# BINGHAM

Jean L. Kiddoo Brett P. Ferenchak jean.kiddoo@bingham.com brett.ferenchak@bingham.com

May 6, 2014

Via E-Filing

David Danner, Executive Secretary Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive, S.W. Olympia, WA 98504

#### Re: Network Billing Systems, LLC Registration and Request for Competitive Classification

Dear Mr. Danner:

On behalf of Network Billing Systems, LLC ("NBS"), attached for filing is the abovereferenced Registration. Please acknowledge receipt and acceptance of this filing. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely yours,

Brett P Ferenchate

Jean L. Kiddoo Brett P. Ferenchak

Counsel for Network Billing Systems, LLC

Beijing Boston Frankfurt Hartford Hong Kong Lexington (GSC) London Los Angeles New York Orange County San Francisco Santa Monica Silicon Valley Tokyo Washington

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#### REGISTRATION AND COMPETITIVE CLASSIFICATION OF TELECOMMUNICATION COMPANIES

All telecommunications companies must register with the Utilities and Transportation Commission (UTC) prior to beginning operations in the state of Washington. Refer to RCW 80.36, WAC 480-121, 480-80, and 480-120.

1300 South Evergreen Park Drive SW PO Box 47250 Olympia, WA 98504-7250

Telephone 360-664-1160 / Fax 360-586-1150 TTY 360-586-8203 or 1-800-416-5289 Website: <u>www. utc.wa.gov</u>

The UTC has a policy of providing equal access to its services. To request this document in alternate formats, please call 360-664-1133.

- Complete the application form.
- Submit these forms via the <u>Records Center Web portal</u> or e-mail to <u>records@utc.wa.gov</u> as an electronic attachment. UTC encourages electronic submission of filings.
- UTC will issue a registration certificate with an effective date 30 days from the date the completed application is received and approved.

#### **Include the following:**

Current Balance Sheet

Latest Annual Report, if any

Applicant does not maintain separate financial statements. Rather, Applicant's financial information is consolidated in the financial statements of its ultimate parent company, Fusion Telecommunications International, Inc. ("Fusion") A copy of Fusion's most recent balance sheet from its SEC Form 10-K is attached hereto.

**Competitive Classification** 

	Applicant is subject to effective competition and requests waiver of regulatory requirements
No	outlined in WAC 480-121-063 (1).

### **Telecommunications Company Information**

Company Name: Network Billing Systems, LLC d/b/a: Company Mailing Address: 155 Willowbrook Boulevard City/State/Zip: Wayne, NJ 07470 Web Site Address: http://www.nbsvoice.com/ Unified Business Identification Number (UBI): 601905412 (If you do not know your UBI number or need to request one contact the Business Licensing Services at 360-664-1400 or 1-800-451-7985)

 Questions regarding this application should be directed to: Name: Jean L. Kiddoo, Brett P. Ferenchak Phone Number: (202) 373-6000 Fax Number: (202) 373-6001

E-mail: jean.kiddoo@bingham.com brett.ferenchak@bingham.com

Mailing Address: Bingham McCutchen LLP, 2020 K Street, NW City/State/Zip: Washington, DC 20006

Registered Agent (A Washington Agent is required if the company is located outside Washington State):

Name: Business Filings Inc. Mailing Address: 505 Union Ave SE Ste 120 City/State/Zip: Olympia, WA 98501 Phone Number: 800-981-7183

#### Name, address and title of each officer or director (attach additional pages if needed)

Name	Address	Title
Jonathan Kaufman	Network Billing Systems, LLC	President and CEO
	155 Willowbrook Boulevard	
	Wayne, NJ 07470	
Gordon Hutchins, Jr. Fusion Telecommunications International, Inc.		Executive Vice President
	420 Lexington Avenue, Suite 1718,	
	New York, NY 10170	
Russell Markman Network Billing Systems, LLC		Executive Vice President
	155 Willowbrook Boulevard	
	Wayne, NJ 07470	
Marc Gelberg	Fusion Telecommunications International, Inc.	Senior Vice President - Finance and
	1475 W. Cypress Creek Road, Suite 204,	Controller
	Fort Lauderdale, FL 33309	

As a limited liability company, Applicant does not have directors but rather is managed by Fusion NBS Acquisition Corp. ("FNAC"), which is also Applicant's sole owner.

#### **Regulatory Contact:**

Name: Ken Belhumer, Tax and Regulatory Manager Mailing Address: 155 Willowbrook Boulevard, Wayne, NJ 07470 Phone Number: 973-638-2112 E-mail: kenb@nbsvoice.com

#### **Consumer Questions and/or Complaint Contact:**

Name: Toni Campanello Title: Senior Director – Customer Service and Sales Support Phone Number: 973-638-2113 E-mail: tonic@nbsvoice.com

Fax Number: 973-638-2194,

## **Emergency Contact:**

Name: Ken Belhumer Title: Tax and Regulatory Manager Phone Number: 973-638-2112 E-mail: <u>kenb@nbsvoice.com</u>

Fax Number: 973-638-2189

Telecommunication services that will be provided (check all that apply):										
$\boxtimes$	Local Exchange Service (Resale)		Data Services							
	Calling Cards		Prepaid Calling Cards							
	Alternate Operator Services		Directory Assistance							
$\boxtimes$	Long Distance Interlata	$\boxtimes$	WATS (800/888)							
$\boxtimes$	Long Distance Intralata									

Other, please specify **Applicant seeks authority to provide resold and facilities-based local** exchange, interexchange, private line, switched access, data, and Internet access.

## **BALANCE SHEET**

#### FUSION TELECOMMUNICATIONS INTERNATIONAL, INC. CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2013 and 2012

## **CONSOLIDATED BALANCE SHEETS**

	December 31, 2013		December 31, 2012	
ASSETS				
Current assets:				
Cash and cash equivalents	\$	6,176,575	\$	543,214
Accounts receivable, net of allowance for doubtful accounts of				
approximately \$381,000 and \$514,000, respectively		5,828,389		2,924,302
Prepaid expenses and other current assets		2,704,787		1,001,449
Total current assets		14,709,751		4,468,965
Property and equipment, net		11,193,355		2,748,062
Other assets:				
Security deposits		585,083		439,741
Restricted cash		1,163,872		1,026,326
Goodwill		5,124,130		2,406,269
Intangible assets, net		35,048,818		15,396,117
Other assets		1,125,652		582,947
Total other assets		43,047,555		19,851,400
TOTAL ASSETS	\$	68,950,661	\$	27,068,427
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LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current liabilities:				
Notes payable - non-related parties	\$	625,000	\$	208,333
Notes payable - related parties	ψ	310,714	Ψ	639,286
Equipment financing obligations		245.138		136,392
Escrow payable		295,000		130,372
Accounts payable and accrued expenses		11,161,550		10,579,496
Related party payable		226,148		1,159,573
Current liabilities from discontinued operations		55,000		55,000
Total current liabilities		12,918,550		12,778,080
		12,710,550	_	12,778,000
Long-term liabilities: Notes payable - non-related parties, net of discount		36,788,987		1 / 175 7/7
Notes payable - non-related parties, net of discount Notes payable - related parties		1,478,081		14,475,747
Equipment financing obligations		1,478,081		4,492,136 102,071
Derivative liability		10,515,472		1,066,000
Other long-term liabilities		131,627		266,132
Total liabilities		62,000,331	_	33,180,166
		62,000,331		33,180,166
Commitments and contingencies				
Stockholders' equity (deficit):				
Preferred stock, \$0.01 par value, 10,000,000 shares authorized,		025		110
23,525 and 11,907 shares issued and outstanding		235		119
Common stock, \$0.01 par value, 550,000,000 shares authorized,		2 020 221		1 792 504
303,833,242 and 178,250,533 shares issued and outstanding		3,038,331		1,782,504
Capital in excess of par value Accumulated deficit		163,648,034		146,760,005
	_	(159,736,270)	_	(154,654,367)
Total stockholders' equity (deficit)		6,950,330	-	(6,111,739)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$	68,950,661	\$	27,068,427

The accompanying notes are an integral part of these consolidated financial statements.

#### VERIFICATION

88

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I, Gordon Hutchins, Jr., state that I am President and Chief Operating Officer of Fusion Telecommunications International, Inc. and a corporate officer of its subsidiaries (collectively, the "Company"), including Network Billing Systems, LLC; that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

Gordon Hutchins, Jr.

President and Chief Operating Officer Fusion Telecommunications International, Inc.

Sworn and subscribed before me this day of January, 2014.

18 Min Notary

My commission expires

SonJa Sykes-Minor District of Columbia, Notary Public My Commission Expires October 14, 2014

