



# Investigation Report

Grasshopper Group, LLC

UT-132153

Susie Paul  
Compliance Investigations

March 2014

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## **PURPOSE, SCOPE AND AUTHORITY**

### **Purpose**

The purpose of this investigation is to determine whether Grasshopper Group, LLC (Grasshopper) committed violations of commission rules related to reporting operating revenues on annual reports for its telecommunication company.

### **Scope**

The scope of this investigation focuses on Grasshopper's reported operating revenue for the years 2009, 2010, 2011 and 2012.

### **Authority**

Staff undertakes this investigation pursuant to Revised Code of Washington (RCW) 80.04.070, which grants the commission specific authority to conduct such an investigation.

### **Staff**

Susie Paul, Compliance Investigator  
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## EXECUTIVE SUMMARY

Grasshopper Group, LLC (Grasshopper) filed its 2012 Telecommunications Company Annual Report (annual report) and paid its regulatory fees on April 30, 2013. In the 2012 annual report, Grasshopper reported total gross intrastate operating revenue of \$184,781.11, which is identical to the amount it reported in its 2011 annual report. Staff initiated an investigation to determine if Grasshopper reported true and correct operating revenue.

The investigation of Grasshopper's business practices establishes that the company violated commission rules, as follows:

- On Apr. 30, 2013, Grasshopper violated RCW 80.04.380, by reporting \$184,781.11 in gross intrastate operating revenue on its 2012 annual report, which further investigation revealed was inaccurate. Because Grasshopper failed to report its correct gross operating revenue, appropriate 2013 regulatory fees were not paid.
- On May 26, 2011, Grasshopper violated RCW 80.04.380, by claiming zero gross intrastate operating revenue on its 2010 annual report, which further investigation revealed was inaccurate. Because Grasshopper failed to report correct gross operating revenue, appropriate 2011 regulatory fees were not paid.
- On Sept. 28, 2010, Grasshopper violated RCW 80.04.380, by claiming zero gross intrastate operating revenue on its 2009 annual report, which further investigation revealed was inaccurate. Because Grasshopper failed to report correct gross operating revenue, appropriate 2010 regulatory fees were not paid.

Commission staff recommends the commission file a complaint seeking a penalty of up to \$30,300 for 101 violations of RCW 80.04.380. Staff also recommends that Grasshopper be required to file monthly revenue reports for a period of two years.

## **BACKGROUND**

### **Company Information**

Grasshopper was originally formed in 2003 as “GotVMail Communications” and began doing business as Grasshopper Group, LLC in May 2009. Grasshopper was granted registration by the commission as a competitive telecommunications company on Dec. 12, 2009. Commission records list Siamtak Taghaddos as Chief Executive Officer and contact for the company. Grasshopper is located at 197 First Ave., Suite 200, Needham, Massachusetts.

Grasshopper describes its business as a virtual office service provider that resells long distance services by providing inbound, outbound and bridging services to its subscribers. Grasshopper offers its customers toll-free or local numbers, but the telephone numbers do not have a dial tone and the customer must maintain basic telecommunications service through another provider in order to subscribe to Grasshopper’s services. According to Grasshopper, none of the telephone numbers Grasshopper provides its customers are associated with Washington telephone lines, and they do not reside in Washington rate centers. For additional fees, Grasshopper’s customers have the option to add individual features to their service, such as vanity numbers, call forwarding, customized greetings, unlimited extensions, on-hold music, conference calling, call forwarding, and voicemail to email.

Grasshopper contracts with Marashlian and Donahue, LLC, a law firm in Virginia, to prepare and file its Washington annual reports. Marashlian and Donahue’s company has a legal branch called the CommLaw Group, and a counsel branch called the Commpliance Group. The Commpliance Group prepares Washington state annual reports from data provided by Grasshopper, as well as from a third party company, BillSoft, Inc. Once the annual report is prepared, it is sent to Grasshopper for review and approval. Grasshopper staff certifies by signature that the annual report is correct and true and returns the approved report to the Commpliance Group, who in turn files the completed report with the commission.

Grasshopper’s revised annual report claimed \$212,021.02 in total gross intrastate operating revenue in Washington for the 2012 reporting period.

### **Consumer Complaints**

There are no known customer complaints filed with the commission.

## COMPLIANCE HISTORY

### **2009 Annual Report and 2010 Regulatory Fees**

On Feb. 26, 2010, the commission mailed the 2009 annual report forms and 2010 regulatory fee packet to the registered address for Grasshopper, with instructions to file the annual report and pay regulatory fees by May 1, or request an extension. On Mar. 31, 2010, the commission mailed a notice to Grasshopper reminding them that the 2009 annual report and 2010 regulatory fees were due to the commission by May 1, 2010. On May 14, 2010, the commission offered an extension to Grasshopper indicating the commission would not seek a fine or revoke the authority of the company if the annual report and regulatory fees were postmarked no later than May 31, 2010. Grasshopper failed to respond by the deadline, and on June 30, 2010, the commission assessed Grasshopper a \$100 penalty (UT-101024) for violating WAC 480-120-382, which requires competitively classified telecommunications companies to file an annual report by May 1.<sup>1</sup> Grasshopper's penalty assessment was served by certified mail, and the certification was signed and returned to the commission on July 13, 2010. The 2009 annual report was received by the commission on Sept. 28, 2010. The \$100 penalty was paid on Oct. 1, 2010.

### **2010 Annual Report and 2011 Regulatory Fees**

On Mar. 11, 2011, the commission mailed the 2010 annual report forms and 2011 regulatory fee packet to the registered address for Grasshopper, with instructions to file the annual report and pay regulatory fees by May 1, 2011. On Apr. 20, 2011, the commission mailed a notice to all competitively classified telecommunications companies reminding them that the 2010 annual reports and 2011 regulatory fees were due by May 1. Grasshopper filed its 2010 annual report on May 26, 2011, and was not assessed a penalty.

### **2011 Annual Report and 2012 Regulatory Fees**

On Feb. 29, 2012, the commission mailed the 2011 annual report forms and 2012 regulatory fee packet to the registered address for Grasshopper, with instructions to file the annual report and pay regulatory fees by May 1, 2012, or request an extension by Apr. 24, 2012.

On May 14, 2012, the commission notified Grasshopper that its 2011 annual report was late and, accordingly, daily penalties were accruing and had reached \$800 by the date of mailing. The letter further explained that penalties would continue to accrue if Grasshopper failed to comply. Grasshopper submitted an incomplete 2011 annual report on May 31, 2012, that failed to include the required financial statements.

On July 30, 2012, the commission issued a \$2,100 penalty against Grasshopper for violating WAC 480-120-382, which requires competitively classified telecommunications companies to file an annual report by May 1 (UT-120974).<sup>2</sup> Grasshopper's penalty assessment was served by certified mail, and the certification was signed and returned to the commission on Aug. 7, 2012.

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<sup>1</sup> Copy of June 30, 2010, penalty assessment (UT-101024), is attached as Appendix 1

<sup>2</sup> Copy of July 30, 2012, penalty assessment (UT-120974), is attached as Appendix 2

The commission sent Grasshopper a third notice of the penalty assessment on Sept. 5, 2012, and a final notice on Oct. 10, 2012.<sup>3</sup>

On Nov. 28, 2012, the Senior Assistant Attorney General for the commission sent Grasshopper a notice of intent to turn the \$2,100 penalty assessment over to a collection agency.<sup>4</sup> The notice further informed Grasshopper that in addition to the \$2,100 penalty, the company would likely be assessed additional expenses and fees.

On Jan. 28, 2013, staff sent an email to Grasshopper's legal counsel to notify them that Grasshopper's telecommunications registration would be cancelled if the 2011 annual report was not completed and filed with the commission by Feb. 4, 2013.<sup>5</sup>

Grasshopper's managing consultant, Ronald E. Quirk, Esq., of the Compliance Group, responded to the commission by email on Jan. 28, 2013, and submitted the required documents to complete the 2011 annual report.

On Sept. 6, 2013, the commission received a \$2,100 payment for the penalty assessment through Alliance One Collection Agency.

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<sup>3</sup> Copy of Oct. 10, 2012, final notice of penalty, is attached as Appendix 3

<sup>4</sup> Copy of Nov. 28, 2012, notice of intent to send penalty to collections, is attached as Appendix 4

<sup>5</sup> Copy of Jan. 28, 2013, email, notifying of possible cancellation of permit, is attached as Appendix 5

## INVESTIGATION

### **Reporting of Gross Intrastate Operating Revenue**

Grasshopper filed its 2012 annual report and paid its 2013 regulatory fees on April 30, 2013. Grasshopper reported gross intrastate operating revenue of \$184,781.11. Staff noted that Grasshopper also reported \$184,781.11 in gross intrastate operating revenue on its 2011 annual report.

### **Data Request**

On June 5, 2013, staff requested the following data from Grasshopper for reporting years 2009, 2010, 2011 and 2012:

- All Washington State Business and Occupation Tax Records
- Annual Reports filed with the Washington Secretary of State

Staff requested that Grasshopper respond to the data request no later than June 19, 2013. Grasshopper did not respond to the data request.<sup>6</sup>

### **Data Request – Second Attempt**

On June 26, 2013, the Attorney General's office notified Grasshopper that it failed to respond to the data request and reiterated staff's request for information.<sup>7</sup> Grasshopper failed to respond to the notice.

### **Data Request – Third Attempt**

On July 17, 2013, staff left a voice message for Mr. Siamtak Taghaddos, CEO of Grasshopper, requesting a return call. Mr. Don Schiavone, Grasshopper's Chief Operating Officer, contacted staff on behalf of Mr. Taghaddos. Mr. Schiavone stated that he was not aware of the data requests. Copies of the data requests were sent to Mr. Schiavone electronically on July 17, 2013.<sup>8</sup> The commission required a due date of July 24, 2013, for the data response to the commission. Mr. Schiavone responded on July 17, 2013, that he received the data requests and that he would follow up with his team about both the filings and the penalty.<sup>9</sup>

On July 19, 2013, Mr. Quirk emailed staff and stated that he had just received the data request and would be working to get all requested records to the commission by the due date. On July 22, 2013, Ronald Quirk emailed the commission and requested an extension to provide the records. An extension was granted until Aug. 5, 2013. The commission received Grasshopper's electronic response to the data request on Aug. 5, 2013.

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<sup>6</sup> Copy of June 5, 2013, data request sent to Grasshopper, is attached as Appendix 6

<sup>7</sup> Copy of June 26, 2013, second data request sent to Grasshopper, is attached as Appendix 7

<sup>8</sup> Copy of July 17, 2013, third data request sent to Grasshopper, is attached as Appendix 8

<sup>9</sup> Copy of July 17, 2013, email confirming receipt of data request, is attached as Appendix 9



## Discussion

When the commission received the data request response on Aug. 5, 2013, Grasshopper’s counsel provided the following explanation for the identical gross intrastate operating revenue for reporting years 2011 and 2012:<sup>10</sup> “Since WUTC inquired about this matter, Grasshopper has reviewed its records. Based on that review, Grasshopper found that the \$184,781.11 was correctly reported in its 2012 annual report (2011 reporting period). Grasshopper did, however, discover that the amount that should have been reported for the 2013 report (2012 reporting period) was \$212,021.02.”

Furthermore, Grasshopper stated “The reason why Grasshopper submitted the incorrect revenue figure for its 2013 [sic] report is that its third-party billing vendor did not correctly delineate the Washington State telecom-related revenue and Grasshopper reported what it thought was the correct figure, based on what it could decipher. Grasshopper sincerely regrets its inadvertent revenue reporting error. Grasshopper is currently implementing safeguards, including working with its third-party vendor, to ensure that the correct revenue data will be provided to WUTC going forward. Grasshopper is preparing a revised 2013 [sic] annual report, containing the correct revenue that it will submit to the commission shortly.”

Grasshopper submitted a revised 2012 annual report and paid the commission an additional \$154.48 in regulatory fees on Aug. 9, 2013. Financial Services staff found that Grasshopper erred in the fee calculation for its revised 2012 report, and issued the company a \$100 refund.

For the purposes of this investigation, staff reviewed Grasshopper’s revenue as documented on the commission’s regulatory fee sheets for reporting years 2009, 2010, 2011 and 2012, and Grasshopper’s Combined Excise Tax Returns submitted to Washington State Department of Revenue (DOR) for 2009, 2010, 2011, and 2012.<sup>11</sup> The following chart illustrates Grasshopper’s reported revenue both to the commission and to DOR.

<b>Grasshopper’s reported revenue in the state of Washington</b>		
<b>Report Year</b>	<b>Revenue reported to commission</b>	<b>Revenue reported to Dept of Revenue</b>
2009	Ø	\$ 74,758.76
2010	Ø	\$259,392.45
2011	\$184,781.11	\$247,931.89
2012	\$184,781.11	\$279,077.25

On Aug. 8, 2013, staff requested Grasshopper provide an explanation for the discrepancy between Grasshopper’s revenue as reported to the commission and as reported to DOR for reporting years 2009, 2010, 2011 and 2012. On Sept. 5, 2013, Mr. Quirk informed staff that he had discussed the revenue reporting discrepancies with Grasshopper and would respond by Sept. 10, 2013.

<sup>10</sup> Copy of email, dated Aug. 5, 2013, re reported revenues, is attached as Appendix 10

<sup>11</sup> Sample of copies of Revenue’s Combined Excise Tax Returns for 2009-2012, is attached as Appendix 11

On Sept. 10, 2013, Mr. Quirk responded, “According to WAC 480-120-382(4), a carrier must report revenue subject to WUTC’s jurisdiction, i.e., intrastate telecommunications revenue, in its Annual Reports. The revenue Grasshopper reports to the WDoR each year includes non-telecommunications revenue. During the subject years, Grasshopper’s third-party billing vendor did not provide any information as to what revenue, if any, constituted intrastate telecommunications revenue. The revenue information Grasshopper reported in its subject Annual Reports was based on a good-faith effort to decipher reportable revenue from the data available at the time.” Mr. Quirk also wrote, “It is Grasshopper’s intention to be fully compliant with WUTC’s rules and policies. Since WUTC first requested information on this matter, Grasshopper has undertaken a thorough review of its revenue data for the subject years. Based on that review, Grasshopper has ascertained that some of its revenue would be subject to the WUTC’s reporting requirements. Accordingly, within the next two weeks, Grasshopper will submit revised WUTC Annual Reports for the 2009 and 2010 reporting periods, and pay the applicable fees.”<sup>12</sup>

On Oct. 1, 2013, Grasshopper submitted revised confidential annual reports for 2009 and 2010

### **Annual Reports and Revisions**

**2009** - Included with the 2009 annual report was a letter, dated June 3, 2010, from Olivia Hill, regulatory consultant for the CommLaw Group stating, “Grasshopper had “0” Gross Intrastate Operating revenue in the state of Washington for the 2009 reporting period.”<sup>13</sup> As described above, Grasshopper’s regulatory fee sheet and 2009 annual report, submitted Sept. 28, 2010, indicated zero gross intrastate operating revenue for the state of Washington.<sup>14</sup>

**2009 Revised** – Grasshopper resubmitted its 2009 annual report on Oct. 1, 2013. The annual report revised Grasshopper’s gross intrastate operating revenue in the state of Washington to \$72,070.77.<sup>15</sup> Grasshopper included a regulatory fee payment of \$94.14. Grasshopper did not calculate or include any late fees as required by RCW 80.24.101.

**2010** – Grasshopper’s 2010 annual report and regulatory fee sheet, submitted May 26, 2011, indicated zero gross intrastate operating revenue for the state of Washington.<sup>16</sup>

**2010 Revised** – Grasshopper resubmitted its 2010 annual report on Oct. 1, 2013.<sup>17</sup> The annual report revised Grasshopper’s gross intrastate operating revenue in the state of Washington to \$184,781.11. Grasshopper included a regulatory fee payment of \$375.29. Grasshopper did not calculate or include any fees for late submission.

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<sup>12</sup> Copy of Sept. 10, 2013, email from Grasshopper’s counsel re revenue, is attached as Appendix 12

<sup>13</sup> Copy of June 3, 2010, letter claiming zero gross operating revenue, is attached as Appendix 13

<sup>14</sup> Copy of 2009 annual report, submitted Sept. 28, 2013, is attached as Appendix 14

<sup>15</sup> Copy of revised 2009 annual report, submitted Oct. 1, 2013, is attached as Appendix 15

<sup>16</sup> Copy of 2010 annual report, submitted May 26, 2011, is attached as Appendix 16

<sup>17</sup> Copy of revised 2010 annual report, submitted Oct. 1, 2013, is attached as Appendix 17

**2011** – Grasshopper’s 2011 submitted a complete annual report on Jan. 28, 2013.<sup>18</sup> The annual report documented \$184,781.11, in gross intrastate operating revenue for the state of Washington. A subsequent review by Grasshopper found the reported revenue to be correct.

**2012** – Grasshopper’s 2012 annual report, submitted Apr. 30, 2013, reported gross intrastate operating revenue of \$184,781.11 for the state of Washington.<sup>19</sup> Included with the annual report was a cover letter from Ronald E. Quirk, managing consultant with the Compliance Group. The letter stated, “The enclosed report includes the Regulatory Fee Sheet, delineating Grasshopper’s 2012 intrastate operating revenues....”

**2012 Revised** – Grasshopper resubmitted its 2012 annual report on Aug. 9, 2013.<sup>20</sup> The annual report revised its reported revenue to \$212,021.02. Late fees were not calculated or included.

### Annual Report Certifications


Grasshopper’s annual report certifications raise questions about Grasshopper’s business practices. RCW 80.04.385 states, “Every officer, agent, or employee of any public service company, who shall violate or fail to comply with, or who procures, aids, or abets any violation by any public service company of any provision of this title, or who shall fail to obey, observe or comply with any order of the commission, or any provision of any order of the commission, or who procures, aids or abets any such public service company in its failure to obey, observe and comply with any such order or provision, shall be guilty of a gross misdemeanor.”

The commission’s annual report contains an oath that certifies that the signer is the responsible account officer for the company and has examined the report, and that to the best of their knowledge, information and belief, all statements of fact contained in the report are true, and reflect a correct statement of the business and affairs of the company in respect to each and every matter set forth therein during the reporting period.

Staff finds Dominic Schiavone’s signature to be significantly different on the 2012 revised annual report, dated Aug. 6, 2013, from his signatures on the 2012 report, dated April 23, 2013, and the 2011 annual report, dated May 25, 2012, as illustrated below:

### 2012 Revised Annual Report Certification

Washington Unified Business Identifier (UBI) No.: 602955460  
*(If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or [BL\\_S@dor.wa.gov](mailto:BL_S@dor.wa.gov))*

Annual Report Certification	
I certify that I, <u>Dominic Schiavone</u> , the responsible account officer for <u>Grasshopper Group LLC</u> have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 January 1, 2012, to December 31, 2012, inclusive.	
Name (Printed) <u>Dominic Schiavone</u>	Title <u>Chief Operating Officer</u>
Signature <u></u>	Date <u>August 6, 2013</u>


<sup>18</sup> Copy of 2011 annual report, completed Jan. 28, 2013, is attached as Appendix 18

<sup>19</sup> Copy of 2012 annual report, submitted Apr. 30, 2013, is attached as Appendix 19

<sup>20</sup> Copy of revised 2012 annual report, submitted Aug. 9, 2013, is attached as Appendix 20

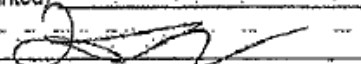
## 2012 Annual Report Certification

Washington Unified Business Identifier (UBI) No.: 602955460  
(If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or [BLS@dor.wa.gov](mailto:BLS@dor.wa.gov))

Annual Report Certification	
I certify that I, <u>Dominic Schiavone</u> , the responsible account officer for <u>Grasshopper Group LLC</u> have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 January 1, 2012, to December 31, 2012, inclusive.	
Name (Printed) <u>Dominic Schiavone</u>	Title <u>Chief Operating Officer</u>
Signature 	Date <u>April 23, 2013</u>

## 2011 Annual Report Certification

Washington Unified Business Identifier (UBI) No.: 602955460  
(If you do not know your UBI No. please contact the Department of Licensing at 360-664-1400)

Annual Report Certification	
I certify that I, <u>Dominic Schiavone</u> , the responsible account officer for <u>Grasshopper Group LLC</u> have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 <u>Jan 1, 2011 - Dec 31, 2011</u> , inclusive.	
Name (Printed) <u>Dominic Schiavone</u>	Title <u>Chief Operating Officer</u>
Signature 	Date <u>5/25/12</u>

Staff attempted to contact Mr. Schiavone to verify his signature on the certifications, but Mr. Schiavone did not respond. Staff contacted Mr. Quirk, who stated that he has signature authority for Grasshopper in some states, but the signature on April 6, 2013, is not his and added, "I don't want to speculate whose signature it is." Mr. Quirk told staff that the revised 2012 annual report had been sent to Grasshopper for review, and the reports were returned to him for submission to the commission. Mr. Quirk stated he would contact his client and attempt to determine who is signing the annual report certifications.

On Nov. 14, 2013, Mr. Quirk forwarded an email from Don Schiavone, who confirmed that the signature on Aug. 6, 2013, annual report certification is his.<sup>21</sup>

<sup>21</sup> Copy of email, dated Nov. 14, 2013, from Don Schiavone, is attached as Appendix 21

As the responsible account officer, Don Schiavone signed an oath that all statements in the annual report submitted to the commission were true and correct accounts. Mr. Schiavone knew, or should have known, that the reported revenue for Washington state in the 2012 reporting period was identical to the reported revenue for Washington State in the 2011 reporting period and was not a true account of revenue.

### Findings

RCW 80.04.380 provides, in part, that a public service company shall obey, observe and comply with every order, rule, direction or requirement made by the commission. Staff finds a total of 101 violations of RCW 80.04.380 related to the date Grasshopper filed its 2012 annual report on April 30, 2013, until the report was revised and additional regulatory fees were paid on Aug. 9, 2013.

The commission sends out annual report forms and regulatory fee sheets each year, and also posts them on the commission's website. Staff believes that Grasshopper demonstrates poor business practices by submitting annual reports and regulatory fee sheets that appear to be cut and pasted from previous years.

The snapshots below supports staff's theory that the company simply cuts and pastes annual reporting information from previous years rather than using the appropriate form provided by the commission.

#### 2011 Regulatory Fee Sheet submitted by Grasshopper

REGULATORY FEE CALCULATION SCHEDULE  
Due May 1, 2011

Company Name:

Annual Report Year:

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

#### 2011 Regulatory Fee Sheet distributed by the commission

REGULATORY FEE CALCULATION SCHEDULE  
Due May 1, 2012

Company Name:

Annual Report Year:

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

## RECOMMENDATION

Staff typically recommends a “per violation” penalty against a regulated company where the violations result in serious customer harm; for repeat violations of a rule after a company receives technical assistance from staff; or for intentional violations of commission laws or rules. The commission also has the authority to assess penalties of up to \$1,000 per violation, per day following a formal complaint and hearing.<sup>22</sup>

In this case, staff recommends penalties of \$300 for each of the 101 violations cited in this report, for a total penalty of \$30,300. Staff considered the following factors in making its recommendation.

**1. How serious or harmful the violation is to the public.**

Grasshopper has demonstrated a disregard for commission laws and rules related to annual reporting. Because Grasshopper failed to fulfill its obligation as a regulated company, valuable state resources were used to investigate Grasshopper’s business practices. Moreover, Grasshopper’s reporting of inaccurate information speaks to the company’s fitness to operate.

**2. Whether the violation is intentional.**

It appears to staff that the violations were intentional. The company knew, or should have known, that the reporting revenue was incorrect when it claimed “zero” gross operating revenues in 2009 and 2010, and reported the identical revenues for 2011 and 2012. Even though the commission provides companies with current annual report forms and regulatory fee sheets each year (and posts them on the commission’s website), the annual report certifications appear to have been reused from past years.

**3. Whether the company self-reported the violation.**

Grasshopper did not self-report the violations. Once Grasshopper became aware of this investigation, it submitted revised annual reports.

**4. Whether the company was cooperative and responsive.**

Grasshopper was neither cooperative nor responsive to staff’s requests. The company failed to respond to the first two data requests. Grasshopper also failed to respond to Washington’s Senior Attorney General. More than two months passed before the company submitted the requested information. Grasshopper has a history of disregarding commission rules by failing to timely file annual reports, and failing to pay penalties until they are sent to collections.

**5. Whether the company promptly corrected the violations and remedied the impacts.**

Grasshopper failed to promptly correct the violations. More than four months passed between the time Grasshopper was notified that its annual report forms were

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<sup>22</sup> RCW 80.04.380 allows the commission to assess a penalty of up to \$1,000 for each violation after hearing.

inaccurate and revised reports were submitted. While the impacts were eventually remedied, Grasshopper failed to calculate or pay late fees for revised reports.

**6. The likelihood of recurrence.**

In an email dated Sept. 10, 2013, Mr. Quirk wrote, "...Grasshopper is working with its third-party vendor to implement safeguards to ensure that it provides thorough and accurate information to WUTC going forward." Grasshopper has not claimed any responsibility for inaccurate filings, late filings, and delayed payment of penalties. Staff believes that the likelihood of recurrence is substantial given the company's failure to take responsibility for its actions thus far.

**7. The company's past performance regarding compliance, violations and penalties.**

Grasshopper has a history of substantial noncompliance. The company failed to timely file annual reports for the 2009, 2010 and 2011 reporting periods. Grasshopper's 2012 annual report was filed by the deadline; however, the company was already under investigation for disregarding the penalty assessment issued for the late filing of its 2011 annual report. Staff alleges that Grasshopper simply copied information from its 2011 annual report onto its 2012 annual report without any attempt to obtain accurate information.

Grasshopper was assessed a \$100 penalty on June 10, 2010, for late filing of its 2009 annual report. The penalty was not paid until Oct. 1, 2013.

On July 30, 2012, Grasshopper was assessed a \$2,100 penalty. The penalty was forwarded to a collection agency. The commission received payment from Alliance One Collection Agency on Sept. 6, 2013.

**8. The company's existing compliance program.**

Staff is not aware of any existing compliance program.

**9. The size of the company.**

Grasshopper reported gross operating revenue of \$212,021.02 for 2012 in Washington state. An article, dated April 19, 2013, from the magazine *Entrepreneur*, states, "The company is currently pulling in \$20 million in revenue."

**Penalty Recommendation**

Grasshopper has demonstrated a disregard for commission laws and rules by altering annual reports, failing to report accurate revenue, ignoring penalty assessments, and failing to respond to staff's data requests, all of which violate RCW 80.24.010 and WAC 480-121-060(b).

Staff recommends the commission file a complaint seeking a penalty of up to \$30,300 for the following violations:

- \$300 for each of the 101 violations of RCW 80.04.380, related to the number of days from the date Grasshopper filed its 2012 annual report on April 30, 2013, until it was revised, additional regulatory fees were paid, and the annual report was complete on Aug. 9, 2013, for a total penalty of \$30,300.

Staff also recommends that Grasshopper be required to file monthly revenue reports for a period of two years. RCW 80.04.080 provides, in part, “The commission shall have authority to require any public service company to file monthly reports of earnings and expenses, and to file periodical or special, or both periodical or special, reports concerning any matter about which the commission is authorized or required by this or any other law, to inquire into or keep itself informed about, or which it is required to enforce, such periodical or special reports to be under oath whenever the commission so requires.”



## APPENDIX 1

### WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

#### NOTICE OF PENALTIES INCURRED AND DUE FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: UT-101024  
PENALTY AMOUNT: \$100

GRASSHOPPER GROUP, LLC  
197 1<sup>st</sup> AVENUE, SUITE 200  
NEEDHAM, MASSACHUSETTS 02494

The Washington Utilities and Transportation Commission (Commission) believes that you have committed a violation of Washington Administrative Code (WAC) 480-120-382, which requires competitively classified telecommunications companies to file annual reports with the Commission by May 1 each year. You are classified as such a company. Commission records show that you did not make the filing by the required date of May 1, 2010. Revised Code of Washington (RCW) 80.04.405 allows penalties of \$100 for every such violation. Each and every such violation shall be a separate and distinct offense and, in the case of a continuing violation, every day's continuance shall be and be deemed to be a separate and distinct violation.

As a result, the Commission hereby notifies you that it has assessed penalties against you in the amount \$100, as follows:

On February 26, 2010, the Commission mailed 2009 Annual Report forms and 2010 Regulatory Fee packets to competitively classified telecommunications companies registered in Washington State. A letter from Executive Secretary David W. Danner instructed companies to file annual reports and pay regulatory fees by May 1, 2010. Further, the letter stated failure to file the annual report by May 1 would result in a penalty. Those companies wishing to request an extension to file the annual report were asked to do so prior to May 1, providing a reason for the requested extension. You did not request an extension.

On March 31, 2010, the Commission mailed a notice to all competitively classified telecommunications companies reminding them that 2009 annual reports and 2010 regulatory fees were due by May 1, 2010.

On May 14, 2010, the Commission sent letters to those companies that had not yet filed their reports. The letter, signed by Mr. Danner, gave an extension to companies to file their reports by May 31, 2010. In the letter, Mr. Danner

**APPENDIX 1 (continued)**

PENALTY ASSESSMENT UT-101024

PAGE 2

stated the Commission would not seek a fine or revoke the authority of any company with a report received by the Commission postmarked no later than May 31, 2010.

As of June 11, 2010, Grasshopper Group, LLC, failed to file the 2009 Annual Report.

This information, if proved at a hearing and not rebutted or explained, is sufficient to support the penalty assessment.

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. If there is a reason for the violation that you think should excuse you from the penalty, you may ask for mitigation (reduction) of this penalty. See RCW 81.04.405.

You have the right to present your request for review or mitigation at a hearing, but you are not required to do so. If you do, the Commission will review the evidence supporting your request in an informal hearing, called a Brief Adjudicative Proceeding, before an administrative law judge. The administrative law judge will consider your plea and notify you of his or her decision.

**You must act within 15 days after receiving this notice** to do one of the following:

- Pay the amount due.
- Request a hearing to contest the occurrence of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, **within FIFTEEN (15) days** after you receive this notice.

**If you do not act within 15 days**, the Commission may refer this matter to the Office of the Attorney General for collection. The Commission may then sue you to collect the penalty.

DATED at Olympia, Washington, and effective June 30, 2010.

---

ANN E. RENDAHL  
Administrative Law Judge

**APPENDIX 1 (continued)**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
PENALTY ASSESSMENT UT-101024**

**PLEASE NOTE:** You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

- 1. **Payment of penalty.** I admit that the violation occurred and enclose \$\_\_\_\_\_ in payment of the penalty.
  
- 2. **Request for a hearing.** I believe that the alleged violation did not occur, based on the following information, and request a hearing for a decision by an administrative law judge:
  - a) I ask for a hearing for a decision by an administrative law judge
  
- 3. **Application for mitigation.** I admit the violation, but I believe that the penalty should be reduced for the reason(s) set out below, and
  - OR  b) I waive a hearing and ask for an administrative decision on the information I present directly above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: \_\_\_\_\_ [month/day/year], at \_\_\_\_\_ [city, state]

\_\_\_\_\_  
Name of Respondent (company) – please print

\_\_\_\_\_  
Signature of Applicant

-----  
RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”

## APPENDIX 2

### WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

#### NOTICE OF PENALTIES INCURRED AND DUE FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: UT-120974  
PENALTY AMOUNT: \$2,100

Grasshopper Group, LLC  
197 1<sup>st</sup> Avenue, Suite 200  
Needham, MA 02494

According to the Commission's records, you have committed a violation of Commission rule: Washington Administrative Code (WAC) 480-120-382, which requires competitively classified telecommunications companies to file annual reports with the Commission by May 1 each year and pay regulatory fees annually on that date. You are classified as a telecommunication company. Commission records show that you did not file an annual report or pay annual regulatory fees by May 1, 2012.

Revised Code of Washington (RCW) 81.04.405 authorizes the Commission to assess penalties of \$100 for violations of Commission rules. Each and every such violation shall be a separate and distinct offense and, in the case of a continuing violation, every day's continuance shall be and be deemed to be a separate and distinct violation. The Commission interprets noncompliance with WAC 480-120-382 as continuing violations, giving rise to penalties of \$100 for each day a company fails to make each requisite filing after the date on which it was due.

As a result, the Commission hereby notifies you that it has assessed penalties against you in the amount \$2,100 on the following basis:

On February 29, 2012, the Commission mailed 2011 Annual Report forms and 2012 Regulatory Fee packets to all telecommunication companies registered in Washington state. A letter from the commission's Executive Secretary David W. Danner, instructed these companies to file annual reports and pay regulatory fees by May 1, 2012. The letter stated failure to file the annual report by May 1 would result in a penalty and possible cancellation of the company's permit to operate in Washington. Those companies wishing to request an extension to file the annual report were asked to do so prior to April 24, providing a reason for the requested extension. You did not request an extension.

Grasshopper Group, LLC did not file its annual report by May 31, 2012, which is 21 business days past the deadline of May 1. The penalty is \$100 per day for a total of \$2,100.

**APPENDIX 2 (continued)**

**PENALTY ASSESSMENT UT-120974**

**PAGE 2**

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. If there is a reason for the violation that you think should excuse you from the penalty, you may ask for mitigation (reduction) of this penalty. See RCW 81.04.405.

You have the right to present your request for review or mitigation at a hearing, but you are not required to do so. If you do, the Commission will review the evidence supporting your request in an informal hearing, called a Brief Adjudicative Proceeding, before an administrative law judge. The administrative law judge will consider your plea and notify you of his or her decision.

**You must act within 15 days after receiving this notice** to do one of the following:

- Pay the amount due.
- Request a hearing to contest the occurrence of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, **within FIFTEEN (15) days** after you receive this notice.

**If you do not act within 15 days**, the Commission may refer this matter to the Office of the Attorney General for collection. The Commission will then sue you to collect the penalty.

DATED at Olympia, Washington, and effective July 30, 2012.

  
\_\_\_\_\_  
GREGORY J. KOPTA  
Administrative Law Judge

**APPENDIX 2 (continued)**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
PENALTY ASSESSMENT UT-120974**

**PLEASE NOTE:** You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violations occurred. I have:
- Enclosed \$2,100 in payment of the penalty
  - Submitted my payment of \$2,100 online at [www.utc.wa.gov](http://www.utc.wa.gov). My confirmation number is \_\_\_\_\_.
2. **Request for a hearing.** I believe that one or more of the alleged violations did not occur, based on the following information, and request a hearing, which is a process that allows an affected person to present argument to an administrative law judge for a decision by an administrative law judge:
3. **Application for mitigation.** I admit the violations, but I believe that the penalty should be reduced for the reason(s) set out below.
- a) I ask for a hearing for a decision by an administrative law judge based on the information presented above.
- OR  b) I waive a hearing and ask for an administrative decision on the information I present directly above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: \_\_\_\_\_ [month/day/year], at \_\_\_\_\_ [city, state]

\_\_\_\_\_  
Name of Respondent (company) – please print

\_\_\_\_\_  
Signature of Applicant

-----  
RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”



**APPENDIX 4**



Rob McKenna  
**ATTORNEY GENERAL OF WASHINGTON**

Utilities and Transportation Division

1400 S Evergreen Park Drive SW • PO Box 40128 • Olympia WA 98504-0128 • (360) 664-1183

November 28, 2012

Grasshopper Group, LLC  
197 1<sup>st</sup> Avenue, Suite 200  
Needham, MA 02494

**RE: Notice of Intent to Send to Collections, Penalty Assessment No. UT-120974**

Dear Sir or Madam:

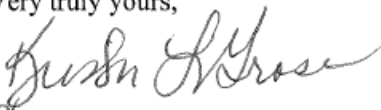
As you are aware, on July 30, 2012, the Washington Utilities and Transportation Commission issued a Penalty Assessment against Grasshopper Group, LLC in the amount of \$2,100 for violation of WAC 480-120-382, which requires competitively classified telecommunications companies to file an annual report with the Commission by May 1 each year. Grasshopper Group, LLC failed to file its annual report for 2011 and has incurred a penalty of \$2,100. The Commission sent Grasshopper Group, LLC a Second Notice on September 5, 2012, and a Final Notice on October 10, 2012.

The Commission has not received the \$2,100 payment due and owing.

**This is to notify you that the Commission intends to forward your outstanding debt to a collection agency for collection.** You likely will incur additional expenses and fees, including costs of collection, attorney's fees, and interest. These expenses and fees will be added to your outstanding \$2,100 balance.

If you have any questions about this letter or about the company's obligations under Commission rules, you may contact Sondra Walsh at (360) 664-1286.

Very truly yours,

  
SALLY BROWN  
Senior Assistant Attorney General

cc: Sondra Walsh, Manager, UTC Finance and Facilities  
Kim Anderson, UTC Financial Services  
Amy Andrews, UTC Financial Services



## APPENDIX 5

**From:** Perkinson, Mathew (UTC) [<mailto:Mperkins@utc.wa.gov>]  
**Sent:** Monday, January 28, 2013 12:30 PM  
**To:** [drh@compliancegroup.com](mailto:drh@compliancegroup.com)  
**Subject:** Annual Report and Regulatory Fee

Please contact the commission immediately regarding your company's failure to file its *completed* annual report. I see your company has not filed its completed annual report. As you are aware, your telecommunications registration will be cancelled on Feb. 4, 2013, if the report is not completed.

You may contact Rae Lynn Carnes regarding filing your completed annual report at [redacted] or (360) 664-1152.

**Mathew Perkinson**  
Compliance Investigator  
Consumer Protection and Communications  
Washington Utilities and Transportation Commission  
Phone: (360) 664-1105 Fax: (360) 664-4291

## APPENDIX 6



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION  
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • [www.utc.wa.gov](http://www.utc.wa.gov)

June 5, 2013

Mr. Siamak Taghaddos, CEO  
Grasshopper Group, LLC  
197 1<sup>st</sup> Avenue, Suite 200  
Needham, MA 02494

Dear Mr. Taghaddos:

The Washington Utilities and Transportation Commission is conducting an investigation into Grasshopper Group, LLC's reported operating revenues in annual reports filed with the commission for 2009, 2010, 2011, and 2012.

The Revised Code of Washington (RCW) 80.04.070 authorizes the commission to inspect the books, papers, and documents of all regulated companies. To complete this investigation, commission staff requests the following information for the reporting years 2009, 2010, 2011, and 2012:

1. All Washington State Business and Occupation Tax Records
2. Annual Reports filed with the Washington Secretary of State

If you have questions regarding this request or the level of detail requested, please contact Susie Paul, Compliance Investigator. Ms. Paul can be reached at (360) 664-1105 or [spaul@utc.wa.gov](mailto:spaul@utc.wa.gov). All requested documents and information must be provided by June 19, 2013. The response should be directed to Ms. Paul. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven V. King".

Steven V. King  
Acting Executive Director and Secretary

## APPENDIX 7



Bob Ferguson

### ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

1400 S Evergreen Park Drive SW • PO Box 40128 • Olympia WA 98504-0128 • (360) 664-1183

June 26, 2013

Mr. Siamak Taghaddos, CEO  
Grasshopper Group, LLC  
197 1<sup>st</sup> Avenue, Suite 200  
Needham, MA 02494

Dear Mr. Taghaddos:

The Washington Utilities and Transportation Commission (Commission) is conducting an investigation into Grasshopper Group, LLC's reported operating revenues in annual reports filed with the Commission for 2009, 2010, 2011, and 2012.


Revised Code of Washington (RCW) 80.04.070 authorizes the Commission to inspect the books, papers and documents of all regulated companies. On June 5, 2013, the Commission sent you the attached letter requesting that you provide information to complete its investigation, by June 19, 2013. To date, you have failed to respond to the Commission's letter, and the response is overdue.

To repeat, the Commission requests the following information, for the reporting years 2009, 2010, 2011, and 2012:

1. All Washington State Business and Occupation Tax Records
2. Annual Reports filed with the Washington Secretary of State.

We expect a response to the Commission's request as soon as possible. If you have questions regarding this request or the level of detail requested, please contact Susie Paul, Compliance Investigator. Ms. Paul can be reached at (360) 664-1105 or [spaul@utc.wa.gov](mailto:spaul@utc.wa.gov). The response should be directed to Ms. Paul. Thank you for your immediate attention to this matter.

Sincerely,

  
SALLY G. BROWN  
Senior Assistant Attorney General

SGB:klg  
Enclosures

## APPENDIX 8

**From:** Paul, Susie (UTC) [mailto:SPaul@utc.wa.gov]  
**Sent:** Wednesday, July 17, 2013 1:58 PM  
**To:** Don Schiavone - Grasshopper  
**Subject:** Data Request from Washington Utilities and Transportation Commission

Mr. Schiavone:

As we discussed on the phone today, I am attaching the data requests sent from our Executive Director on June 5 and again on June 26 from our Assistant Attorney General.

**Please provide the documents requested in the attached data requests to me by July 24, 2013.**

Also, please provide the status on the payment of the penalty assessment Grasshopper received for not timely filing its Washington Utilities and Transportation's 2011 Annual Report.

Thank you,

**Susie Paul**  
Compliance Investigator  
Consumer Protection and Communications  
Washington Utilities and Transportation Commission

## APPENDIX 9

**From:** [Don Schiavone - Grasshopper](#)  
**To:** [Paul, Susie \(UTC\)](#)  
**Subject:** RE: Data Request from Washington Utilities and Transportation Commission  
**Date:** Wednesday, July 17, 2013 11:38:43 AM

---

Susie,

Got it. I will expedite the data request with with my team. Also, I am following up on the payment for the late filing as well.

Thank you,

Don

---

**Don Schiavone**

Chief Operating Officer

Grasshopper

800-820-8210 x724

[dschiavone@grasshopper.com](mailto:dschiavone@grasshopper.com)

**What's going on at Grasshopper?**

Follow us [@grasshopper](#) & on [Facebook](#)

Check out our blog <http://grasshopper.com/blog>

## APPENDIX 10

**From:** [Ronald Quirk](#)  
**To:** [Paul, Susie \(UTC\)](#)  
**Cc:** ["Michael P. Donahue"; "Christopher A Canter"](#)  
**Subject:** Grasshopper Group, LLC: WUTC Requested Documentation  
**Date:** Monday, August 05, 2013 12:24:17 PM  
**Attachments:** [GHG WA State Excise Tax Return 200909-201212.zip](#)  
[Grasshopper 2012 WA Annual Report 08212012.pdf](#)  
[Grasshopper 2010 Annual Report 09222010.pdf](#)  
[Grasshopper 2011 WA Annual Report 10022011.pdf](#)

---

Dear Ms. Paul,

As per your request and on behalf of Grasshopper Group, LLC ("Grasshopper"), attached please find Grasshopper's Washington State Business and Occupational Tax Records for the reporting periods 2009-2012, and the annual reports Grasshopper filed with the Washington Secretary of State for the reporting periods of 2009-2011. Please note that Grasshopper's annual report for the 2012 reporting period is not due until next month; it will timely file that report.

It is Grasshopper's understanding that WUTC requested this documentation because WUTC saw that Grasshopper had submitted the same intrastate revenue figure for its 2012 and 2013 WUTC annual reports: \$184,781.11. Since WUTC inquired about this matter, Grasshopper has reviewed its records. Based on that review, Grasshopper found that the \$184,781.11 was correctly reported in its 2012 annual report (2011 reporting period). Grasshopper did, however, discover that the amount that should have been reported for the 2013 report (2012 reporting period) was \$212,021.02. Grasshopper is preparing a revised 2013 annual report, containing the correct revenue that it will submit to the Commission shortly.

The reason why Grasshopper submitted the incorrect revenue figure for its 2013 report is that its third-party billing vendor did not correctly delineate the Washington State telecom-related revenue and Grasshopper reported what it thought was the correct figure, based on what it could decipher. Grasshopper sincerely regrets its inadvertent revenue reporting error. Grasshopper is currently implementing safeguards, including working with its third-party vendor, to ensure that the correct revenue data will be provided to WUTC going forward.

Thank you for your attention to this matter. If you require any additional information, please do not hesitate to contact me directly.

Sincerely,

Ronald E. Quirk, Jr., Esq.  
Managing Consultant  
The Compliance Group  
1420 Spring Hill Road, Suite 401  
McLean, VA 22102  
(703)714-1305  
[req@compliancegroup.com](mailto:req@compliancegroup.com)

**APPENDIX 11**



**July - September (Q3 2009)  
Combined Excise Tax Return**

602-955-460  
GRASSHOPPER GROUP LLC

**State Business and Occupation Section**

**Taxes**

Line Code	Tax Classification	Gross Amount	Total Deductions	Taxable Amount	Rate	Tax Due
0002	Retailing	18,151.13	0.00	18,151.13	0.00471	85.49
		<b>18,151.13</b>	<b>0.00</b>	<b>18,151.13</b>		<b>85.49</b>

**State Sales and Use Section**

**Taxes**

Line Code	Tax Classification	Gross Amount	Total Deductions	Taxable Amount	Rate	Tax Due
0001	Retail Sales	18,151.13	0.00	18,151.13	0.0650	1,179.82
		<b>18,151.13</b>	<b>0.00</b>	<b>18,151.13</b>		<b>1,179.82</b>

**Local Sales Section**

Line Code	Location Code	Location Name	Taxable Amount	Rate	Tax Due
0045	0300	BENTON COUNTY	124.58	0.0120	1.49
0045	0302	KENNEWICK	21.78	0.0180	0.39
0045	0304	RICHLAND	70.96	0.0180	1.28
0045	0502	PORT ANGELES	11.72	0.0190	0.22
0045	0503	SEQUIM	32.01	0.0190	0.61
0045	0601	BATTLE GROUND	10.58	0.0170	0.18
0045	0602	CAMAS	48.42	0.0170	0.82
0045	0605	VANCOUVER	587.40	0.0170	9.99
0045	0606	WASHOUGAL	84.93	0.0170	1.44
0045	0607	YACOLT	20.30	0.0170	0.35
0045	0666	CLARK-PTBA	123.24	0.0170	2.10
0045	1303	EPHRATA	123.14	0.0140	1.72
0045	1406	MONTESANO	15.17	0.0180	0.27
0045	1407	OAKVILLE	69.78	0.0180	1.26
0045	1501	COUPEVILLE	20.75	0.0190	0.39
0045	1502	LANGLEY	161.47	0.0190	3.07
0045	1503	OAK HARBOR	23.08	0.0190	0.44
0045	1600	JEFFERSON COUNTY	25.28	0.0190	0.48

**APPENDIX 11 (continued)**

Combined Excise Tax Return

Page 2 of 4

0045	1601	PORT TOWNSEND	40.58	0.0190	0.77
0045	1700	KING COUNTY RTA	45.06	0.0300	1.35
0045	1702	AUBURN/KING RTA	64.44	0.0300	1.93
0045	1704	BELLEVUE RTA	1,412.95	0.0300	42.39
0045	1706	BOTHELL/KING	160.50	0.0300	4.82
0045	1711	ENUMCLAW	55.60	0.0210	1.17
0045	1714	ISSAQUAH RTA	451.86	0.0300	13.56
0045	1715	KENT RTA	453.65	0.0300	13.61
0045	1716	KIRKLAND	569.39	0.0300	17.08
0045	1719	MERCER ISLAND	310.83	0.0300	9.32
0045	1720	MAPLE VALLEY	1.28	0.0210	0.03
0045	1721	NORMANDY PARK	563.94	0.0300	16.92
0045	1724	REDMOND RTA	540.63	0.0300	16.22
0045	1725	RENTON RTA	450.97	0.0300	13.53
0045	1726	SEATTLE	3,854.57	0.0300	115.64
0045	1728	SNOQUALMIE	64.43	0.0210	1.35
0045	1735	WOODINVILLE RTA	193.75	0.0300	5.81
0045	1737	SHORELINE	49.18	0.0300	1.48
0045	1800	KITSAP COUNTY	546.60	0.0210	11.48
0045	1801	BREMERTON	132.62	0.0210	2.79
0045	1802	PORT ORCHARD	190.05	0.0210	3.99
0045	1902	ELLENSBURG	22.33	0.0150	0.33
0045	2003	WHITE SALMON	91.08	0.0100	0.91
0045	2100	LEWIS COUNTY	125.65	0.0120	1.51
0045	2101	CENTRALIA	72.46	0.0140	1.01
0045	2107	TOLEDO	61.25	0.0120	0.74
0045	2109	WINLOCK	58.22	0.0120	0.70
0045	2407	OMAK	69.05	0.0120	0.83
0045	2700	PIERCE COUNTY RTA	267.01	0.0220	5.87
0045	2707	FIRCREST	0.67	0.0280	0.02
0045	2708	GIG HARBOR	230.60	0.0190	4.38
0045	2711	PUYALLUP	42.72	0.0280	1.20
0045	2716	SUMNER	85.80	0.0280	2.40
0045	2717	TACOMA	386.79	0.0280	10.83
0045	2720	EDGEWOOD	101.78	0.0280	2.85
0045	2800	SAN JUAN COUNTY	10.02	0.0130	0.13
0045	2902	BURLINGTON	14.70	0.0170	0.25
0045	2907	MOUNT VERNON	158.41	0.0170	2.69
0045	2929	SKAGIT-PTBA	78.87	0.0170	1.34
0045	3101	ARLINGTON	26.09	0.0210	0.55
0045	3104	EDMONDS	660.03	0.0300	19.80
0045	3105	EVERETT RTA	498.73	0.0270	13.47
0045	3110	LYNNWOOD	54.24	0.0300	1.63
0045	3111	MARYSVILLE	105.17	0.0210	2.21
0045	3112	MONROE	37.93	0.0210	0.80
0045	3113	MOUNTLAKE TERRACE	58.43	0.0300	1.75
0045	3114	MUKILTEO	63.92	0.0300	1.92
0045	3115	SNOHOMISH CITY	139.88	0.0210	2.94
0045	3120	BOTHELL/SNOHOMISH	664.38	0.0300	19.93
0045	3200	SPOKANE COUNTY	271.62	0.0160	4.35
0045	3202	CHENEY	1.10	0.0220	0.02



## APPENDIX 11 (continued)

	3210	SPOKANE CITY	455.82	0.0220	10.03
0045	3402	LACEY	164.21	0.0200	3.28
0045	3403	OLYMPIA	313.89	0.0200	6.28
0045	3500	WAHKIAKUM COUNTY	10.00	0.0110	0.11
0045	3604	WALLA WALLA CITY	11.72	0.0180	0.21
0045	3700	WHATCOM COUNTY	396.87	0.0140	5.56
0045	3701	BELLINGHAM	335.94	0.0200	6.72
0045	3703	EVERSON	69.12	0.0200	1.38
0045	3707	SUMAS	84.59	0.0200	1.69
0045	3810	OAKESDALE	52.80	0.0130	0.69
0045	3913	YAKIMA CITY	69.77	0.0170	1.19
			<b>18,151.13</b>		<b>466.24</b>

### Credit Section

Code	Document Number	Credit	Amount
0815		Small Business Credit	(85.49)
			<b>85.49</b>

### Summary Section

	Amount
State Business and Occupation Tax Total	85.49
State Sales and Use Tax Total	1,179.82
Local and Regional Tax Total	466.24
Lodging Tax Total	0.00
Public Utilities Tax Total	0.00
E911 Tax Total	0.00
Other Tax Total	0.00
<b>SubTotal</b>	<b>1,731.55</b>
Less Total Credits	(85.49)
<b>Total</b>	<b>1,646.06</b>
<b>Amount Paid</b>	<b>1,646.06</b>
<b>Balance</b>	<b>0.00</b>

### Additional Information

Confirmation Number	5134644	Date Printed	07/22/2013
Date and Time Submitted	10/19/2009 11:29:25 AM	Tax Registration Number	602-955-460
Payment Type	EFT Debit	Person Completing Return	Terry Fontaine
Total Amount Paid	1,646.06	Phone Number	(877)893-5304
Date To Transfer Payment	10/20/2009	E-Mail Address	terry.fontaine@taxconnex.com

## APPENDIX 12

**From:** [Ronald Quirk](#)  
**To:** [Paul, Susie \(UTC\)](#)  
**Cc:** ["Don Schiavone - Grasshopper"; "Mark Salomone - Grasshopper"; "Michael P. Donahue"; "Christopher A Canter"](#)  
**Subject:** Grasshopper Group, LLC: Response to WUTC Information Request  
**Date:** Tuesday, September 10, 2013 7:03:24 AM

---

Dear Ms. Paul,

On behalf of Grasshopper Group, LLC ("Grasshopper"), this is a response to your follow-up request for information to augment Grasshopper's initial response in the email below. You requested that Grasshopper explain why it submitted revenue figures to the Washington State Department of Revenue ("WDoR") for tax purposes, but reported no revenues in its WUTC Annual Reports for the reporting years 2009 and 2010 (as previously shown, Grasshopper reported revenues in its WUTC Annual Reports for the 2011 and 2012 reporting periods).

According to WAC 480-120-382(4), a carrier must report revenue subject to WUTC's jurisdiction, *i.e.*, intrastate telecommunications revenue, in its Annual Reports. The revenue Grasshopper reports to the WDoR each year includes non-telecommunications revenue. During the subject years, Grasshopper's third-party billing vendor did not provide any information as to what revenue, if any, constituted intrastate telecommunications revenue. The revenue information Grasshopper reported in its subject Annual Reports was based on a good-faith effort to decipher reportable revenue from the data available at the time.

Some of the services Grasshopper provides could be considered to be audio-bridging or conferencing services. In 2008, the Federal Communications Commission ("FCC") determined that services like the one Grasshopper provides are interstate in nature, subject to federal Universal Service requirements. *See Request for Review by InterCall, Inc. of Decision of Universal Service Administrator, Order, 23 FCC Rcd 10731 at paras. 1, 21 (2008)*. Consequently, even if Grasshopper's third-party vendor had been able to break out the telecommunications revenue during the subject years, it was unclear, based on the FCC's ruling, whether any of it was subject to state jurisdiction. Nonetheless, Grasshopper attempted identify an intrastate portion of its revenue for reporting purposes.

It is Grasshopper's intention to be fully compliant with WUTC's rules and policies. Since WUTC first requested information on this matter, Grasshopper has undertaken a thorough review of its revenue data for the subject years. Based on that review, Grasshopper has ascertained that some of its revenue would be subject to the WUTC's reporting requirements. Accordingly, within the next two weeks, Grasshopper will submit revised WUTC Annual Reports for the 2009 and 2010 reporting periods, and pay the applicable fees. Moreover, as previously explained, Grasshopper is working with its third-party vendor to implement safeguards to ensure that it provides thorough and accurate information to WUTC going forward.

Thank you for your attention to this matter. If you require any additional information, please contact me directly.

Sincerely,

## APPENDIX 13



### The CommLaw Group

HELEIN & MARASHLIAN, LLC  
1420 Spring Hill Road, Suite 205  
McLean, Virginia 22102

Telephone: (703) 714-1300  
Facsimile: (703) 714-1330  
E-mail: [mail@CommLawGroup.com](mailto:mail@CommLawGroup.com)

June 3, 2010

#### IMPORTANT NOTICE REGARDING COMPLIANCE & REPORTING

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive, SW  
PO Box 47250  
Olympia, WA 98504-7250

RE: Grasshopper Group, LLC  
2009 Annual Report  
Regulatory Fee Calculation Schedule

To Whom It May Concern:

Enclosed please find the State of Washington 2009 Annual Report and the Regulatory Fee Calculation Schedule filed on behalf of Grasshopper Group, LLC.

Grasshopper had "0" Gross Intrastate Operating revenue in the state of Washington for the for the 2009 reporting period.

Please contact Olivia Hill at (703) 714-1305 or [odh@commlawgroup.com](mailto:odh@commlawgroup.com) with any questions concerning this filing. Thank you for your assistance in this matter.

Sincerely,

/s/

Olivia Hill  
Regulatory Consultant  
The CommLaw Group  
Telephone: (703) 714-1305  
Email: [odh@commlawgroup.com](mailto:odh@commlawgroup.com)  
Website: [www.CommLawGroup.com](http://www.CommLawGroup.com)



APPENDIX 14 (continued)

SECTION III	
1. Have you attached the following additional documents? The report will not be complete without the required documents:	
<input checked="" type="checkbox"/>	Income statement ( <b>Required</b> ):
<input checked="" type="checkbox"/>	Balance sheet ( <b>Required</b> ):
<input checked="" type="checkbox"/>	Regulatory Fee Calculation Schedule ( <b>Required</b> ):
<input type="checkbox"/>	Additional information if required under <u>WAC 480-120-385</u> (1) (c) (i), (ii), or (iii).
<input type="checkbox"/>	Other documents (please describe): _____
2 <b>Washington Unified Business Identifier (UBI) No.:</b> _____ <i>If you do not know your UBI Number contact the Department of Licensing at (360)664-1400.</i>	
3 <b>Services</b>	
a.	Does your company provide operator services (automated or live assistance to customers in completing or billing a telephone call) at a call aggregator location, such as at a pay phone? <input type="checkbox"/> Yes <input type="checkbox"/> No
b.	Does your company provide local exchange services in Washington? <input type="checkbox"/> Yes <input type="checkbox"/> No
4. <b>Lines in service</b>	
a.	If your company filed <u>Form 477</u> with the FCC within the last 12 months for its Washington operations, please proceed to Section IV, otherwise proceed to 4.b. (below):
b.	If the company did not file FCC <u>Form 477</u> for its Washington operations within the last 12 months, please complete the following:
<b>Washington State Data as of December 31, 2009</b>	
1.	Total voice-grade equivalent lines and voice-grade equivalent wireless channels in service: _____
2.	Total lines and channels you currently provided to end users: _____

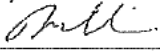
SECTION IV	
<b>ANNUAL REPORT CERTIFICATION</b>	
I certify that I, <u>Christopher Canter</u> , the responsible account officer for <u>Grasshopper Group, LLC</u> have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 January 1, 2009, to December 31, 2009, inclusive.	
Name (Printed)	<u>Christopher Canter</u> Title <u>Attorney</u>
Signature	_____ Date _____





APPENDIX 15 (continued)

Washington Unified Business Identifier (UBI) No.: 60295546  
(if you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or [BLS@dor.wa.gov](mailto:BLS@dor.wa.gov))

Annual Report Certification	
I certify that <sup>MARK SALOMONE</sup> <del>Domitio Schiavone</del> , the responsible account officer for Grasshopper Group, LLC, have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 January 1, 2008, to December 31, 2008, inclusive.	
Name (Printed): <sup>MARK SALOMONE</sup> <del>Domitio Schiavone</del>	Title: <sup>VP OF FINANCE</sup> <del>Chief Operating Officer</del>
Signature: 	Date: <u>9/24/13</u>
Authorized By:	<input type="text"/>
Authorized Date:	<input type="text"/>



APPENDIX 15 (continued)

SECTION III	
1. Have you attached the following additional documents? The report will not be complete without the required documents:	
<input checked="" type="checkbox"/>	Income statement ( <u>Required</u> ):
<input checked="" type="checkbox"/>	Balance sheet ( <u>Required</u> ):
<input type="checkbox"/>	Additional information if required under <u>WAC 480-120-385 (1) (c) (i), (ii), or (iii)</u> .
<input type="checkbox"/>	Other documents (please describe):
<hr/>	
Washington State Data	
2. Services	
a.	Does your company provide local exchange services in WA? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b.	What other services does your company provide in WA? Please list.
	Grasshopper Group, LLC provides resold long distance services.
<hr/>	
<hr/>	
<hr/>	
3. Lines in service as of December 31, 2009	
If you file Form 477 with the FCC for Washington operations, please indicate:	
a.	The total number of voice grade equivalent lines N/A (provide the same number as included in the FCC Form 477 Part II. A. 1) (If your company does <u>not</u> file Form 477 you still must report voice grade equivalent lines.)
b.	How many of the lines listed in 3.a. above, have access to E-911: N/A

APPENDIX 15 (continued)

Confidential per WAC 480-07-160

REGULATORY FEE CALCULATION SCHEDULE  
Due May 1, 2010

Company Name	Annual Report Year
Grasshopper Group, LLC	2009

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

1	Total Gross Intrastate Operating Revenue **	1	\$	72,070.77	*
2	Less Non Fee-Paying Revenue***	2	\$	-	
3	Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)	3	\$	72,070.77	*
4	Regulatory Fee Calculations:	4			
4a	If line 3 is UNDER \$20,000, Enter ZERO (Filing ZERO indicates schedule is complete)	4a			
4b	If line 3 is BETWEEN \$20,000 and \$50,000-enter amount from line 3 (Filing BETWEEN \$20,000 and \$50,000 indicates schedule is complete. If filing after May 1 go to Line 6)	4b	\$		x .1 % (.001) = \$
4c	If line 3 is OVER \$50,000-enter amount from line 3	4c	\$	72,070.77	
4d	First \$50,000 is subject to .1% regulatory fee	4d	\$	50,000.00	x .1 % (.001) = \$ 50.00
4e	Adjustment of Gross Intrastate Operating Revenue (subtract Line 4d from 4c)	4e	\$	22,070.77	x .2 % (.002) = \$ 44.14
5	Total Regulatory Fees owed (enter line 4b, or add 4d and 4e)	5	\$	94.14	*
Complete Lines 6 through 9 if filing after May 1					
6	Penalties on Regulatory Fees filed after May 1	6			
6a	Total Penalties on Regulatory Fees owed - enter amount from line 5	6a	\$		x 2 % (.02) = \$
7	Interest on Regulatory Fees filed after May 1	7			
7a	Amount from line 6 x Number of months past May x 1% (.01) =	7a	\$		
8	Total Penalties and Interest owed (add lines 6a and 7a)	8	\$		
9	Total Regulatory, Penalty and Interest Fees Due (add lines 5 and 8)	9	\$	94.14	*

Note: The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

\*\*\*DETAILS OF NON FEE-PAYING REVENUE

Indicate Account and Description	Amount
10.	\$
11.	
12.	
13.	
14.	
Total Non Fee-Paying Revenue	\$

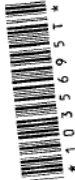
**APPENDIX 16**

**2  
0  
1  
0**

**TELECOMMUNICATIONS COMPANIES  
ANNUAL REPORT  
Due May 1, 2011**

Grasshopper Group, LLC 197 1 <sup>st</sup> Ave., Suite 200 Needham, MA 02494	<i>REC</i> ENTERED IN COMPUTER MAY 31 2011
Full name and address of Company	Correct name and address, if different than shown

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
for the YEAR ENDED DECEMBER 31, 2010.**



SECTION I	
INQUIRIES CONCERNING THIS ANNUAL REPORT SHOULD BE ADDRESSED TO:	
NAME: <u>Olivia Hill</u>	TITLE: <u>Regulatory Consultant</u>
ADDRESS: <u>1420 Spring Hill Road, Suite 205</u>	
CITY: <u>McLean</u>	STATE: <u>VA</u>
ZIP: <u>22102</u>	
TELEPHONE: <u>(703) 714-1305</u>	FAX: <u>(703) 714-1330</u>
E-MAIL: <u>odh@compliancegroup.com</u>	
The company must notify the Commission, in writing, of any changes to the above information.	

SECTION II	
TYPE OF PAYMENT - DO NOT SEND CASH IN THE MAIL  <input checked="" type="checkbox"/> Check <input type="checkbox"/> Money Order <input type="checkbox"/> AMEX <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover	For Commission Use Only  Credit Card Authorization #: _____
Credit Card Number: _____	Expiration Date Month/Year _____
CERTIFICATION FOR CREDIT CARD PAYMENT: I, the undersigned, under penalty for false statement, certify that the information is true, valid and correct, that I am authorized to execute on behalf of the applicant, and that I agree to pay the above total amount according to card issuer agreement.	
Name (Printed) _____	Title _____
Signature _____	Date _____

For Commission Use Only			
Reception Number: _____	Reference: _____	Payment ID: _____	Receivable # _____
001-111-02-68-170-01: _____	001-111-02-68-170-11: _____	001-111-02-68-032-20: _____	
Total Paid _____			

Original to be mailed to the Washington Utilities and Transportation Commission, PO Box 4  
 Web Site: www.utc.wa.gov

**Do not remove, rearrange or deface the contents of this Report in any way. If you need copies, please contact the Records Center Staff at 4-1234.**

**APPENDIX 16 (continued)**

Washington Unified Business Identifier (UBI) No.: 602-955-460  
*(If you do not know your UBI No. please contact the Department of Licensing at 360-664-1400)*

**Annual Report Certification**

I certify that I, Christopher Canter, the responsible account officer for Grasshopper Group, LLC have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 January 1, 2010, to December 31, 2010, inclusive.

Name (Printed) Christopher Canter Title Attorney

Signature Christopher Canter Date 5/26/11

**APPENDIX 16 (continued)**

**SECTION III**

1. Have you attached the following additional documents? The report will not be complete without the required documents:

- X Income statement (**Required**):
- X Balance sheet (**Required**):
- X Regulatory Fee Calculation Schedule (**Required**):
- Additional information if required under WAC 480-120-385 (1) (c) (i), (ii), or (iii).
- Other documents (please describe):  
\_\_\_\_\_

**Washington State Data**

**2. Services**

a. Does your company provide local exchange services in WA? Yes  No

b. What other services does your company provide in WA? Please list.  
Grasshopper Group, LLC provides resold long distance services.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3. Lines in service as of December 31, 2010**

If you file Form 477 with the FCC for Washington operations, please indicate:

- a. The total number of voice grade equivalent lines: Not Applicable  
(provide the same number as included in the **FCC Form 477 Part II. A. 1.**)  
(If your company does not file Form 477 you still must report voice grade equivalent lines.)
- b. How many of the lines listed in 3.a. above, have access to E-911: Not Applicable

## APPENDIX 16 (continued)

### REGULATORY FEE CALCULATION SCHEDULE Due May 1, 2011

Company Name

Grasshopper Group, LLC

Annual Report Year

2010

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

1 Total Gross Intrastate Operating Revenue **	1	\$0.00
2 Less Non Fee-Paying Revenue***	2	\$0.00
3 Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)	3	\$0.00
4 Regulatory Fee Calculations:	4	
4a If line 3 is <b>UNDER</b> \$20,000, Enter <b>ZERO</b> (Filing <b>ZERO</b> indicates schedule is complete)	4a	\$
4b If line 3 is <b>BETWEEN</b> \$20,000 and \$50,000-enter amount from line 3 (Filing <b>BETWEEN</b> \$20,000 and \$50,000 indicates schedule is complete. If filing after May 1 go to Line 6)	4b	\$      x .1 % (.001) = \$
4c If line 3 is <b>OVER</b> \$50,000-enter amount from line 3	4c	\$0.00      x .1 % (.001) = \$
4d First \$50,000 is subject to .1% regulatory fee	4d	\$      -      x .1 % (.001) = \$      -
4e Adjustment of Gross Intrastate Operating Revenue (subtract Line 4d from 4c)	4e	\$0.00      x 2 % (.002) = \$      -
5 Total Regulatory Fees owed (enter line 4b, or add 4d and 4e)	5	\$      -
		Agency Use Only    001-111-02-68-170-01
<b>Complete Lines 6 through 9 if filing after May 1</b>		
6 Penalties on Regulatory Fees filed after May 1	6	
6a Total Penalties on Regulatory Fees owed - enter amount from line 5	6a	\$      x 2 % (.02) = \$
7 Interest on Regulatory Fees filed after May 1	7	
7a Amount from line 5 _____ x Number of months past May _____ x 1% (.01) =	7a	\$
8 Total Penalties and Interest owed (add lines 6a and 7a)	8	\$
		Agency Use Only    001-111-02-68-170-11
9 Total Regulatory, Penalty and Interest Fees Due (add lines 5 and 8)	9	\$      -

Note: The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

#### \*\*\*DETAILS OF NON FEE-PAYING REVENUE

Indicate Account and Description	Amount
10. Wholesale Revenues	
11.	
12.	
13.	
14.	
<b>Total Non Fee-Paying Revenue</b>	<b>\$0.00</b>

APPENDIX 17

Confidential per WAC 480-07-160

2  
0  
1  
0

TELECOMMUNICATIONS COMPANIES  
ANNUAL REPORT  
Due May 1, 2011

Grasshopper Group, LLC 197 1 <sup>st</sup> Avenue, Suite 200 Needham, MA 02494	
Full name and address of Company	Correct name and address, if different than shown

2010 OCT -1 AM 9:58

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
for the YEAR ENDED DECEMBER 31, 2010

SECTION I	
INQUIRIES CONCERNING THIS ANNUAL REPORT SHOULD BE ADDRESSED TO:	
NAME: <u>Ronald F. Quirk, Jr.</u>	TITLE: <u>Regulatory Consultant</u>
ADDRESS: <u>1420 Spring Hill Road, Suite 401</u>	
CITY: <u>McLean</u>	STATE: <u>VA</u> ZIP: <u>22102</u>
TELEPHONE: <u>703-714-1305</u>	FAX: <u>703-714-1330</u> E-MAIL: <u>ren@compliancesgroup.com</u>
The company must notify the Commission, in writing, of any changes to the above information.	

2010 OCT -1 AM 10:04  
STATEMENT SERVICES

SECTION II	
TYPE OF PAYMENT: DO NOT SEND CASH IN THE MAIL <input checked="" type="checkbox"/> Check <input type="checkbox"/> Money Order <input type="checkbox"/> AMEX <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover	For Commission Use Only Credit Card Authorization #: _____
Credit Card Number: _____	Expiration Date Month/Year _____
CERTIFICATION FOR CREDIT CARD PAYMENT: I, the undersigned, under penalty for false statement, certify that the information is true, valid and correct, that I am authorized to execute on behalf of the applicant, and that I agree to pay the above total amount according to card issuer agreement.	
Name (Printed) _____	Title _____
Signature _____	Date _____

For Commission Use Only			
Reception Number: <u>09584</u>	Reference: <u>AR2010</u>	Payment ID: <u>1261</u>	Receivable # _____
001-111-02-68-170-01: <u>375.29</u>	001-111-02-68-170-11: _____	001-111-02-68-032-20: _____	
Total Paid <u>375.29</u>			

Original to be mailed to the Washington Utilities and Transportation Commission, PO Box 47250, Olympia, WA 9850260

**APPENDIX 17 (continued)**

Washington Unified Business Identifier (UBI) No.: 60295546  
(If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or [BLS@dor.wa.gov](mailto:BLS@dor.wa.gov))

Annual Report Certification	
I certify that I, <sup>MARK SALOMONE</sup> Dominic Schiavone, the responsible account officer for Grasshopper Group, LLC, have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 January 1, 2010, to December 31, 2010, inclusive.	
Name (Printed): <sup>MARK SALOMONE</sup> <del>Dominic Schiavone</del>	Title: <sup>VP OF FINANCE</sup> <del>Chief Operating Officer</del>
Signature <u><i>MS</i></u>	Date <u>9/24/2013</u>
Authorized By: <input type="text"/>	Please Type Full Name Here
Authorized Date: <input type="text"/>	Please Type Full Date Here



APPENDIX 17 (continued)

SECTION III	
1. Have you attached the following additional documents? The report will not be complete without the required documents:	
X	Income statement ( <b>Required</b> ):
X	Balance sheet ( <b>Required</b> ):
<input type="checkbox"/>	Additional information if required under <u>WAC 480-120-385</u> (1) (c) (i), (ii), or (iii).
<input type="checkbox"/>	Other documents (please describe):
<hr/>	
Washington State Data	
2. Services	
a.	Does your company provide local exchange services in WA? Yes <input type="checkbox"/> No X
b.	What other services does your company provide in WA? Please list.
	Grasshopper Group, LLC provides resold long distance services.
<hr/>	
<hr/>	
<hr/>	
3. Lines in service as of December 31, 2010	
If you file Form 477 with the FCC for Washington operations, please indicate:	
a.	The total number of voice grade equivalent lines: N/A (provide the same number as included in the FCC Form 477 Part II, A. 1.) (If your company does <u>not</u> file Form 477 you still must report voice grade equivalent lines.)
b.	How many of the lines listed in 3.a. above, have access to E-911: N/A

**APPENDIX 17 (continued)**

Confidential per WAC 480-07-160

**REGULATORY FEE CALCULATION SCHEDULE**  
Due May 1, 2011

Company Name  
**Grasshopper Group, LLC**

Annual Report Year  
**2010**

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

1	Total Gross Intrastate Operating Revenue **	1	\$	212,647.24
2	Less Non Fee-Paying Revenue***	2	\$	-
3	Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)	3	\$	212,647.24
4	Regulatory Fee Calculations:	4		
4a	If line 3 is UNDER \$20,000, Enter ZERO (Filing ZERO indicates schedule is complete)	4a	\$	
4b	If line 3 is BETWEEN \$20,000 and \$50,000-enter amount from line 3 (Filing BETWEEN \$20,000 and \$50,000 indicates schedule is complete. If filing after May 1 go to Line 6)	4b	\$	212,647.24 x .1 % (.001) = \$ 212.65
4c	If line 3 is OVER \$50,000-enter amount from line 3	4c	\$	212,647.24
4d	First \$50,000 is subject to .1% regulatory fee	4d	\$	50,000.00 x .1 % (.001) = \$ 50.00
4e	Adjustment of Gross Intrastate Operating Revenue (subtract Line 4d from 4c)	4e	\$	162,647.24 x .2 % (.002) = \$ 325.29
5	Total Regulatory Fees owed (enter line 4b, or add 4d and 4e)	5	\$	375.29
Agency Use Only: 001-111-02-68-170-01				
Complete Lines 6 through 9 If filing after May 1				
6	Penalties on Regulatory Fees filed after May 1	6		
6a	Total Penalties on Regulatory Fees owed - enter amount from line 5	6a	\$	375.29 x 2 % (.02) = \$ 7.51
7	Interest on Regulatory Fees filed after May 1	7		
7a	Amount from line 5 _____ x Number of months past May _____ x 1% (.01) =	7a	\$	
8	Total Penalties and Interest owed (add lines 6a and 7a)	8	\$	
Agency Use Only: 001-111-02-68-170-11				
9	Total Regulatory, Penalty and Interest Fees Due (add lines 5 and 8)	9	\$	375.29

Note: The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

**\*\*\*DETAILS OF NON FEE-PAYING REVENUE**

Indicate Account and Description	Amount
10.	\$
11.	
12.	
13.	
14.	
<b>Total Non Fee-Paying Revenue</b>	<b>\$</b>

**APPENDIX 18**

**INCOMPLETE**

APPENDIX 18 (continued)

RECEIVED

TELECOMMUNICATIONS COMPANIES  
ANNUAL REPORT  
Due May 1, 2012

MAY 31 2012

WASH. UT. & TP. COMM

Reporting Period: Jan 1, 2011 - Dec 31, 2011

Grasshopper Group, LLC 197 1st Avenue, Suite 200, Needham, MA 02484 Needham, MA 02484
Full name and address of Company

ENTERED IN COMPUTER MAY 31 2012
Correct name and address, if different than shown

RECEIVED  
2012 MAY 31 AM 9:14  
FINANCIAL SERVICES

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
for Jan 1, 2011 - Dec 31, 2011

SECTION I			
INQUIRIES CONCERNING THIS ANNUAL REPORT SHOULD BE ADDRESSED TO:			
NAME: Dana Hoyle	TITLE: Senior Regulatory Consultant		
ADDRESS: 1420 Spring Hill Road, Ste. 401			
CITY: McLean	STATE: VA	ZIP: 22102	
TELEPHONE: 703-714-1300	FAX: 703-714-1330	E-MAIL: drh@compliancesgroup.com	
The company must notify the Commission, in writing, of any changes to the above information.			

SECTION II	
TYPE OF PAYMENT - DO NOT SEND CASH IN THE MAIL	For Commission Use Only
<input checked="" type="checkbox"/> Check <input type="checkbox"/> Money Order <input type="checkbox"/> AMEX <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover	Credit Card Authorization #: _____
Credit Card Number: _____	Expiration Date Month/Year _____
CERTIFICATION FOR CREDIT CARD PAYMENT: I, the undersigned, under penalty for false statement, certify that the information is true, valid and correct, that I am authorized to execute on behalf of the applicant, and that I agree to pay the above total amount according to card issuer agreement.	
Name (Printed) <u>Dominic Schiavone</u>	Title <u>Chief Operating Officer</u>
Signature <u>[Signature]</u>	Date <u>5/25/12</u>

For Commission Use Only			
Reception Number: <u>039146</u>	Reference: <u>AR2011</u>	Payment ID: <u>4431</u>	Receivable # _____
001-111-02-68-170-01: <u>319.56</u>	001-111-02-68-170-11: <u>6.39</u>	001-111-02-68-032-20: _____	
Total Paid <u>325.95</u>			

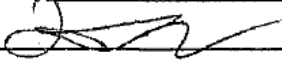
Original to be mailed to the Washington Utilities and Transportation Commission, PO Box 47260, Olympia, WA 98504-7260  
Web Site: www.uwa.wa.gov

**APPENDIX 18 (continued)**

Washington Unified Business Identifier (UBI) No.: 602955460  
*(If you do not know your UBI No. please contact the Department of Licensing at 360-864-1400)*

**Annual Report Certification**

I certify that I, Dominic Schiavone, the responsible account officer for Grasshopper Group, LLC have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 Jan 1, 2011 - Dec 31, 2011, inclusive.

Name (Printed) Dominic Schiavone Title Chief Operating Officer  
Signature  Date 5/25/12

**Online Annual Report Certification**

I acknowledge that the foregoing Annual Report has been submitted electronically; that, to the best of my knowledge, information and belief, all statements of fact contained in all attached schedules are true and 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 Jan 1, 2011 - Dec 31, 2011 inclusive. I agree that my name typed in lieu of my handwritten signature shall be sufficient to deem the report complete.

Authorized By:   
Please Type Full Name Here

Authorized Date:   
Please Type Full Date Here

APPENDIX 18 (continued)

SECTION III	
1. Have you attached the following additional documents? The report will not be complete without the required documents:	
<input checked="" type="checkbox"/>	Income statement ( <b>Required</b> ):
<input checked="" type="checkbox"/>	Balance sheet ( <b>Required</b> ):
<input checked="" type="checkbox"/>	Regulatory Fee Calculation Schedule ( <b>Required</b> ):
<input type="checkbox"/>	Additional information if required under <u>WAC 480-120-385</u> (1) (c) (i), (ii), or (iii).
<input type="checkbox"/>	Other documents (please describe): _____
<b>Washington State Data</b>	
2. <b>Services</b>	
a.	Does your company provide local exchange services in WA? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b.	What other services does your company provide in WA? Please list. teleconferencing services
3. <b>Lines in service as of December 31, 2010</b>	
If you file Form 477 with the FCC for Washington operations, please indicate:	
a.	The total number of voice grade equivalent lines: <u>N/A</u> (provide the same number as included in the FCC Form 477 Part II. A. 1.) (If your company does <u>not</u> file Form 477 you still must report voice grade equivalent lines.)
b.	How many of the lines listed in 3.a. above, have access to E-911: <u>N/A</u>

APPENDIX 18 (continued)

SECTION IV -- OPTIONAL	
Companies that have been granted minimal regulation of their bundled telecommunications services under <u>RCW 80.36.332</u> may use this section to certify compliance if so required by Commission order.	
<b>CERTIFICATION AS TO BUNDLED SERVICES</b>	
I am an officer of or attorney for <u>Grasshopper Group, LLC</u> (the "Company")	
and hereby certify (or declare) under penalty of perjury under the laws of the State of Washington	
that as of the date of execution of this document, the Company's packages or bundles of	
telecommunications services that are offered on a minimally regulated basis comply with	
<u>RCW 80.36.332</u> and with UTC Order # <u>1</u> in Docket UT- <u>091779</u> .	
The foregoing is true and correct:	
Name (Printed) <u>Mark Schanne</u>	Title <u>VP Finance</u>
Signature <u>[Handwritten Signature]</u>	Date <u>4-30-12</u>

## APPENDIX 18 (continued)

### REGULATORY FEE CALCULATION SCHEDULE Due May 1, 2011

Company Name

Grasshopper Group, LLC

Annual Report Year

2011

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

1 Total Gross Intrastate Operating Revenue **			1	\$ 184,781.11
2 Less Non Fee-Paying Revenue***			2	\$
3 Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)			3	\$ 184,781.11
4 Regulatory Fee Calculations:			4	
4a If line 3 is UNDER \$20,000, Enter ZERO (Filing ZERO indicates schedule is complete)			4a	\$ 0
4b If line 3 is BETWEEN \$20,000 and \$50,000- enter amount from line 3 (Filing BETWEEN \$20,000 and \$50,000 indicates schedule is complete. If filing after May 1 go to Line 6)	4b	\$ 0	x 0.001	\$ 0.00
4c If line 3 is OVER \$50,000-enter amount from line 3	4c	\$ 184,781.11		
4d First \$50,000 is subject to .1% regulatory fee	4d	\$ 50,000.00	x .1 % (.001) =	\$ 50.00
4e Adjustment of Gross Intrastate Operating Revenue (subtract Line 4d from 4c)	4e	\$ 134781.11	x .2 % (.002) =	\$ 269.56
5 Total Regulatory Fees owed (enter line 4b, or add 4 d and 4e)			5	\$ 319.56
Agency Use Only - 601.111-02-66-170-01				
Complete Lines 6 through 9 if filing after May 1				
6 Penalties on Regulatory Fees filed after May 1			6	
6a Total Penalties on Regulatory Fees owed - enter amount from line 5	6a	\$ 319.56	x 2 % (.02) =	\$ 6.39
7 Interest on Regulatory Fees filed after May 1			7	
7a Amount from line 5 _____ x Number of months past May _____ x 1% (.01) =	7a			\$ 0.00
8 Total Penalties and Interest owed (add lines 6a and 7a)			8	\$ 6.39
Agency Use Only - 601.111-02-66-170-11				
9 Total Regulatory, Penalty and Interest Fees Due (add lines 5 and 8)			9	\$ 325.95

Note: The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

#### \*\*\*DETAILS OF NON FEE-PAYING REVENUE

Indicate Account and Description	Amount
10.	\$
11.	
12.	
13.	
14.	
<b>Total Non Fee-Paying Revenue</b>	<b>\$</b>



APPENDIX 19

2  
0  
1  
2

TELECOMMUNICATIONS COMPANIES  
ANNUAL REPORT  
Due May 1, 2013

2013 APR 30 AM 10:44

Grasshopper Group, LLC 197 First Avenue, Suite 200 Needham, MA 02494	
Full name and address of Company	Correct name and address, if different than shown

NO MONIES  
EMPLOYED

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
for the YEAR ENDED DECEMBER 31, 2012.

SECTION I			
INQUIRIES CONCERNING THIS ANNUAL REPORT SHOULD BE ADDRESSED TO:			
NAME: Ronald E. Quirk, Jr.	TITLE: Managing Consultant		
ADDRESS: 1420 Spring Hill Road			
CITY: McLean	STATE: VA	ZIP: 22206	
TELEPHONE: 703-714-1305	FAX: 703-714-1330	E-MAIL: req@compliancegroup.com	
The company must notify the Commission, in writing, of any changes to the above information.			

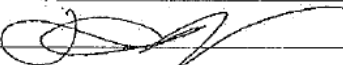
SECTION II	
TYPE OF PAYMENT - DO NOT SEND CASH IN THE MAIL	For Commission Use Only
<input type="checkbox"/> Check <input type="checkbox"/> Money Order <input type="checkbox"/> AMEX <input checked="" type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover	Credit Card Authorization #: _____
Credit Card Number: _____	Expiration Date Month/Year
CERTIFICATION FOR CREDIT CARD PAYMENT: I, the undersigned, under penalty for false statement, certify that the information is true, valid and correct, that I am authorized to execute on behalf of the applicant, and that I agree to pay the above total amount according to card issuer agreement.	
Name (Printed) Deborah L. Schneider	Title OFFICE ADMINISTRATOR
Signature <i>Deborah L. Schneider</i>	Date April 23, 2013

For Commission Use Only		
Reception Number: 014968	Reference: AR2012	Payment ID: _____
001-111-02-68-170-01: 319.56	001-111-02-68-170-11: _____	001-111-02-08-032-20: _____
Total Paid 319.56		

Washington Utilities and Transportation Commission, PO Box 47260, Olympia, WA 98504-7260  
Web Site: www.utc.wa.gov

**APPENDIX 19 (continued)**

Washington Unified Business Identifier (UBI) No.: 602955460  
*(If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or [BLS@dor.sba.gov](mailto:BLS@dor.sba.gov))*

<b>Annual Report Certification</b>	
I certify that I, <u>Dominic Schiavone</u> , the responsible account officer for <u>Grasshopper Group LLC</u> have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and 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 January 1, 2012, to December 31, 2012, inclusive.	
Name (Printed) <u>Dominic Schiavone</u>	Title <u>Chief Operating Officer</u>
Signature 	Date <u>April 23, 2013</u>

<b>Online Annual Report Certification</b>	
I acknowledge that the foregoing Annual Report has been submitted electronically; that, to the best of my knowledge, information and belief, all statements of fact contained in all attached schedules are true and 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 January 1, 2012, to December 31, 2012, inclusive. I agree that my name typed in lieu of my handwritten signature shall be sufficient to deem the report complete.	
Authorized By:	<input type="text" value="Dominic Schiavone"/> <small>Please Type Full Name Here</small>
Authorized Date:	<input type="text" value="April 23, 2013"/> <small>Please Type Full Date Here</small>

APPENDIX 19 (continued)

SECTION III	
<b>Competitively Classified Company Financial &amp; Operational Data</b>	
1. The following information is REQUIRED under WAC 480-120-382 and the annual report will not be complete without the required documents in the prescribed format.	
<input checked="" type="checkbox"/> Income statement (Required) – TOTAL COMPANY	
<input checked="" type="checkbox"/> Balance Sheet (Required) – TOTAL COMPANY	
<input checked="" type="checkbox"/> Regulatory Fee Sheet (Required) – TOTAL COMPANY	
<input checked="" type="checkbox"/> Annual Revenues for 2012 – (Required) – TOTAL WASHINGTON OPERATIONS AND WASHINGTON INTRA STATE	
<b>Companies Not Classified as Competitive Financial &amp; Operational Data</b>	
2. The following information is REQUIRED under WAC 480-120-385 and the annual report will not be complete without the required documents in the prescribed format OF TOTAL COMPANY, WASHINGTON OPERATIONS AND WASHINGTON INTRASTATE.	
<input type="checkbox"/> Income statement (Required)	
<input type="checkbox"/> Balance Sheet (Required)	
<input type="checkbox"/> Regulatory Fee Sheet (Required)	
<b>Washington State Data</b>	
(Applies to BOTH Competitively and Non-Competitively Classified Companies)	
3. Services	
a. Does your company provide local exchange services in WA? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
b. What other services does your company provide in WA? Please list.	
Teleconferencing _____	
_____	
_____	
_____	
4. Lines in service as of December 31, 2012	
If you file Form 477 with the FCC for Washington operations, please indicate:	
a. The total number of voice grade equivalent lines: <u>N/A</u> (provide the same number as included in the FCC Form 477 Part II. A. 1.) (If your company does not file Form 477 you still must report voice grade equivalent lines.)	
b. How many of the lines listed in 3.a. above, have access to E-911: <u>N/A</u>	

## APPENDIX 19 (continued)

### REGULATORY FEE CALCULATION SCHEDULE Due May 1, 2013

Company Name Grasshopper Group LLC Annual Report Year 2012

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

1 Total Gross Intrastate Operating Revenue (BEFORE UNCOLLECTIBLES)**	1	\$	184,781.11
2 Less Non Fee-Paying Revenue***	2	\$	
3 Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)	3	\$	184,781.11
<b>Regulatory Fee Calculations:</b>			
4 If line 3 is <i>UNDER</i> \$20,000, Enter ZERO (Filing ZERO indicates schedule is complete)	4	\$	
5 If line 3 is <i>BETWEEN</i> \$20,000 and \$50,000-enter amount from line 3	5	\$	x .1 % (.001) = \$
6 If line 3 is <i>OVER</i> \$50,000 enter amount from line 3	6	\$	184,781.11
First \$50,000 is subject to .1% regulatory fee	6a	\$	50,000.00 x .1 % (.001) = \$ 50.00
Adjustment of Gross Intrastate Operating Revenue (subtract Line 6a from 6)	6b	\$	134,781.11 x .2 % (.002) = \$ 269.56
7 Total Regulatory Fees owed (Line 4 or Line 5 or Line 6a + 6b)	7	\$	319.56
<small>Agency Use Only: 001-111-02-68-170-01</small>			
<b>Complete Lines 8 through 9 if filing after May 1</b>			
Penalties on Regulatory Fees filed after May 1			
8 Total Penalties on Regulatory Fees owed - enter amount from line 7	8	\$	x 2 % (.02) = \$
Interest on Regulatory Fees filed after May 31			
9 Amount from line 7 _____ x Number of months past May 31 _____ x 1% (.01) =	9	\$	
10 Total Penalties and Interest owed (add lines 8 and 9)	10	\$	
<small>Agency Use Only: 001-111-02-68-170-13</small>			
11 Total Regulatory, Penalty and Interest Fees Due (add lines 7 and 10)	11	\$	319.56

** Gross Revenue Definition
The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

***DETAILS OF NON FEE-PAYING REVENUE	
Indicate Account and Description	Amount
10.	\$
11.	
12.	
13.	
14.	
<b>Total Non Fee-Paying Revenue</b>	<b>\$</b>

APPENDIX 20

*Revised Report.*

RECEIVED

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TELECOMMUNICATIONS COMPANIES ANNUAL REPORT  
Due May 1, 2013

FINANCIAL SERVICES

Grasshopper Group, LLC  
197 First Avenue, Suite 200  
Needham, MA 02494

Full name and address of Company

Correct name and address, if different than shown

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
for the YEAR ENDED DECEMBER 31, 2012.

**SECTION I**  
INQUIRIES CONCERNING THIS ANNUAL REPORT SHOULD BE ADDRESSED TO:

NAME: Ronald E. Quirk, Jr. TITLE: Managing Consultant

ADDRESS: 1420 Spring Hill Road

CITY: McLean STATE: VA ZIP: 22206

TELEPHONE: 703-714-1305 FAX: 703-714-1330 E-MAIL: req@compliancgroup.com

The company must notify the Commission, in writing, of any changes to the above information.

**SECTION II**  
TYPE OF PAYMENT - DO NOT SEND CASH IN THE MAIL

Check  Money Order  AMEX  Visa  MasterCard  Discover

Credit Card Number: \_\_\_\_\_

For Commission Use Only  
Credit Card Authorization #: \_\_\_\_\_

Expiration Date  
Month/Year

CERTIFICATION FOR CREDIT CARD PAYMENT: I, the undersigned, under penalty for false statement, certify that the information is true, valid and correct, that I am authorized to execute on behalf of the applicant, and that I agree to pay the above total amount according to card issuer agreement.

Name (Printed) \_\_\_\_\_ Title \_\_\_\_\_  
Signature \_\_\_\_\_ Date August 6, 2013

For Commission Use Only

Reception Number: 04350 Reference: 1088 Payment ID: AR2012

001-111-02-68-170-01: 54.48 001-111-02-68-170-11: \_\_\_\_\_ 001-111-02-68-032-20: 100.00

Total Paid 154.48

Washington Utilities and Transportation Commission, PO Box 47260, Olympia, WA 98504-7260  
Web Site: www.ute.wa.gov

*Refund to be issued.*

APPENDIX 20 (continued)

SECTION III	
<b><u>Competitively Classified Company Financial &amp; Operational Data</u></b>	
1. The following information is REQUIRED under WAC 480-120-382 and the annual report will not be complete without the required documents in the prescribed format.	
<input checked="" type="checkbox"/>	Income statement (Required) – TOTAL COMPANY
<input checked="" type="checkbox"/>	Balance Sheet (Required) – TOTAL COMPANY
<input checked="" type="checkbox"/>	Regulatory Fee Sheet (Required) – TOTAL COMPANY
<input checked="" type="checkbox"/>	Annual Revenues for 2012 – (Required) – TOTAL WASHINGTON OPERATIONS AND WASHINGTON INTRA STATE
<b><u>Companies Not Classified as Competitive Financial &amp; Operational Data</u></b>	
2. The following information is REQUIRED under WAC 480-120-385 and the annual report will not be complete without the required documents in the prescribed format OF TOTAL COMPANY, WASHINGTON OPERATIONS AND WASHINGTON INTRASTATE.	
<input type="checkbox"/>	Income statement (Required)
<input type="checkbox"/>	Balance Sheet (Required)
<input type="checkbox"/>	Regulatory Fee Sheet (Required)
<b><u>Washington State Data</u></b>	
(Applies to BOTH Competitively and Non-Competitively Classified Companies)	
3. Services	
a. Does your company provide local exchange services in WA? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
b. What other services does your company provide in WA? Please list.	
<u>Teleconferencing</u>	
_____	
_____	
_____	
4. Lines in service as of December 31, 2012	
If you file Form 477 with the FCC for Washington operations, please indicate:	
a.	The total number of voice grade equivalent lines: <u>N/A</u> (provide the same number as included in the FCC Form 477 Part II, A. 1.) (If your company does not file Form 477 you still must report voice grade equivalent lines.)
b.	How many of the lines listed in 3.a. above, have access to E-911: <u>N/A</u>

**APPENDIX 20 (continued)**

PRIVILEGED/CONFIDENTIAL

**REGULATORY FEE CALCULATION SCHEDULE**  
Due May 1, 2013

Company Name <p align="center">Grasshopper Group, LLC</p>	Annual Report Year <p align="center">2012</p>
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In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

1 Total Gross Intrastate Operating Revenue **	1	\$212,021.02
2 Less Non Fee-Paying Revenue***	2	\$
3 Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)	3	\$212,021.02
4 Regulatory Fee Calculations:	4	
4a If line 3 is UNDER \$20,000, Enter ZERO (Filing ZERO indicates schedule is complete)	4a	\$
4b If line 3 is BETWEEN \$20,000 and \$50,000-enter amount from line 3 (Filing BETWEEN \$20,000 and \$50,000 indicates schedule is complete. If filing after May 1 go to Line 6)	4b	\$ 50,000.00 x .1 % (.001) = \$ 50.00
4c If line 3 is OVER \$50,000-enter amount from line 3	4c	\$212,021.02
4d First \$50,000 is subject to .1% regulatory fee	4d	\$ 50,000.00 x .1 % (.001) = \$ 50.00
4e Adjustment of Gross Intrastate Operating Revenue (subtract Line 4d from 4c)	4e	\$212,021.02 x .2 % (.002) = \$424.04
5 Total Regulatory Fees owed (enter line 4b, or add 4d and 4e)	5	\$474.04
Agency Use Only: 001-111-02-68-170-01		
<b>Complete Lines 6 through 9 if filing after May 1</b>		
6 Penalties on Regulatory Fees filed after May 1	6	
6a Total Penalties on Regulatory Fees owed - enter amount from line 5	6a	\$474.04 x 2 % (.02) = \$9.48
7 Interest on Regulatory Fees filed after May 1	7	
7a Amount from line 5 _____ x Number of months past May _____ 3	7a	\$
8 Total Penalties and Interest owed (add lines 6a and 7a)	8	\$
Agency Use Only: 001-111-02-68-170-11		
9 Total Regulatory, Penalty and Interest Fees Due (add lines 5 and 8)	9	\$474.04

Note: The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

**\*\*\*DETAILS OF NON FEE-PAYING REVENUE**

Indicate Account and Description	Amount
10.	\$
11.	
12.	
13.	
14.	
<b>Total Non Fee-Paying Revenue</b>	<b>\$</b>

## APPENDIX 21

**From:** [Ronald Quirk](#)  
**To:** [Paul, Susie \(UTC\)](#)  
**Subject:** FW: WUTC Annual Report Signature Pages  
**Date:** Thursday, November 14, 2013 11:59:15 AM  
**Attachments:** [Grasshopper WUTC Annual Report Signature Pages.pdf](#)

---

Dear Ms. Paul,

As per my voice mail, here is the email from Don Schiavone, stating that both of the attached signatures are his. If you need anything further, please do not hesitate to contact me. Thank you.

Best regards,

Ron  
Ronald E. Quirk, Esq.  
Managing Consultant  
The Compliance Group  
1420 Spring Hill Road  
McLean, VA 22102  
703-714-1305  
[req@compliancegroup.com](mailto:req@compliancegroup.com)

---

**From:** Don Schiavone - Grasshopper [mailto:[dschiavone@grasshopper.com](mailto:dschiavone@grasshopper.com)]  
**Sent:** Thursday, November 14, 2013 2:05 PM  
**To:** Ronald Quirk  
**Subject:** RE: WUTC Annual Report Signature Pages

Yes, that is my signature.

Thank you,

Don

---

**Don Schiavone**  
Chief Operating Officer  
Grasshopper  
800-820-8210 x724  
[dschiavone@grasshopper.com](mailto:dschiavone@grasshopper.com)

**What's going on at Grasshopper?**  
Follow us [@grasshopper](#) & on [Facebook](#)  
Check out our blog <http://grasshopper.com/blog>

---

**From:** Ronald Quirk [mailto:[req@compliancegroup.com](mailto:req@compliancegroup.com)]  
**Sent:** Thursday, November 14, 2013 12:16 PM



## APPENDIX 21 (continued)

**To:** Don Schiavone - Grasshopper  
**Subject:** WUTC Annual Report Signature Pages

Don,

As per my voice mail, please review the attached signature pages for the original and revised WUTC annual reports and send me an email reply to confirm that the signature on the Aug 6 page is yours or if it was that of another Grasshopper official. If another person signed, please identify same.

Thank you very much, and if you have any additional questions, please do not hesitate to contact me.

Best regards,

Ron  
Ronald E. Quirk, Esq.  
Managing Consultant  
The Compliance Group  
1420 Spring Hill Road  
McLean, VA 22102  
703-714-1305  
[req@compliancegroup.com](mailto:req@compliancegroup.com)