COMPETITIVE TELECOMMUNICATIONS SERVICE PROVIDERS

For the provision of (check all that apply):

O INTEREXCHANGE CARRIER

O ALTERNATIVE OPERATOR SERVICE PROVIDER

O COMPETITIVE ACCESS

[redacted] COMPETITIVE LOCAL EXCHANGE CARRIERS

O OTHER (Describe):

ANNUAL REPORT

OF

QualStar Communications, Inc. 90-9144

(Exact legal name of respondent)
If name was changed during year, show also the previous name and date of change.
www.qualstar.net

Website URL

Address	City	County	State	Zip Code
417 Wayne Ave., Ste. 102, P.O. Box 504	Defiance	Defiance	OH	43512

419-782-6990

Phone: (Area Code) Number

Address	City	County	State	Zip Code
417 Wayne Ave., Ste. 102, P.O. Box 504	Defiance	Defiance	OH	43512

(Address of principal business office at end of year)

TO THE PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED-DOCKETING DIV
2008 MAR 13 PM 12: 31
PUCO

FOR THE
YEAR ENDED DECEMBER 31, 2007

Name, title, address, e-mail address and telephone number (including area code) of the person to be contacted concerning this report.

Todd Harpest, President, 417 Wayne Ave., Ste 102, P.O. Box 504, Defiance, OH 43512
todd.harpest@qualstar.net

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GENERAL INSTRUCTIONS, DEFINITIONS, ETC.

Please read the general instructions carefully before filling out this form:

1. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.

2. The schedules and questions contained in this report were developed to be generally applicable to all competitive telecommunication service providers. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answers shall appear to show that no schedule, question, or line item has been overlooked.

3. If answers to an inquiry are given elsewhere in the report, incorporation of the information by reference is sufficient.

4. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "Title Page" and in the "Verification" page.

5. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.

6. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.

7. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.

8. The annual report shall be signed by a duly elected officer of the respondent and it shall be notarized.

9. "Operating" as used in this report refers to regulated operations while "Nonoperating" refers to nonregulated operations.

IDENTITY OF RESPONDENT

1. Identify respondent's form of business organization: sole proprietorship, partnership, corporation, or other (explain).

   Ohio Corporation

2. If a consolidated, merged, or reorganized company, briefly provide particulars of such transactions, the date of the transactions, and PUCO authority. If a reorganized company, give name of original company.

   N/A

3. Identify any other names (other than shown on title page) under which respondent conducted any part of its business during the year.

   N/A

4. If incorporated specify:
   a. Date of filing of articles of incorporation. **February 1, 2000**
   b. State in which incorporated. **Ohio**

5. Identify PUCO Case Number (and date issued) granting operating authority and identify certificate number(s) issued.

   Case Number: 00-0612-TP-ACE, August 24, 2000
   Certificate Number: 90-9144, January 17, 2001

6. State whether respondent is operational in Ohio (actually providing service and the date operations began), or available (but not currently providing service).

   Respondent is operational as of November 21, 2000

7. If operational, identify Ohio counties where respondent is providing service.

   Allen, Auglaize, Defiance, Fulton, Hancock, Hardin, Henry, Lucas, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, Wood.

8. List the types of services provided by the respondent, e.g., residential voice, business voice, business data, other (specify types of other services provided).

   Residential Voice, Business Voice, and Business Data

9. Identify if services are provided by resale (total service resale of local exchange company service) or facilities based (through respondent's own switch or via UNE platform), and names of Ohio counties where each type of service is provided.

   Voice services are currently provided via resale of Sprint service in Defiance county. Data services are currently provided via facilities based service in all counties listed in #7.

10. Identify local exchange companies that respondent has interconnection agreements with to provide service in Ohio.

    QualStar has an Interconnection Agreement with Sprint Communications, Verizon and Alltel Ohio.
    QualStar has Terminating Traffic Agreements with Ayersville Telephone Company, Arthur Mutual Telephone Company, Benton Ridge Telephone Company, Farmers Mutual Telephone Company, Glandorf Telephone Company, Ridgeville Telephone Company, and Wabash Mutual Telephone Company.

IMPORTANT CHANGES DURING THE YEAR

Report important changes of the types listed. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other answer will be sufficient.

1. Changes in ownership or control (shareholders holding 5% or more of outstanding stock).

   None

2. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

   None

SCHEDULE: 1

DIRECTORS, PROPRIETORS, PARTNERS

1. Give the name of each director or proprietor. (For partnerships identify each partner, identify which are general or limited partners, and show each partner's percent of interest.)

Line No.	Name and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)
1	Todd Harpest Defiance, OH		April 20, 2008
2	Julie Latham Defiance, OH		April 20, 2008
3	Eric Merkel Defiance, OH		April 20, 2008
4	Deborah Harpest Defiance, OH		April 20, 2008
5	Ron Latham Defiance, OH		April 20, 2008
6	Kisha Merkel Defiance, OH		April 20, 2008
7			
8			
9			
10			
11			
12			
13			
14			
15			

(For corporations, show the data requested; for other forms of business organizations, show names of individuals holding comparable positions.)

16	Name of Chairman of the Board	Todd Harpest	21 Treasurer	Julie Latham
17	Name of Secretary of Board	Julie Latham	22 Controller	
18	President	Todd Harpest		
19	Vice-President	Eric Merkel		
20	Secretary	Julie Latham		

Instructions:

Schedule 2 is used for PUCO annual assessment purposes pursuant to Section 4905.10, RC. The reporting company shall maintain supporting and/or subsidiary records to separately record revenues derived from total operations and from its Ohio intrastate operations. Information presented herein is subject to audit by the PUCO.

The jurisdictional separation of revenues reported in this schedule should conform, to the extent applicable, to the procedures and instructions of CFR 47 Parts 32 and 36.

For interexchange carriers, intrastate refers to messages originating and terminating in Ohio.

For cellular, competitive access, and paging providers, intrastate refers to amounts billed to an Ohio account.

SCHEDULE: 2

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE)

		Amount
Line No.	Item	Ohio Intrastate
1	Operating and Miscellaneous Revenue - Wholesale Cellular Communications, Radio Common Carrier, Directory Revenue, Rent Revenue, Special Billings (revenue from work performed for others, rent revenue-nonoperating, return on regulated investment used to provide nonregulated products and services, etc.)	$370,851.67
2	Other Revenue, Dividend and Interest Income, Gains From Disposition of Property -- Operating and Nonoperating, Other Operating or Nonoperating Gains (foreign currency exchange or transfer, extinguishment of debt, company's share of earnings of affiliated company accounted for on equity method, income from sinking and other funds, etc.)	$8,058.51
3	**SUBTOTAL** (1) + (2)	$378,910.18
4	Earnings or receipts from sales to other public utilities for resale	($0.00)
5	**TOTAL** (3) + (4)	$378,910.18

SCHEDULE: 3

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

Name, Title, Address, and Phone Number of the Company's Contact Persons to Receive Entries and Orders from the Docketing Division

Todd Harpest — President
Name — Title

417 Wayne Ave., Ste. 102, P.O. Box 504, Defiance, OH 43512
Address

419-782-6990 extension 110
Phone Number (Including Area Code)

Name, Title, Address, and Phone Number of Person to whom Invoice should be Directed

Julie Latham — Treasurer
Name — Title

417 Wayne Ave., Ste. 102, P.O. Box 504, Defiance, OH 43512
Address

419-782-6990 extension 113
Phone Number (Including Area Code)

Name and Address of the President

Todd Harpest — President
Name — President

417 Wayne Ave., Ste. 102, P.O. Box 504, Defiance, OH 43512
Address

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of Ohio
County of Defiance

Todd Harpest makes oath and says that
(Insert here the name of the affiant.)

he is President
(Insert here the official title of deponent)

of QualStar Communications, Inc.
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including January 1, 2006, to and including December 31, 2006.

Todd Robert Harpest, President
(Signature of affiant.)

Jim Williams, III
Notary Public, State of Ohio
My Commission Expires 2-20-08