

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Dakota Payphone, )  
LLC (related to the registration of its )  
membership units – file # AB136 )  
and file # AJ665) )  
Respondents. )

**ORDER TO SUMMARILY SUSPEND  
THE SECURITIES REGISTRATIONS  
OF DAKOTA PAYPHONE, LLC;  
PROPOSED ORDER TO REVOKE  
THE SECURITIES REGISTRATIONS  
OF DAKOTA PAYPHONE, LLC;  
AND NOTICE OF RIGHT  
TO REQUEST A HEARING**

.....  
The North Dakota Securities Commissioner has advised the respondent, Dakota Payphone, LLC, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and finds as follows:

1. Respondent, Dakota Payphone, LLC, is a Limited Liability Company formed in North Dakota on March 15, 2000, and headquartered in Minot, North Dakota. Respondent has applied for several securities registrations since its inception.
2. April 25, 2000, the Securities Department granted securities registration for membership units issued by the respondent. This registration is identified through its file number (AB136). This registration was renewed on several occasions, and was last renewed on April 12, 2005. Prior to the issuance of this order, this registration was effective.
3. On December 19, 2002, the Securities Department granted securities registration for membership units issued by the respondent. This registration is identified through its file number (AJ665). This registration was renewed on several occasions, and was last renewed on December 8, 2005. Prior to the issuance of this order, this registration was effective.

4. On January 9, 2006, Respondent announced that American Western Telephone, Inc. was in default on payments to Respondent as an obligation of contract. On information and belief, American Western Telephone, Inc. is the principal, if not sole, source of revenue of the Respondent.
5. On January 9, 2006, Respondent further announced that it was suspending all dividends and cash payments to investors. It is unclear how long such payments will be suspended.
6. Pursuant to N.D.C.C. § 10-04-09, the Commissioner may revoke the registration of a security if the Commissioner finds that the issuer has violated the provisions of the Securities Act or any Orders issued pursuant thereto, or that the sale of such securities would tend to work a fraud or deception on purchasers or the public, or that the issuer is insolvent. The activities set forth in paragraph 4 and 5 above, constitute sufficient grounds for the revocation of the securities registrations of Dakota Payphones, LLC.
7. Pursuant to N.D.C.C. § 10-04-09, the Commissioner may summarily suspend an agent registration pending further investigation and/or a final determination on any proceeding under N.D.C.C. § 10-04-09 N.D.C.C.
8. This order is necessary and appropriate in the public interest for the protection of investors.

**ORDER TO SUMMARILY SUSPEND THE SECURITIES  
REGISTRATIONS OF DAKOTA PAYPHONES, LLC**

Based on the information set forth above, the North Dakota Securities Commissioner hereby suspends the securities registrations (as referenced above)

regarding the membership units issued by Dakota Payphone, LLC, pending further investigation and final resolution of this matter.

**PROPOSED ORDER TO REVOKE THE SECURITIES  
REGISTRATIONS OF DAKOTA PAYPHONES, LLC**

Based on the information set forth above, the North Dakota Securities Commissioner hereby proposes to revoke the securities registrations (as referenced above) regarding the membership units issued by Dakota Payphone, LLC.

**NOTICE OF RIGHT TO REQUEST HEARING**

**YOU ARE NOTIFIED** that pursuant to N.D.C.C. § 10-04-12 N.D.C.C. you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The respondents have the right to be represented by legal counsel at the hearing.

Signed and Sealed this 13<sup>th</sup> day of January, 2006.



  
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Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

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 LLC (related to the registration of its )  
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 Respondent. )

**AFFIDAVIT OF SERVICE  
BY MAIL**

I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On, January 13, 2006, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of the following document:

**ORDER TO SUMMARILY SUSPEND THE SECURITIES  
REGISTRATIONS OF DAKOTA PAYPHONE, LLC;  
PROPOSED ORDER TO REVOKE THE SECURITIES  
REGISTRATIONS OF DAKOTA PAYPHONE, LLC;  
AND NOTICE OF RIGHT TO REQUEST A HEARING**

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via Certified U. S. mail, return receipt requested, and addressed to the following:

Keith D. Theusch, Vice President  
Dakota Payphone, LLC  
21 South Main  
Minot, ND 58701

To the best of my knowledge, information, and belief, the address given above is the last known address of the party intended to be served.

*Jacqui Ferderer*  
Jacqui Ferderer

Subscribed and sworn to before me on January 13, 2006.

DIANE B.G. KAMBEITZ  
Burleigh County, State of North Dakota  
My Commission Expires April 25, 2006  
STATE OF NORTH DAKOTA  
Notary Public Seal

*Diane B. G. Kambeitz*  
Diane B. G. Kambeitz, Notary Public  
Burleigh County, North Dakota  
My commission expires 4/25/2006