

NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company

Attorneys at Law

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Philip R. Adams, Jr.

RECEIVED

MAR 22 2010

March 19, 2010

PUBLIC SERVICE COMMISSION

Via Overnight Mail

Executive Secretary
North Dakota Public Service Commission
State Capitol Building, 12th Floor
Bismark, ND 58505

RE: Pay Tel Communications, Inc.
Performance Bond

Dear Sir or Madam:

Enclosed please find the original Performance Bond in the amount of \$25,000.00 on behalf of Pay Tel Communications, Inc., pursuant to the registration filed on March 19, 2010.

An additional copy of this letter has been enclosed to be date stamped and returned in the envelope provided as evidence of the filing.

Should you have any questions, please do not hesitate to contact me.

Sincerely,


Becky Heggelund

/bh
Enclosure

1 **PU-10-72** Filed: 3/22/2010 Pages: 3
\$25,000.00 Telecommunications Reseller, Bond #
1000846678

Pay Tel Communications, Inc.

Becky Heggelund



TELECOMMUNICATIONS RESELLER'S BOND
PUBLIC SERVICE COMMISSION
 SFN 50826 (5-96)

BOND NO: 1000846678

PRINCIPAL (Reseller)	Name Pay-Tel Communications, Inc.			
	Address 4230 Beechwood Drive	City Greensboro	State NC	Zip Code 27419
SURETY (Bonding Company)	Name American Contractors Indemnity Company			
	Address 601 S Figueroa Street Ste 1600	City Los Angeles	State CA	Zip Code 90017

We, the above named PRINCIPAL and SURETY are bound to the State of North Dakota in the penal sum of Twenty Five Thousand ***** Dollars. The payment of the penal sum shall bind the PRINCIPAL and SURETY, our heirs, legal representatives, successors, and assigns, jointly and severally under these obligations.

The PRINCIPAL is doing business in North Dakota as a reseller providing telecommunications services. This obligation covers all prepayments for service in this State including, but not limited to, front-end charges and prepaid monthly charges for services.

The condition of this obligation is as follows: if the PRINCIPAL faithfully performs all duties as a telecommunications reseller under the provisions of Certificate of Registration issued by the North Dakota Public Service Commission, complies with all laws of North Dakota pertaining to telecommunications companies and the rules of the Public Service Commission promulgated in connection therewith, and provides services in accordance with its legal obligations and agreements; then this obligation shall be void; otherwise it shall remain in effect.

Liability for this undertaking commences on February 1, ~~XX~~2010, and shall be continuous unless the SURETY by certified mail notifies the PRINCIPAL and the Public Service Commission that the surety bond has been canceled. The cancellation notice shall state that the surety bond will be canceled thirty (30) days after receipt by the Public Service Commission of the cancellation notice, or on a later date specified by the SURETY. In no event shall the aggregate liability of the SURETY accumulate above the face amount of the bond, unless the face amount is increased by appropriate endorsement or rider.

The liability of the SURETY for any violation of the obligations by the PRINCIPAL during the period of time the bond remains in effect shall remain in force for such period of time as may be permitted under the laws of the State of North Dakota. Bonding requirements may be increased or decreased by the Commission upon thirty (30) days notice to each PRINCIPAL and SURETY.

This bond, and the terms used herein, are governed by the provisions of Chapter 49-21 of the North Dakota Century Code, and Chapter 69-09-05 of the North Dakota Administrative Code.

Countersigned by North Dakota Resident Agent:

N/A

Name/Signature	Address	City, State (ND), Zip Code
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THIS SECTION TO BE COMPLETED BY PRINCIPAL

ACKNOWLEDGMENT OF PRINCIPAL

State of North Carolina)
 County of Guilford) ss.
 On this 8 day of February, 10 2010

before me personally appeared J. Vincent Townsend
 known to me to be the person or said corporation described in and who executed the within instrument as PRINCIPAL and acknowledged to me that he/she or said corporation executed the same.

J. Vincent Townsend
 Signature of Principal

Brenda P. Peeden
 Notary Public

My Commission expires 10/17/12

(SEAL)

THIS SECTION TO BE COMPLETED BY SURETY

**ACKNOWLEDGMENT OF SURETY
(Corporate Officer)**

State of Arkansas)
 County of White) ss.
 On this 24 day of January, 10 2010

before me personally appeared Mason Grashot
 known to me to be Attorney-In-Fact
 of said corporation that is described in and that executed the within instrument as SURETY, and acknowledged to me that such corporation executed the same.

Mason Grashot, Attorney-In-Fact
 Name and Title of Person Signing for Surety

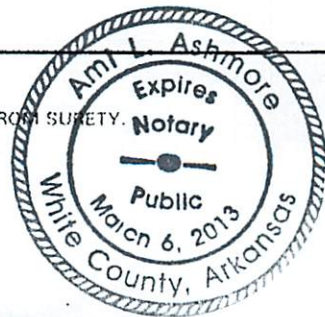
Ami L. Ashmore
 Signature
 Notary Public

My Commission expires March 6 2013

(SEAL)



Telephone: 791-328-2400



North Dakota Public Service Commission, State Capitol, Bismarck, ND 58505-0080. ARNEY IN FACT MUST ATTACH VALID POWER OF ATTORNEY FROM SURETY.

POWER OF ATTORNEY

AMERICAN CONTRACTORS INDEMNITY COMPANY UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That American Contractors Indemnity Company, a California corporation, United States Surety Company, a Maryland corporation and U.S. Specialty Insurance Company, a Texas corporation (collectively, the "Companies"), do by these presents make, constitute and appoint:

Mason T. Grashot, Gail A. Barraza or Ami L. Ashmore of Little Rock, Arkansas

its true and lawful Attorney(s)-in-fact, each in their separate capacity if more than one is named above, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed *****Three Million***** Dollars (\$ **3,000,000.00**).

This Power of Attorney shall expire without further action on December 8, 2012. This Power of Attorney is granted under and by authority of the following resolutions adopted by the Boards of Directors of the Companies:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, The Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 15th day of June, 2009.

AMERICAN CONTRACTORS INDEMNITY COMPANY UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

Corporate Seals



By: [Signature] Daniel P. Aguilar, Vice President

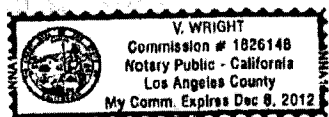
State of California

County of Los Angeles SS:

On this 15th day of June, 2009, before me, V. Wright, a notary public, personally appeared Daniel P. Aguilar, Vice President of American Contractors Indemnity Company, United States Surety Company and U.S. Specialty Insurance Company who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature [Signature] (Seal)



I, Jeannie J. Kim, Assistant Secretary of American Contractors Indemnity Company, United States Surety Company and U.S. Specialty Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seals of said Companies at Los Angeles, California this 1 day of February, 2010

Corporate Seals

Bond No. 1000246 672 Agency No. 0217



[Signature] Jeannie J. Kim, Assistant Secretary