Smart Card Services, Inc.

STATEMENT OF POLICY REGARDING CUSTOMER PROPRIETARY NETWORK INFORMATION

Set forth below is a statement summarizing the policies and procedures of Smart Card Services, Inc. ("Smart Card Services") which ensure adequate compliance with the Federal Communications Commission's ("FCC") CPNI regulations. See 47 C.F.R. §64.2001 et seq. Smart Card Services provides telecommunications services exclusively on a prepaid basis.

As a prepaid services provider, the company does not have access to CPNI. Prepaid services customers do not "subscribe" to the services of Smart Card Services in the same manner as customers of non-prepaid service providers; rather, these customers decide for themselves if they will use the company's services. These customers do not receive bills from Smart Card Services. Smart Card Services does not have information concerning the quantity, technical configuration, type, destination, location, or amount of use of telecommunications services which can be associated with any individual customer. Indeed, because the company's prepaid services may lawfully be utilized by any authorized user of the purchaser, Smart Card Services has no means of identifying the particular individual which has placed any particular call.

Nevertheless, Smart Card Services has adopted a confidentiality policy that addresses proper handling, use and storage of CPNI and, furthermore, the company has informed its employees of the company's CPNI compliance policy. Smart Card Services does not release or distribute CPNI to unauthorized individuals; neither does Smart Card Services use CPNI in violation of Section 64.200 I et seq. of the FCC's Rules.

To the extent Call Detail Records ("CDRs") exist, they are not associated with any individually identifiable customer and do not constitute CPNI. To the extent that such CDR information exists in paper, removable magnetic or optical form, it is maintained by Smart Card Services in a secure location which is not accessible by employees of Smart Card Services without going through the company's established security procedures. When such information is maintained on a computer, the computer and/or the individual file is password protected.

As noted above, Smart Card Services does not maintain CPNI in any manner which would give rise to the unauthorized disclosure of confidential information. Even in cases dealing with the limited information which is necessary to facilitate customer purchases of prepaid telecommunications services, Smart Card Services takes steps prior to providing any requested information to assure itself that the individual making the request is authorized to obtain it.

Moreover, any call detail information obtained by Smart Card Services is not made available to end-user customers or third parties over the telephone, online, or in retail stores. However, such information may be disclosed: (a) in response to a proper subpoena, court order or other judicial process; or (b) to the transmitting or receiving carriers for billing-relating purposes. In the event of unauthorized CPNI access, Smart Card Services will notify the requisite law enforcement agencies, and the customer when possible.

Smart Card Services did not have any breach of its call detail records during the past year, nor has the company received any customer complaints in the past year concerning the unauthorized release of or access to CPNI. Because Smart Card Services does not have any presubscribed customers, and does not know the identity of end-users whose traffic is routed through Smart Card Services, it cannot notify those end-user customers directly if a breach occurs. However, Smart Card Services has processes and procedures in place to maintain records of any security breaches and to notify affected carriers and law enforcement of such breaches. Finally, the company has no information, other than publicly reported information regarding the processes that pretexters or data brokers are using to attempt to access CPNI.