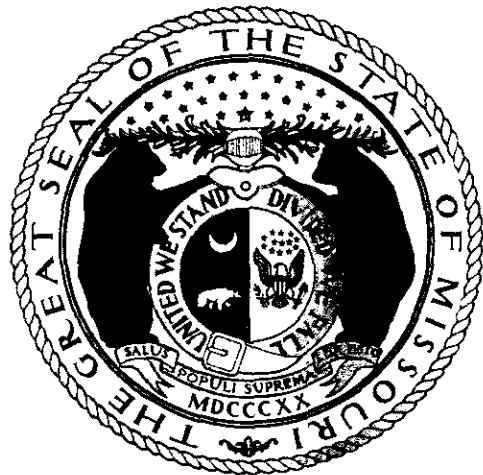
CORPORATION DIVISION
CERTIFICATE OF CORPORATE RECORDS

GRAND RIVER COMMUNICATIONS, INC.

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 15TH DAY OF JUNE, 1999.

Rebecca McDowell Cook
Secretary of State





STATE of MISSOURI

JAMES C. KIRKPATRICK, Secretary of State

Corporation Division

Certificate of Incorporation

WHEREAS, duplicate originals of Articles of Incorporation of
 GRAND RIVER COMMUNICATIONS, INC.

have been received and filed in the office of the Secretary of State, which Articles, in all respects, comply with the requirements of The General and Business Corporation Law:

NOW, THEREFORE, I, JAMES C. KIRKPATRICK, Secretary of State of the State of Missouri, by virtue of the authority vested in me by law, do hereby certify and declare
 GRAND RIVER COMMUNICATIONS, INC.

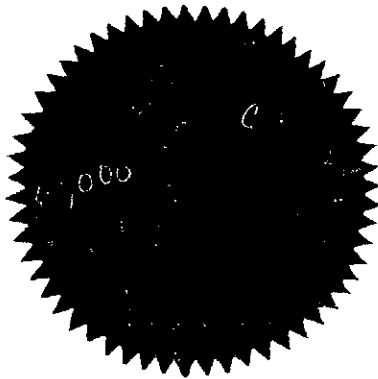
a body corporate, duly organized this day and that it is entitled to all rights and privileges granted corporations organized under The General and Business Corporation Law; that the address of its initial Registered Office in Missouri is

9th & Washington Streets, P.O. Box 547, Trenton 64683-0547

that its period of existence is Perpetual ; and that the amount of its Authorized Shares is

10,000 common @\$10.00

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the GREAT SEAL of the State of Missouri, at the City of Jefferson, this 19th day of January, 1984.



James C. Kirkpatrick
 Secretary of State

RECEIVED OF: GRAND RIVER COMMUNICATIONS, INC.

Eighty-eight dollars and no/100—Dollars, \$ 88.00

For Credit of General Revenue Fund, on Account of Incorporation Tax and Fee.

No. 00260258

James C. Kirkpatrick
 Secretary of State



State of Missouri... Office of Secretary of State

JAMES C. KIRKPATRICK, Secretary of State

Articles of Incorporation

(To be submitted in duplicate by an attorney)

HONORABLE JAMES C. KIRKPATRICK
SECRETARY OF STATE
STATE OF MISSOURI
JEFFERSON CITY, MO. 65101

The undersigned natural person(s) of the age of eighteen years or more for the purpose of forming a corporation under The General and Business Corporation Law of Missouri adopt the following Articles of Incorporation:

ARTICLE ONE

The name of the corporation is: Grand River Communications, Inc.

ARTICLE TWO

The address, including street and number, if any, of the corporation's initial registered office in this state is: _____

9th & Washington Streets, P. O. Box 547, Trenton, Missouri 64683-0547

and the name of its initial agent at such address is: Jack Peace

ARTICLE THREE

The aggregate number, class and par value, if any, of shares which the corporation shall have authority to issue shall be: 10,000 shares of common stock at \$10.00 par value

The preferences, qualifications, limitations, restrictions, and the special or relative rights, including convertible rights, if any, in respect of the shares of each class are as follows: None

ARTICLE FOUR

The extent, if any, to which the preemptive right of a shareholder to acquire additional shares is limited or denied.

None

ARTICLE FIVE

The name and place of residence of each incorporator is as follows:

Name	Street	City
R. A. McArton	RFD #3	Princeton, Missouri
Bill Linthacum	Route #1	Bethany, Missouri
James Clark	Route #1	Spickard, Missouri
Oscar Peterson	Route #2	Trenton, Missouri
Bill Salsman	Route #1	Lamoni, Iowa
Lowell Frame	Route	Plano, Iowa
C. Michael Thompson		Leon, Iowa
Charlene Lyle	Route #1	Barnard, Missouri
Jack Birdsell		Ravenwood, Missouri
Harley Stiles	Route #3	Princeton, Missouri

ARTICLE SIX
(Designate which and complete the applicable paragraph)

☒ The number of directors to constitute the first board of directors is 10. Thereafter the number of directors shall be fixed by, or in the manner provided in the bylaws. Any changes in the number will be reported to the Secretary of State within thirty calendar days of such change.

or

☐ The number of directors to constitute the board of directors is _____. (The number of directors to constitute the board of directors must be stated herein if there are to be less than three directors. The persons to constitute the first board of directors may, but need not, be named).

ARTICLE SEVEN

The duration of the corporation is perpetual

ARTICLE EIGHT

The corporation is formed for the following purposes:

To market, sell, lease, service and repair telephonic and electronic equipment, material and supplies of all kinds and nature and to own, operate, maintain and manage all equipment and material necessary to market, sell, lease, service and repair telephonic and electronic equipment and to own, operate, maintain and manage all related and incidental equipment and material required to market, sell, lease, service and repair telephonic and electronic equipment; and to sell such items at wholesale or retail; and to buy, sell, procure, franchise, produce, manufacture and dispose of telephonic and electronic goods, wares, merchandise, commodities and products and generally to engage in and to conduct any type of telephonic and electronic sales organization not contrary to law; and to buy, lease, construct franchise or otherwise acquire, own, hold, use, sell, lease, mortgage or otherwise dispose of plans, works, equipment, facilities, material and equipment therefore; to borrow and loan money with or without security and to issue, sell or pledge bonds, promissory notes, bills of exchange and other obligations and evidences of indebtedness, secured or unsecured; to purchase, acquire, use, lend, lease or hold, improve, operate, mortgage, sell, franchise, or convey and to otherwise deal in and dispose of property of all kinds, both real and personal, including patent rights and license privileges, inventions, franchises, and copy rights relating to or useful in connection with the business of this corporation; in general, to carry on any business in connection with the foregoing permitted to business companies and to have and to exercise all of the powers conferred upon corporations by laws of the State of Missouri and do any and all things hereinbefore set forth to the same extent as natural persons might or could do; to have and to exercise all powers necessary or incident to carrying out its corporate purposes and to exercise all other powers permitted by law and to possess and to enjoy all rights and powers which now or at any time hereafter may be granted to or exercised by corporations of this character; and to carry on any other lawful business for profit which is authorized by the Board of Directors and which is proper for corporations organized under the general and business corporation act of the State of Missouri.

IN WITNESS WHEREOF, these Articles of Incorporation have been signed this 11th day

of January, 1984

<u>James Clark</u>	<u>James Clark</u>
<u>Bill Fritts</u>	<u>Oscar Peterson</u>
<u>Harley Stiles</u>	<u>E. Michael Thompson</u>
<u>Bill Salomon</u>	<u>John W. Gifford</u>
<u>Charles Lyle</u>	<u>X. H. Gifford</u>

STATE OF MISSOURI

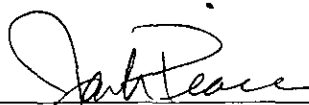
COUNTY OF GRUNDY

SS.

I, Jack Peace

a notary public,

do hereby certify that on the 11th day of JANUARY, 1984 personally appeared
R. A. McARTON, Bill Linthacum, James Clark, Oscar Peterson, Bill Salsman, Lowell Frame
before me, Michael Thompson, Charlene Lyle, Jack Birdsell and Harley Stiles
who being by me first duly sworn, (severally) declared that he is (they are) the person(s) who signed the foregoing document as incorporator(s), and that the statements therein contained are true.

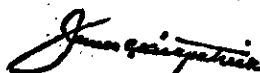

(Jack Peace) Notary Public

My commission expires November 18

1984

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

JAN 19 1984



APPENDIX B

REGISTRATION OF FICTITIOUS NAME



State of Missouri

No. X 358206

Rebecca McDowell Cook, Secretary of State

Corporation Division

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: Grand River Long Distance
Missouri Business Address: 1001 Kentucky Street
(P.O. Boxes not accepted)
City, State and Zip Code: Princeton, MO 64673

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

If listed,
Percentage
of ownership
must equal
100%

Name of Owners, Individual or Corporate	Street and Number	City	State and Zip Code	Percentage of ownership must equal 100%
Grand River Communications, Inc.	1001 Kentucky Street	Princeton	MO 64673	100%
260258AG				

(Must be typed or printed)

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

FILED

JUL 09 1999

(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

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 8th day of July, 19 99.

If
Corporation
is
Owner,
Corporate
Officers
Execute
Here

Grand River Communications, Inc.

(Exact Corporate Title)

By

William Salzman

Its President or Vice-President

By

Gregg Davis

Its Secretary or Assistant Secretary

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

State of Missouri

County of

Merced

ss

I, Mary Pearl Schuck Notary Public, do hereby certify that on the 8th day of July, 19 99, personally appeared before me William Salzman and being first duly sworn by me, acknowledged that Gregg Davis he signed as his 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)

Mary Pearl Schuck
MARY PEARL SCHUCK
Notary Public - State of Missouri
County of Merced

My Commission Expires Apr 24, 2003

My commission expires

Appendix C

**Officers and Directors
Grand River Communications, Inc.**

GRAND RIVER COMMUNICATIONS, INC.

1999 OFFICERS

William F. Salsman, President
Route 1
Lamoni, IA 50140

Larry Rosenbohm, Vice President
Graham, MO 64455

Gregg Davis, Secretary
Route 1
Chula, MO 64635

Bruce George, Ass't. Secretary
Route 1
Promise City, IA 52583

William Linthacum, Treasurer
RFD 1
Bethany, MO 64424

James Clark, Ass't. Treasurer
RFD 2, Box 274
Spickard, MO 64679

1999 BOARD OF DIRECTORS

Bill Salsman
RR 1
Lamoni, Iowa 50140

Larry Rosenbohm
RR 1
Graham, MO 64455

Gregg Davis
RR 1, Box 156
Chula, MO 64635

Bruce George
RR 1
Promise City, IA 52583

William C. Linthacum
27835 E 320th
St. Bethany, MO 64424

James Clark
905 Highway Y
Spickard, MO 64679

Mark Yunqueberg
RR 2
Princeton, MO 64673

Richard Jennings
4528 State Highway O
Stanberry, MO 64480

Dick G. Hines
RR 1, Box 79
Weldon, IA 50264

Philip S. Johnson, General Manager

Mr. Johnson has over 30 years experience in the telecommunications industry. Mr. Johnson joined Grand River Mutual Telephone Corporation as Assistant Controller in 1967. Since that time, he has held positions of Controller, Assistant General Manager, and in 1996, was selected as General Manager. His duties include complete responsibility for all telephone company and subsidiary activities, as well as its 82 employees. Grand River Mutual Telephone Corporation and subsidiaries provide service to over 25,000 access lines, Interactive Video for Distance Learning for five school networks, and local Internet service to 48 exchanges. He holds a Bachelor of Science Degree in Accounting from Northwest Missouri State University. He serves on the Board of Directors of the Missouri Telecommunications Industry Association and the National Telephone Cooperative Association.

Wendel Myers, Assistant General Manager

Mr. Myers joined Grand River Mutual Telephone Corporation in 1975 and served as Plant Engineer until 1993. In 1989, Mr. Myers became the Corporation's representative in the six cellular rural service areas. From 1993 to 1997, Mr. Myers served as Equipment Supervisor with responsibilities of maintenance, operation, and upgrade of central office switching and transmission equipment. In 1997, he assumed the position of Director Network Technology and Wireless. In this position, Mr. Myers was responsible for Grand River's fiber network including switching and transmission and continued oversight of the six cellular rural service areas. In 1998, Mr. Myers assumed the responsibilities of Assistant General Manager. Mr. Myers is a member of the Missouri Telecommunication Industry Association's Technology Committee. Mr. Myers holds a BA degree in Humanities and Philosophy from Northwest Missouri State University.

Kenneth P. Roberts, Controller

Mr. Roberts has over 20 years experience in the telecommunications business. He holds a Bachelor of Science degree in Accounting from Northeast Missouri State University, now Truman State University, and has been employed by Grand River Mutual since 1978. Before being selected as Controller in 1988, Mr. Roberts served in the capacity of Office Manager and Assistant Controller. As Controller, Mr. Roberts is responsible for all accounting functions for Grand River Mutual Telephone Corporation and its three wholly owned subsidiaries.

Ronald T. Hinds, Director of Marketing/Member Relations

Mr. Hinds has over 19 years experience in the communications business. He began his career in 1980 as a combination person in the Leon, Iowa district office of Grand River Mutual Telephone Corporation. In November of 1987, Mr. Hinds was promoted to the position of District Manager in Princeton, Missouri. While in this position, he was responsible for installation, repair, and business office operations for 15 exchanges. He was also responsible for marketing business systems throughout the Grand River Mutual serving area. In April of 1996, Ron was promoted to Director of Marketing/Member Relations. In this position, he is responsible for all marketing activities at Grand River Mutual and its subsidiary companies. Mr. Hinds has been responsible for Grand River's Internet business since its inception. He is a member of the Missouri Telecommunications Industry Association's Public Relations Committee. Ron has an A.A.S. degree in Business Management from North Central Missouri College.

Paul D. Smith, Staff Assistant

Mr. Smith has thirty years experience in the telephone industry with Grand River Mutual Telephone Corporation. Mr. Smith began his career with Grand River Mutual in 1969, after serving a tour of duty in Vietnam with the US Army. Before being selected to serve as Staff Assistant in 1979, Mr. Smith held the positions of Construction Lineman, Leadperson, Switching Equipment Technician, and Commercial Superintendent. His duties include the responsibility for all customer service functions for Grand River Mutual and its subsidiaries. This includes installation and repair services for residential and business members and the operations of three business offices. Mr. Smith currently serves as Co-Chairman of the Missouri Telecommunications Industry Association's (MTIA) Small Company Committee and is a member on the MTIA Legislative Committee.

Appendix D

**Proposed Tariff
Grand River Communications, Inc.
d/b/a Grand River Long Distance**

Appendix E

**Comparative Balance Sheets
Grand River Communications, Inc.**

GRAND RIVER COMMUNICATIONS

INCOME STATEMENT JANUARY 1 THRU DECEMBER 31, 1998
2nd CLOSING

REVENUES:

MISC INCOME	\$0.00
OTHER CELLULAR INCOME	\$489,583.33
INTEREST INCOME	\$104,090.22
TOTAL REVENUES	<u>\$593,673.55</u>

EQUITY GAIN/LOSS:

IA RSA 1	\$113,388.00
IA RSA 2	\$163,132.00
MO RSA 1	\$87,009.00
MO RSA 2	\$266,850.00
MO RSA 4	\$300,740.00
MO RSA 5	\$136,949.00
EST YEAR TO DATE GAIN	<u>\$0.00</u>
TOTAL EQUITY GAIN/LOSS	\$1,068,068.00

EXPENSES:

FEDERAL INCOME TAXES	\$503,896.00
STATE INCOME TAXES	\$97,066.00
LABOR & OVERHEADS	\$24,490.11
ACCOUNTING & LEGAL	\$24,198.65
OTHER GENERAL & ADMINISTRATIVE	\$755.00
FRANCHISE TAX EXPENSE	\$2,796.64
AMORTIZATION OF GOODWILL	<u>\$27,946.13</u>

TOTAL EXPENSES	<u>\$681,148.53</u>
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NET INCOME (LOSS)	<u><u>\$980,593.02</u></u>
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GRAND RIVER COMMUNICATIONS

BALANCE SHEET

DECEMBER 31, 1998
2nd CLOSING

ASSETS:

CASH	\$20,110.11
TEMPORARY CASH INVESTMENTS	\$2,793,009.30
ACCOUNTS RECEIVABLE	\$0.00
INTEREST RECEIVABLE	\$39,806.33
DEFERRED CHARGES	\$0.00
PREPAYMENTS	\$0.00
	<hr/>
	\$2,852,925.74

IA RSA 1 INVESTMENT	\$268,717.78
IA RSA 1 OUTSIDE INVESTMENT	\$75,340.28
IA RSA 1 RETURN OF INVESTMENT	(\$65,692.30)
IA RSA 1 EQUITY GAIN/LOSS	\$162,142.26

IA RSA 2 INVESTMENT	\$349,682.00
IA RSA 2 OUTSIDE INVESTMENT	\$257,266.93
IA RSA 2 RETURN OF INVESTMENT	(\$263,471.00)
IA RSA 2 EQUITY GAIN/LOSS	\$366,159.00

MO RSA 1 INVESTMENT	\$205,717.49
MO RSA 1 RETURN OF INVESTMENT	(\$101,640.00)
MO RSA 1 EQUITY GAIN/LOSS	\$290,508.51

MO RSA 2 INVESTMENT	\$1,693,129.50
MO RSA 2 OUTSIDE INVESTMENT	\$207,025.44
MO RSA 2 RETURN OF INVESTMENT	(\$1,233,213.00)
MO RSA 2 EQUITY GAIN/LOSS	\$484,253.00

MO RSA 4 INVESTMENT	\$1,421,209.15
MO RSA 4 OUTSIDE INVESTMENT	\$443,041.52
MO RSA 4 RETURN OF INVESTMENT	(\$1,240,902.55)
MO RSA 4 EQUITY GAIN/LOSS	\$847,102.00

MO RSA 5 INVESTMENT	\$1,056,610.00
MO RSA 5 RETURN OF INVESTMENT	(\$95,000.00)
MO RSA 5 EQUITY GAIN/LOSS	\$129,618.00

CELLULAR 35, INC. INVESTMENT	\$6,000.00
CELLULAR 35, INC. (OUTSIDE)	\$4,875.50

CELLULAR 29, INC. INVESTMENT	\$2,765.00
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GRMH, LLC INVESTMENT	\$105.00
	<hr/>

\$5,271,349.51

ESTIMATED YEAR TO DATE EARNINGS	\$0.00
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TOTAL ASSETS	<hr/>
	\$8,124,275.25

GRAND RIVER COMMUNICATIONS

BALANCE SHEET

DECEMBER 31, 1998
2nd CLOSING

LIABILITIES:

ACCOUNTS PAYABLE/GRMTC

\$1,944.10

ACCOUNTS PAYABLE/OTHER

\$1,316.24

ACCUM. DEFERRED INCOME TAX

\$0.00

ACCRUED TAXES

\$627,897.00

NON CURRENT FEDERAL TAXES

\$460,143.00

NON CURRENT STATE TAXES

\$68,543.00

TOTAL LIABILITIES

\$1,159,843.34

STOCKHOLDER'S EQUITY:

COMMON STOCK

\$5,424,100.00

RETAINED EARNINGS

\$1,540,331.91

TOTAL EQUITY

\$6,964,431.91

TOTAL LIABILITIES & EQUITY

\$8,124,275.25