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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

2

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)

v.)

) Docket UT-121721

COSPEED, LLC, CVC CLEC, LLC,)

GO SOLO TECHNOLOGIES, INC.,)

GRASSHOPPER GROUP, LLC, NET)

TALK.COM, INC., NOWYR, INC.,)

PLEZER COMMUNICATIONS)

CORPORATION, PRICERIGHT)

COMMUNICATIONS, LLC, PUGET)

SOUND TELECOMMUNICATIONS,)

10 LLC d/b/a PUGET SOUND)

TELECOM, LLC, TELEFONICA)

11 USA, INC., TELMEX USA,)

L.L.C., VANCO US, LLC,)

12 VERTEX TELECOM, INC.,)

Respondents.)

13

HEARING, VOLUME I

14

Pages 1 - 31

ADMINISTRATIVE LAW JUDGE STEPHANY WATSON

15

16

10:30 A.M.

FEBRUARY 4, 2013

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Washington Utilities and Transportation Commission

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A P P E A R A N C E S

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ADMINISTRATIVE LAW JUDGE:

3

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4

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EXHIBIT INDEX

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EXHIBIT	A	R	DESCRIPTION
1	8		Declaration of Lisa Wyse and Proof of Service of Complaint in Docket 121721, dated 12/31/12 (4 pp.)
MP-1	16		2011 Annual Report for Go Solo Technologies, Inc. (8pp.)
MP-2	16		ARTS record of Go solo Technologies, Inc., showing no regulatory fee due (1 pp.)
MP-3C	18		2011 Annual Report for Grasshopper Group, LLC (6 pp.) (Sealed)
MP-4	18		ARTS record of Grasshopper Group, LLC showing payment of 2012 Regulatory Fee (1 p.)
MP-5	20		2011 Annual Report for NET TALK.com (67 pp.)
MP-6	20		ARTS record of NET TALK.com showing date of completed annual report filing and no regulatory fee due (1 p.)
MP-7	23		2011 Annual Report for Telmex USA, L.L.C. and Cover Letter (7pp.)

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OLYMPIA, WASHINGTON; FEBRUARY 4, 2013

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10:30 A.M.

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P R O C E E D I N G S

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JUDGE WATSON: Hi, everybody. I am

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Stephany Watson, and I am the ALJ in this proceeding

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before the Washington Utilities and Transportation

10

Commission.

11

What we have today is a complaint for

12

revocation of registration for failure to pay

13

regulatory fees and failure to file an annual report

14

in Docket No. UT-121721, by the UTC against the

15

following respondents, and I will have to take at

16

least a couple of breaths before I name them all:

17

Cospeed, LLC, CVC CLEC, LLC, Go Solo Technologies,

18

Inc., Grasshopper Group, LLC, Net Talk.Com, Inc.,

19

Nowyr, Inc., Plezer Communications Corporation,

20

Priceright Communications, LLC, Puget Sound

21

Telecommunications, LLC, d/b/a Puget Sound Telecom,

22

LLC, Telefonica USA, Inc., Telmex USA, L.L.C., Vanco

23

US, LLC, and finally, Vertex Telecom, Inc.

24

This is a case in which the Commission is

25

seeking the revocation of the registrations of 13

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1 telecommunications companies that have failed to pay
2 regulatory fees as required by RCW 80.24.010 and
3 failed to file annual reports as required by
4 RCW 80.04.080.

5 The Commission is also seeking penalties
6 against the companies of \$100 a day for each business
7 day after May 1, 2012, that the report was not filed
8 and the fees were not paid under RCW 81.04.405. A fee
9 of an additional \$25 per day of each violation for the
10 last five years is also available.

11 First of all, is anyone on the bridge line?

12 I didn't think so, but I thought I would
13 check.

14 Would you please introduce yourselves.
15 Remember the court reporter. Speak slowly and clearly
16 if you can.

17 MS. CAMERON-RULKOWSKI: Certainly, Your
18 Honor. Present on behalf of Commission Staff,
19 Jennifer Cameron-Rulkowski, Assistant Attorney
20 General. My address is 1400 South Evergreen Park
21 Drive Southwest, Olympia, Washington 98504-7250. My
22 telephone number is (360) 664-1186. My fax number is
23 (360) 586-5522. My e-mail address is
24 jcameron@utc.wa.gov. On my right from Commission
25 Staff I have Mathew Perkinson.

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1 JUDGE WATSON: So please make any
2 preliminary comments you have and then I will swear
3 the witness.

4 MS. CAMERON-RULKOWSKI: Thank you, Your
5 Honor.

6 First of all, I wanted to clarify that the
7 complaint does not seek penalties at this stage. The
8 penalty stage did occur previously. This complaint
9 was seeking revocation of the registration of the
10 named telecommunications companies.

11 JUDGE WATSON: Thank you. Sorry about
12 that.

13 MS. CAMERON-RULKOWSKI: So I do have a
14 set of exhibits which I have provided. They are
15 listed in the order that these documents came in. So
16 I will be treating these documents in a different
17 order, perhaps.

18 First of all, Staff has two motions to
19 dismiss. Some of the companies have come into
20 compliance since the complaint issued. That means
21 that they filed their annual reports, and if
22 regulatory fees were owed, they paid them. For each
23 of these companies, I plan to present evidence of
24 company compliance through Mr. Perkinson. After the
25 evidence has been presented, Staff intends to move for

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1 dismissal of the complaint with respect to these
2 companies.

3 With regard to the remaining companies, Staff
4 now asks the Commission to find each of them in
5 default: Cospeed, LLC, CVC, CLEC, LLC, Nowyr, Inc.,
6 Pelzer Communications Corporation, Priceright
7 Communications, LLC, Puget Sound Telecommunication,
8 LLC, Telefonica USA, Inc., Vanco US, LLC, and Vertex
9 Telecom, Inc. Each of the companies was served by the
10 Commission by mail and the proof of service is on file
11 in the records center under this docket. We each have
12 a copy of that proof of service here in the set of
13 exhibits. That is marked as Exhibit No. 1.

14 As you can see from the proof of service, the
15 respondents were served by first class mail and by
16 certified mail with return receipt requested at the
17 addresses on file with the Commission. The service
18 was valid under the Commission's service rule, WAC
19 480-07-150, which authorizes the Commission, in
20 Subsection 7, to serve its notices, complaints and
21 orders by mail, properly addressed, with first class
22 postage prepaid. Some of the mailings were returned.
23 I have a question or two for Mr. Perkinson about that
24 once he is sworn in.

25 Pursuant to WAC 480-120-060, the Commission

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1 may revoke a registration for good cause. Good cause
2 includes failure to maintain the telecommunications
3 company's current address and telephone number. This
4 rule places telecommunications companies on notice
5 that it is incumbent upon them to update the
6 Commission when contact information changes.

7 At this time, Staff offers Exhibit 1 for
8 admission into evidence.

9 JUDGE WATSON: Exhibit 1 will be
10 admitted.

11 MS. CAMERON-RULKOWSKI: Staff asks the
12 Commission to find the respondents that I named above
13 in default under RCW 34.05.440 and WAC 480-07-450 for
14 failure to appear at this hearing. Staff further
15 requests under these authorities that the Commission
16 proceed with the hearing and dispose with the
17 substantive issues.

18 JUDGE WATSON: Thank you, Counsel.

19 Would you like to call your witness?

20 MS. CAMERON-RULKOWSKI: I would. Would
21 you like to rule on the motion at this time, or at the
22 conclusion of the hearing, or at another time?

23 JUDGE WATSON: With regard to --

24 MS. CAMERON-RULKOWSKI: Default.

25 JUDGE WATSON: Sure. The motion will be

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1 granted.

2 MS. CAMERON-RULKOWSKI: Thank you, Your
3 Honor.

4 At this time I would like to call
5 Mr. Perkinson.

6 JUDGE WATSON: Mr. Perkinson, will you
7 please raise your right hand.

8

9 MATHEW PERKINSON, witness herein, having been
10 first duly sworn on oath,
11 was examined and testified
12 as follows:

13

14 JUDGE WATSON: Thank you.

15

16 D I R E C T E X A M I N A T I O N

17 BY MS. CAMERON-RULKOWSKI:

18 Q Good morning, Mr. Perkinson.

19 A Good morning.

20 Q Please state and spell your name.

21 A Mathew Perkinson, M-A-T-H-E-W,
22 P-E-R-K-I-N-S-O-N.

23 Q Please state the name of your employer.

24 A The Washington Utilities and Transportation
25 Commission.

0010

1 Q In what position are you employed by the
2 Commission?

3 A I'm a compliance investigator.

4 Q And how long have you been employed in this
5 position?

6 A Eight months.

7 Q Please briefly describe your responsibilities
8 as they relate to this matter.

9 A I conduct investigations regarding the
10 business practices of regulated utility and
11 transportation companies. As part of my duties, I
12 investigate companies that are delinquent in filing
13 annual reports and paying regulatory fees.

14 Q And what statute or rule do you understand to
15 be at issue in the proceeding today?

16 A RCW 80.04.080, which requires
17 telecommunication companies to file an annual report
18 with the Commission, RCW 80.24.010, which requires
19 telecommunication companies to file annual reports --
20 to submit annual reports and regulatory fees to the
21 Commission each year. WAC 480-120-382, which requires
22 competitively classified telecommunication companies
23 to submit annual reports and regulatory fees to the
24 Commission by May 1st of each year.

25 Q In your understanding, is it possible under

0011

1 WAC 480-120-382 that a competitively classified
2 telecommunications company might not owe a regulatory
3 fee?

4 A Yes, even the \$20 minimum regulatory fee is
5 waived for any company with less than 20,000 in gross
6 intrastate operating revenue.

7 Q How does the Commission learn the amount of a
8 telecommunications company's intrastate operating
9 revenue for a given year?

10 A The company's annual report.

11 Q So if a telecommunications company fails to
12 file an annual report, does the Commission even know
13 if any regulatory fees are due?

14 A No, it does not.

15 Q Are you familiar with the companies that are
16 named in this proceeding?

17 A Yes, I am.

18 Q I will be asking you some questions later
19 about each individual company. Can you describe
20 generally how you are familiar with the respondent
21 companies?

22 A Yes. After May 1st, the financial services
23 section provides me with a list of all the companies
24 that are delinquent in filing an annual report and/or
25 paying regulatory fees. The list is generated in the

0012

1 Commission's Annual Reporting Tracking System, or ARTS
2 database. Financial services staff enters receipt
3 information for annual reports and regulatory fees
4 into a record created for each company. Using the
5 companies on that list, I send out a notice of
6 enforcement, which tells the delinquent companies that
7 their penalty would be reduced from \$100 per day to
8 \$25 per day if they filed their annual report and paid
9 their regulatory fees no later than May 25th.

10 Two months after that, I issued penalty
11 assessments for companies who were late in filing or
12 who had still not filed annual reports or paid
13 regulatory fees. Three months after that, financial
14 services provides me with a list of companies that
15 still have not filed annual reports or paid regulatory
16 fees, which is generated in the Commission's ARTS
17 database also. And then finally, in this process, I
18 recommend, based on my investigation, that company
19 registrations be revoked for failure to file annual
20 reports and/or pay regulatory fees.

21 Q Thank you. I have a couple of questions now
22 about service.

23 According to the proof of service in this
24 docket, the complaint was served by first class mail
25 and also was sent by certified mail. Were any of the

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1 certified mailings returned?

2 A Yes. Nowyr, Inc. was returned not deliverable
3 as addressed, unable to forward, Puget Sound
4 Telecommunication, LLC, was returned not deliverable
5 as addressed, unable to forward, and Pelzer
6 Communications Corporation was returned unclaimed,
7 return to sender.

8 Q Were any of the first class mailings returned?

9 A No.

10 Q Thank you.

11 Which of the respondent companies have filed
12 an annual report or paid regulatory fees since the
13 complaint issued?

14 A Grasshopper Group, LLC, Net Talk.Com, Inc.,
15 Telmex USA, LLC, and Go Solo Technologies, Inc.

16 Q And how did you determine that these companies
17 had come into compliance?

18 A I checked the Commission's annual tracking
19 record database, or the ARTS system.

20 Q And when is the last time that you checked
21 ARTS?

22 A I checked it this morning.

23 Q All right. Now I will be asking you about the
24 individual companies in the order in which they are
25 listed in the complaint.

0014

1 Was Cospeed, LLC, one of the companies
2 referred to you by financial services?

3 A Yes.

4 Q And has Cospeed filed a 2011 annual report or
5 paid the 2012 regulatory fee?

6 A No.

7 Q What is your recommendation to the Commission
8 regarding this company?

9 A I recommend that the Commission revoke the
10 company's registration.

11 Q Was CVC CLEC, LLC, one of the companies
12 referred to you by financial services?

13 A Yes.

14 Q And has CVC CLEC, LLC, filed a 2011 annual
15 report or paid the 2012 regulatory fee?

16 A No, they have not.

17 Q What is your recommendation to the Commission
18 regarding this company?

19 A I recommend the Commission revoke the
20 company's registration.

21 Q Was Go Solo Technologies, Inc., one of the
22 companies referred to you by financial services?

23 A Yes, it was.

24 Q Has Go Solo Technologies, Inc., filed a 2011
25 annual report or paid 2012 regulatory fees?

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1 A Yes, they did.

2 Q And did they both file an annual report and
3 pay regulatory fees?

4 A Go Solo filed the annual report and they had
5 no regulatory fees due.

6 Q And when was that report filed?

7 A January 30th, 2013.

8 Q Please turn your attention to the document
9 that I am going to now mark as Exhibit MP-1.

10 MS. CAMERON-RULKOWSKI: Your Honor, this
11 was originally 6.

12 JUDGE WATSON: Okay. Thank you.

13 Q Is this document a true and correct copy of
14 the 2011 annual report that Go Solo Technologies,
15 Inc., recently filed with the Commission?

16 A Yes, it is.

17 Q And please turn your attention to the document
18 that I am now going to mark as MP-2, and this is now
19 marked as MP-7. Is this document a true and correct
20 copy of the ARTS record for this carrier?

21 A Yes, it is.

22 MS. CAMERON-RULKOWSKI: Your Honor, I
23 now offer exhibits marked MP-1 and MP-2 for admission
24 into evidence.

25 JUDGE WATSON: MP-1 and MP-2 will be

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1 admitted.

2 MS. CAMERON-RULKOWSKI: Thank you, Your
3 Honor.

4 Q And what is your recommendation for this
5 company?

6 A I recommend the company's registration not be
7 revoked and that the Commission dismiss the complaint
8 against the company.

9 Q Was Grasshopper Group, LLC, one of the
10 companies referred to you by financial services?

11 A Yes.

12 Q Has Grasshopper Group, LLC, filed a 2011
13 annual report or paid 2012 regulatory fees?

14 A Yes.

15 Q Please turn your attention to the exhibit that
16 currently is marked MP-2C.

17 A (Complies.)

18 Q And I'm going to remark that as MP-3C.

19 JUDGE WATSON: I'm sorry, could you
20 identify the document? I'm getting mixed up.

21 MS. CAMERON-RULKOWSKI: Certainly, Your
22 Honor. This annual report came in under the
23 confidential filing and so it has been treated as such
24 and it is in an envelope.

25 JUDGE WATSON: Okay. Thank you.

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1 MS. CAMERON-RULKOWSKI: Certainly, Your
2 Honor.

3 Q Is this document a true and correct copy of
4 the 2011 annual report that Grasshopper Group, LLC,
5 recently filed with the Commission?

6 A Yes.

7 Q And please turn your attention to the document
8 which is marked MP-3, which I am now going to remark
9 as MP-4.

10 A (Complies.)

11 Q Is this document a true and correct copy of
12 the ARTS record for this carrier?

13 A Yes.

14 Q And when was the annual report filed?

15 A January 28th, 2013.

16 JUDGE WATSON: Counsel, excuse me, this
17 is MP-4?

18 MS. CAMERON-RULKOWSKI: That's correct,
19 Your Honor.

20 JUDGE WATSON: Thank you.

21 Q Let me just ask you about a date stamp on the
22 annual report which says May 31. Can you explain
23 that?

24 A Yes, the annual report was originally
25 submitted -- they actually show in the annual reports,

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1 or the ARTS system, on May 29th, 2012. It was
2 incomplete and then later submitted completed on
3 January 28, 2013.

4 Q Thank you.

5 Has Grasshopper Group, LLC remitted its 2012
6 regulatory fee?

7 A Yes.

8 Q When did Grasshopper Group, LLC remit the 2012
9 regulatory fee?

10 A May 31st, 2012.

11 MS. CAMERON-RULKOWSKI: Your Honor, I
12 offer exits marked MP-3C and MP-4 for admission into
13 evidence.

14 JUDGE WATSON: Just for my
15 clarification, MP-3C, not just MP-3?

16 MS. CAMERON-RULKOWSKI: That's correct,
17 Your Honor. The C reflects the confidential treatment
18 of this document.

19 JUDGE WATSON: Okay, thank you. They
20 will be admitted.

21 Q And what is your recommendation for this
22 company?

23 A I recommend that the company's registration
24 not be revoked and that the Commission dismiss the
25 complaint against the company.

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1 Q Was Net Talk.Com, Inc., one of the companies
2 referred to you by financial services?

3 A Yes.

4 Q And has Net Talk, Inc., filed a 2011 annual
5 report or remitted 2012 regulatory fees?

6 A Yes, they have.

7 Q And did Net Talk.Com both file the report and
8 pay regulatory fees?

9 A They did file an incomplete report on
10 April 23rd, 2012, and later filed a completed report
11 on January 28th, 2013. There was no regulatory fees
12 due for this company.

13 Q Thank you.

14 You mentioned the annual report. I would like
15 to direct your attention now to what has been marked
16 as MP-4, and which I'm going to remark as MP-5.

17 Is this document a true and correct copy of
18 the 2011 annual report that Net Talk.Com Inc.,
19 recently filed with the Commission?

20 A Yes.

21 Q How did you determine the date the complete
22 report was filed?

23 A I referred to the ARTS records and in the --

24 Q Why don't we go and turn right now to what is
25 marked as MP-5, and which I will remark as MP-6.

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1 Is this document a true and correct copy of
2 the ARTS record for this carrier?

3 A Yes.

4 MS. CAMERON-RULKOWSKI: Your Honor, I
5 now offer Exhibits MP-5 and MP-6 for admission into
6 evidence.

7 JUDGE WATSON: MP-5 and MP-6 will be
8 admitted.

9 Q And what is your recommendation for this
10 company?

11 A I recommend the company's registration not be
12 revoked and that the Commission dismiss the complaint
13 against the company.

14 Q Was Nowyr, Inc., one of the companies referred
15 to you by financial services?

16 A Yes, it was.

17 Q Has Nowyr, Inc., filed a 2011 annual report or
18 paid the 2012 regulatory fee?

19 A No.

20 Q What is your recommendation to the Commission
21 regarding this company?

22 A I recommend that the Commission revoke the
23 company's registration.

24 Q Was Pelzer Communications Corporation one of
25 the companies referred to you by financial services?

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1 A Yes.

2 Q And has Pelzer Communications Corporation
3 filed a 2011 annual report or paid the 2012 regulatory
4 fee?

5 A No.

6 Q What is your recommendation to the Commission
7 regarding this company?

8 A I recommend that the Commission revoke the
9 company's registration.

10 Q Was Priceright Communications, LLC, one of the
11 companies referred to you by financial services?

12 A Yes.

13 Q Has Priceright Communications, LLC, filed a
14 2011 annual report or paid the 2012 regulatory fee?

15 A No.

16 Q What is your recommendation to the Commission
17 regarding this company?

18 A I recommend the Commission revoke the
19 company's registration.

20 Q Was Puget Sound Telecommunication, LLC, doing
21 business as Puget Sound Telecom, LLC, one of the
22 companies referred to you by financial services?

23 A Yes, it was.

24 Q And has Puget Sound Telecommunication, LLC,
25 doing business as Puget Sound Telecom, LLC, filed a

0022

1 2011 annual report or paid a 2012 regulatory fee?

2 A No.

3 Q What is your recommendation to the Commission
4 regarding this company?

5 A I recommend that the Commission revoke the
6 company's registration.

7 Q Was Telefonica USA, Inc., one of the companies
8 referred to you by financial services?

9 A Yes.

10 Q Has Telefonica USA, Inc., filed a 2011 annual
11 report or paid the 2012 regulatory fee?

12 A No.

13 Q What is your recommendation to the Commission
14 regarding this company?

15 A I recommend that the Commission revoke the
16 company's registration.

17 Q Was Telmex USA, LLC, one of the companies
18 referred to you by financial services?

19 A Yes.

20 Q Has Telmex USA, LLC, filed a 2011 annual
21 report or paid 2012 regulatory fees?

22 A Yes, they have.

23 Q And did Telmex USA, LLC, owe regulatory fees?

24 A No, they did not.

25 Q Please turn your attention to the exhibit that

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1 is marked MP-1, which I am now going to remark as
2 MP-7.

3 A (Complies.)

4 Q Is this a true and correct copy of the 2011
5 annual report, with a cover letter, that Telmex USA,
6 LLC, recently filed with the Commission?

7 A Yes.

8 Q When was that report filed?

9 A January 29th, 2013.

10 MS. CAMERON-RULKOWSKI: I offer exhibit
11 MP-7 for admission into evidence.

12 JUDGE WATSON: Exhibit MP-7 will be
13 admitted.

14 Q What is your recommendation for this company?

15 A I recommend that the company's registration
16 not be revoked and the Commission dismiss the
17 complaint against the company.

18 Q Was Vanco US, LLC, one of the companies
19 referred to you by financial services?

20 A Yes.

21 Q Has Vanco US, LLC, filed a 2011 annual report
22 or paid the 2012 regulatory fee?

23 A No, it has not.

24 Q What is your recommendation to the Commission
25 regarding this company?

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1 A I recommend that the Commission revoke the
2 company's registration.

3 Q Was Vertex Telecom, Inc., one of the companies
4 referred to you by financial services?

5 A Yes, it was.

6 Q Has Vertex Telecom, Inc., filed a 2011 annual
7 report or paid its 2012 regulatory fee?

8 A No.

9 Q What is your recommendation to the Commission
10 regarding this company?

11 A I recommend that the Commission revoke the
12 company's registration.

13 Q Thank you.

14 MS. CAMERON-RULKOWSKI: I have no
15 further questions for Mr. Perkinson at this time.

16 JUDGE WATSON: Thank you. I have a
17 couple of questions.

18

19 E X A M I N A T I O N

20 BY JUDGE WATSON:

21 Q With regard to the companies that you
22 recommend their registration not be revoked because
23 they have filed their reports, Go Solo, Grasshopper,
24 Net Talk and Telmex, were any of those companies
25 assessed a penalty?

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1 A I believe there would have been penalties for
2 each company if they didn't file, of \$2100, the
3 maximum penalty.

4 Q But since they filed, no penalty was assessed?

5 A Oh, I'm sorry, these companies did file.

6 Q Yes.

7 A Let's see, I would have to look at the record
8 to see what the exact penalty was, but if they were
9 late, there would have been a penalty. If they had
10 filed timely, then there would not have been.

11 Let me take a look here.

12 MS. CAMERON-RULKOWSKI: If I might jump
13 in, Your Honor. At this point in the process, the
14 penalty process has already occurred. If they came
15 into compliance after the whole penalty assessment
16 process, the penalty would not be affected in any way.

17 JUDGE WATSON: I think we would like to
18 know whether or not they paid.

19 MS. CAMERON-RULKOWSKI: So your question
20 is whether they have actually paid up?

21 JUDGE WATSON: If they were assessed a
22 penalty, if they had paid.

23 A I'm sorry, Your Honor, I don't have that
24 information in front of me. I would be more than
25 willing to take a break and get that for you, if you

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1 would like.

2 I know that in the case of Grasshopper, being
3 as how the report wasn't completed until January 28,
4 2013, they would have received the maximum penalty of
5 \$2100. Like I said, I don't have a record of whether
6 they paid today or not.

7 MS. CAMERON-RULKOWSKI: Your Honor, if
8 you would like to have that information, I know that
9 we will be back this afternoon in another hearing.
10 Perhaps we could reopen the record and present the
11 information at that time, if you would like.

12 JUDGE WATSON: That's perfectly fine.

13 A I'm sorry about that.

14 Q That's okay.

15 Conversely, I suppose we can assume that the
16 companies who have not come into compliance have
17 probably also not paid any of their fees?

18 A Right.

19 JUDGE WATSON: So at this time the --

20 MS. CAMERON-RULKOWSKI: If I may
21 interrupt, Your Honor?

22 JUDGE WATSON: Please.

23 MS. CAMERON-RULKOWSKI: I do have a
24 very, very brief closing statement --

25 JUDGE WATSON: Oh, of course.

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1 MS. CAMERON-RULKOWSKI: -- that
2 summarizes which companies are in which category.

3 JUDGE WATSON: Excellent. That will be
4 helpful.

5 MS. CAMERON-RULKOWSKI: To summarize
6 Staff's recommendation, Staff recommends that the
7 Commission revoke the registrations of the following
8 telecommunications companies named in this proceeding:
9 Cospeed, LLC, CVC CLEC, LLC, Nowyr, Inc., Pelzer
10 Communications Corporation, Priceright Communications,
11 LLC, Puget Sound Telecommunications, LLC, doing
12 business as Puget Sound Telecom, LLC, Telefonica USA,
13 Inc., Vanco US, LLC, Vertex Telecom, Inc. These
14 companies have neither filed a 2011 annual report, nor
15 remitted regulatory fees for 2012.

16 The remaining respondent companies in this
17 proceeding have come into compliance and Staff has
18 presented evidence that they have filed the annual
19 report and paid the regulatory fee, if any was due.
20 Staff therefore moves to dismiss the Commission's
21 complaint against these companies: Go Solo
22 Technologies Inc., Grasshopper Group, LLC, Net
23 Talk.Com Inc., and Telmex USA, LLC.

24 That concludes Staff's presentation.

25 JUDGE WATSON: Thank you very much.

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1 Anything else? I will write and issue an
2 order shortly, if not.

3 We can go off the record. Thank you.

4 MS. CAMERON-RULKOWSKI: Thank you, Your
5 Honor.

6 (Hearing adjourned 11:05 a.m.)

7 JUDGE WATSON: We asked this morning
8 whether or not penalties had been paid by companies
9 that had been penalized and then come into compliance,
10 and what to do in the case that they hadn't paid.

11 I gather you've had an opportunity to think
12 about that, so let me know what your thoughts are.

13 MS. CAMERON-RULKOWSKI: Certainly, Your
14 Honor.

15 First of all, I would just ask Mr. Perkinson
16 to go ahead and report to you which companies paid
17 their annual report penalties.

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19 D I R E C T E X A M I N A T I O N (Continued)

20 BY MS. CAMERON-RULKOWSKI:

21 Q Mr. Perkinson?

22 JUDGE WATSON: And you are still under
23 oath, of course.

24 A The companies that have filed since the
25 complaint was issued, Grasshopper Group, LLC has not

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1 paid the penalty. Like I said, they did file annual
2 report and paid regulatory fees, but they did not pay
3 the penalty.

4 Net Talk.Com, Inc., has paid the \$2100 penalty
5 that they were assessed, along with Telmex USA, LLC,
6 and Go Solo Technologies Inc.

7 Q And returning to Grasshopper Group, LLC, has
8 there been any additional enforcement on that penalty?

9 A The penalty was sent to collections
10 November 29th.

11 Q Thank you.

12 JUDGE WATSON: And is it your
13 recommendation that Grasshopper Group be permitted to
14 continue to operate or have its license revoked, given
15 the status of that unpaid \$2100 penalty?

16 MR. PERKINSON: Staff would recommend
17 that the registration not be revoked in this case for
18 the penalty.

19 MS. CAMERON-RULKOWSKI: Your Honor, it
20 is Staff's position that the complaint that was issued
21 address nonpayment of regulatory fees and failure to
22 file an annual report and did not cover further
23 enforcement for the \$2100 penalties that were assessed
24 against these companies earlier in 2012.

25 JUDGE WATSON: So we have a situation

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1 where there's just one company that falls into this
2 category, which is Grasshopper, right?

3 MS. CAMERON-RULKOWSKI: That's correct,
4 Your Honor.

5 JUDGE WATSON: Did you have anything
6 else?

7 MS. CAMERON-RULKOWSKI: No, Your Honor.

8 JUDGE WATSON: As I said this morning, I
9 will issue an order shortly. Thank you. We are off
10 the record.

11 (Hearing concluded 2:26 p.m.)

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C E R T I F I C A T E

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STATE OF WASHINGTON

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COUNTY OF KING

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I, Sherrilyn Smith, a Certified

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Shorthand Reporter in and for the State of Washington,

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do hereby certify that the foregoing transcript is

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true and accurate to the best of my knowledge, skill

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and ability.

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