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1 BEFORE THE WASHINGTON
2 UTILITIES AND TRANSPORTATION COMMISSION

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4 WASHINGTON UTILITIES AND)
5 TRANSPORTATION COMMISSION,)
 Complainant,)
6 vs.) DOCKET UT-131818
7 COLLIER TECHNOLOGIES, INC.,)
8 ENVISION TECHNOLOGIES, INC.,)
9 D/B/A ETI COMMUNICATIONS,)
10 GENEXT, LLC, INFOTELECOM)
11 HOLDINGS, LLC, MASTER CALL)
12 CORPORATION, MBC TELECOM, LLC,)
13 MIDWESTERN TELECOMMUNICATIONS)
14 INCORPORATED, THINK 12)
15 CORPORATION, UNITED AMERICAN)
16 TECHNOLOGY, INC., YAK)
17 COMMUNICATIONS (AMERICA), INC.,)
 Respondents.)

18
19 Complaint For Revocation of Registration For
20 Failure to Pay Regulatory Fees and Failure to File
 Annual Report, Volume I
 Pages 1 - 22
21 Administrative Law Judge Stephany A. Watson

22 -----

23 1:30 p.m. - January 16, 2014
24 1300 South Evergreen Park Drive Southeast
 Olympia, Washington

25 Mary M. Paradise, CSR 2469

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1 A P P E A R A N C E S

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3 ADMINISTRATIVE LAW JUDGE:

4 STEPHANY A. WATSON

5 Washington Utilities & Transportation

6 Commission

7 1300 South Evergreen Park Drive SE

8 Olympia, Washington 98504-7250

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10 WASHINGTON STATE UTILITIES & TRANSPORTATION

11 COMMISSION:

12 MICHAEL A. FASSIO

13 Assistant Attorney General

14 PO Box 40128

15 Olympia, Washington 98504-0128

16

17 WITNESS: DIRECT EXAMINATION CROSS EXAMINATION

18 Susie Paul 8 --

19

20 E X H I B I T I N D E X

21 NUMBER: EVIDENCE

22 LW-1 7

23 SP-1 16

24 SP-2 16

25 SP-3 12

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1 OLYMPIA, WASHINGTON; JANUARY 16, 2014

2 1:30 P.M.

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4 JUDGE WATSON: Let's go on the record.

5 It's 1:30, January 16, 2014. My name is Stephany
6 Watson. I'm an administrative law judge in this
7 proceeding before the Washington Utilities &
8 Transportation Commission.

9 I will give you a summary of the complaint
10 in this matter, take appearances, the attorney,
11 since there doesn't appear to be two sides here
12 today, will make preliminary comments and can call
13 witnesses, and ask those witnesses questions, and I
14 may have some, too. And I will swear the witnesses
15 in and mark and admit the exhibits or not, as
16 appropriate, and the parties will have an
17 opportunity to make closing remarks.

18 What this is is a complaint for revocation
19 of registration for failure to pay regulatory fees
20 and failure to file an annual report in docket
21 number UT 131818 by the WUTC against the following
22 ten respondents; Collier Technologies, Inc. -- and
23 I will interrupt myself. I expect that the court
24 reporter can take the spellings from the pleadings,
25 rather than me go going -- because they all have

0004 1 odd names. That sounds good.

2 Collier Technologies, Inc., Envision
3 Technologies, Inc., d/b/a ETI Communications,
4 Genext, LLC, Infotelecom Holdings, LLC, Master Call
5 Corporation, MBC Telecom, LLC, Midwestern
6 Telecommunications, Incorporated, Think 12
7 Corporation, United American Technology, Inc., and
8 my personal favorite in this case, Yak
9 Communications (America), Inc.

10 So as I said, this is a case in which the
11 Commission is seeking to revoke the registration of
12 these ten telecommunications companies that failed
13 to pay their regulatory fees, as required by RCW
14 80.24.010, and failed to file their annual reports,
15 as required by RCW 80.04.080.

16 And the Commission is entitled -- strike
17 that. The Commission is empowered to revoke the
18 company's registration certificate if it fails to
19 pay its regulatory fees under WAC 480-125(f). Mmp
20 and I am done, I believe. I think the parties will
21 please introduce themselves, spell their last
22 names, speak slowly and clearly for the court
23 reporter, silence your cell phones. Mr. Fassio?

24 MR. FASSIO: Good afternoon, your Honor.
25 Michael Fassio, F-a-s-s-i-o, assistant attorney

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1 general, representing the Utilities &
2 Transportation Commission staff.

3 JUDGE WATSON: Prepare to proceed.

4 MR. FASSIO: Yes, your Honor. Staff has,
5 first of all, two preliminary motions to bring
6 forward today. First of all, staff has a motion to
7 dismiss. Staff has recently discovered one of the
8 companies that was named in the complaint, Master
9 Call Corporation, in fact, had timely filed their
10 2012 annual report and that they owed no regulatory
11 fees, as of the date the complaint was issued in
12 November.

13 And due to Commission confusion, the
14 company's filing was not recorded under its name,
15 but apparently recorded as a filing for a
16 separately registered company with a somewhat
17 similar name called Master Call Communications,
18 Incorporated. So I plan to present evidence of
19 Master Call Corporation's compliance through the
20 testimony of Ms. Susie Paul, and then move for a
21 dismissal of the complaint against Master Call
22 Corporation.

23 JUDGE WATSON: Okay.

24 MR. FASSIO: Second, with regard to the
25 remaining companies, staff now asks the Commission

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1 to find each of them in default for failure to
2 appear at this hearing. These companies are, for
3 the record, Collier Technologies, Incorporated,
4 Envision Technologies, Incorporated, Genext, LLC,
5 Infotelecom Holdings, LLC, MBC Telecom, LLC,
6 Midwestern Telecommunications, Incorporated, Think
7 12 Corporation, United American Technology,
8 Incorporated and Yak Communications (America),
9 Incorporated.

10 Each of these companies was served by the
11 Commission by mail. The proof of service is on
12 file in the records center under this docket, and
13 we have also provided a copy here of the proof of
14 service in the exhibits, which we have marked as
15 Exhibit LW-1.

16 As you can see from the proof of service
17 in LW-1, the respondents were served by first class
18 mail and by certified mail, with return receipt
19 requested, at the addresses on file with the
20 commission. The service is valid under the
21 Commission's service rule, WAC 480-07-150, which
22 authorizes the Commission, in subsection 7, to
23 serve its notices, complaints and orders, quote, by
24 mail properly addressed with first class postage
25 prepaid.

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1 Some of the mailings were returned, and I
2 have a question or two for Ms. Paul about that once
3 she is sworn in. Pursuant to WAC 481-21-060, the
4 Commission may revoke a registration for good
5 cause, and good cause includes failure to maintain
6 the telecommunication company's current address and
7 telephone number.

8 This rule places telecommunications
9 companies on notice that it is incumbent upon them
10 to update the Commission when company contact
11 information changes. Staff offers Exhibit LW-1 for
12 admission into evidence.

13 JUDGE WATSON: Exhibit LW-1 will be
14 admitted.

15 (Exhibit LW-1 admitted into evidence.)

16 MR. FASSIO: Thank you, your Honor. Staff
17 asks the Commission to find the respondents named
18 in default under RCW 34.05.440 and WAC 480-07-450
19 for failure to appear at this hearing. Staff
20 further requests, under these authorities, that the
21 Commission proceed with the hearing and dispose of
22 the substantive issues.

23 JUDGE WATSON: Motion granted, and you may
24 move on.

25 MR. FASSIO: Staff calls Susie Paul as a

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1 witness at this time.

2 JUDGE WATSON: Ms. Paul, would you stand,
3 please, and raise your right hand.

4 Whereupon,

5 SUSIE PAUL,
6 was duly sworn and testified as follows:

7 JUDGE WATSON: Thank you. Your witness,
8 Mr. Fassio.

9 DIRECT EXAMINATION

10 BY MR. FASSIO:

11 Q. Good afternoon, Ms. Paul. Can you please
12 state and spell your name for the record?

13 A. Susie Paul, S-u-s-i-e, P-a-u-l.

14 Q. Please state the name of your employer.

15 A. Washington Utilities & Transportation
16 Commission.

17 Q. In what position are you employed by the
18 Commission?

19 A. I'm a compliance investigator.

20 Q. And how long have you been employed in
21 this position?

22 A. Nine months.

23 Q. How long have you been employed by the
24 Commission?

25 A. Nine months.

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1 Q. Please briefly describe your
2 responsibilities as they pertain to this matter.

3 A. I conduct investigations regarding the
4 business practices of regulated utilities and
5 transportation companies. As part of my duties, I
6 investigate companies that are delinquent in
7 filing -- filing annual reports and paying
8 regulatory fees.

9 Q. What statute or roles do you understand to
10 be at issue in the proceeding today?

11 A. RCW 80.04.080, which requires each public
12 service company to file an annual report with the
13 Commission; RCW 80.24.101, which requires each
14 public service company to pay an annual regulatory
15 fee, and also, WAC 480-120-382, which requires
16 competitively classified telecommunications
17 companies to submit annual reports and pay
18 regulatory fees to the Commission by May 1 of each
19 year.

20 Q. In your understanding, is it possible,
21 under WAC 480-120-382, that a competitively
22 classified telecommunications company might not owe
23 a regulatory fee?

24 A. Yes. The minimum regulatory fee of \$20 is
25 waived for any company with less than \$20,000 in

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1 gross intrastate operating revenue.

2 Q. How does the Commission learn the amount
3 of a telecommunication company's intrastate
4 operating revenue for a given year?

5 A. That would be from the company's annual
6 report.

7 Q. So if a telecommunications company fails
8 to file an annual report, does the Commission know
9 if any regulatory fees are due?

10 A. No, it does not.

11 Q. Are you familiar with the companies that
12 are named in this proceeding?

13 A. Yes.

14 Q. I'll be asking you some questions, in a
15 moment, about each individual company. Can you
16 describe, generally, how you're familiar with the
17 respondent companies?

18 A. Yes. The complainant was -- the complaint
19 was issued by a staff member, Lauren McCloy, who
20 has since left the compliance investigation
21 section. I was assigned to this hearing, and I am
22 familiar with both the revocation process and the
23 individual companies named in this proceeding.

24 The financial services section provides
25 investigative staff a list of all companies that

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1 are delinquent in filing annual reports and/or
2 paying their regulatory fees. The list is
3 generated by the Commission's Annual Report
4 Tracking System database, or ARTS. Staff enters
5 receipt information for annual reports and
6 regulatory fees in a record created for each
7 company.

8 Each company is contacted by mail to
9 inform them that they are delinquent, in an attempt
10 to get them to file their annual report and pay
11 regulatory fees. At that point, staff recommends
12 penalties for those companies that are late in
13 filing, and then finally, based on staff
14 investigations, staff recommends that the company
15 registrations be revoked for failure to file.

16 Q. I could ask you to please refer to the
17 exhibit that is marked SP-3. Is this a true and
18 correct copy of a declaration prepared by the staff
19 investigator previously assigned to this docket,
20 Ms. Lauren McCloy, describing her investigation?

21 A. Yes, it is.

22 Q. Is this the same document that has been
23 provided to the records center on or about November
24 13th, 2013, and is on file in this docket?

25 A. Yes.

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1 MR. FASSIO: Thank you. I offer exhibit
2 SP-3 for admission into evidence.

3 JUDGE WATSON: Exhibit SP-3 will be
4 admitted.

5 (Exhibit SP-3 admitted into evidence.)

6 BY MR. FASSIO:

7 Q. I'd like to ask you a couple of questions
8 about service. According to the proof of service
9 in this docket, which is in LW-1, the complaint was
10 served by first class mail and was also sent by
11 certified mail. Were any of the certified mailings
12 returned?

13 A. Yes. Envision Technology was returned and
14 was unclaimed. Midwestern Telecom was returned
15 twice. One return listed a new address. The
16 second mailing sent to the new address was returned
17 as unclaimed. I'm sorry. And Think 12 was
18 returned twice with no forwarding address.

19 Q. Were any of the first class mailings
20 returned?

21 A. Yes. That would be MBC Telecom and Think
22 12.

23 Q. With respect to Think 12, does the record
24 show the Commission attempted service on the
25 address on file with the Commission, as well as

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1 subsequently other addresses identified as possible
2 addresses?

3 A. Yes.

4 Q. Which of the respondent companies have
5 filed an annual report or paid regulatory fees
6 since the complaint was issued?

7 A. None.

8 Q. And how did you determine whether -- or
9 how did you determine that none of them had come
10 into compliance?

11 A. I checked the status of each respondent
12 company in the ARTS database.

13 Q. When was the last time you did that?

14 A. I did that this morning.

15 Q. I'll be asking you now about the
16 individual companies and the order in which they're
17 listed in the complaint.

18 Was Collier Technologies one of the
19 companies referred to investigative staff by
20 financial services?

21 A. Yes.

22 Q. Has Collier Technologies, Incorporated
23 filed a 2012 annual report or paid 2013 regulatory
24 fees?

25 A. No.

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1 Q. What is your recommendation to the
2 Commission regarding this company?

3 A. I recommend that the Commission revoke the
4 company's registration.

5 Q. Was Envision Technologies, Incorporated
6 one of the companies referred to investigative
7 staff by financial services?

8 A. Yes.

9 Q. Has Envision Technologies filed a 2012
10 annual report or paid 2013 regulatory fees?

11 A. No.

12 Q. What is your recommendation for this
13 company?

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

16 Q. Was Genext, LLC one of the companies
17 referred to investigative staff by financial
18 services?

19 A. Yes.

20 Q. Has Genext, LLC filed a 2012 annual report
21 or paid 2013 regulatory fees?

22 A. No.

23 Q. What is your recommendation regarding this
24 company?

25 A. I recommend that the Commission revoke the

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1 company's registration.

2 Q. Was Infotelecom Holdings, LLC one of the
3 companies referred to investigative staff by
4 financial services?

5 A. Yes.

6 Q. Has Infotelecom Holdings, LLC filed a 2012
7 annual report or paid 2013 regulatory fees?

8 A. No.

9 Q. What is your recommendation for this
10 company?

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

13 Q. Was Master Call Corporation one of the
14 companies referred to investigative staff by
15 financial services?

16 A. Yes.

17 Q. Has Master Call Corporation filed a 2012
18 annual report or paid 2013 regulatory fees?

19 A. Yes, they did. The company timely filed
20 its annual report. I recently discovered that the
21 annual report was incorrectly recorded under Master
22 Call Communications, which is a different company.
23 The confusion led to Master Call Corporation, being
24 named in this complaint in error in the record for
25 this company, has been corrected.

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1 Q. Please turn your attention to the exhibit
2 that has been marked exhibit SP-2. I'm sorry,
3 SP-1.

4 A. Thank you. Okay.

5 Q. Is this a -- is this document a true and
6 correct copy of the 2012 annual report of Master
7 Call Corporation filed with the Commission?

8 A. Yes.

9 Q. And when was this report filed?

10 A. April 30, 2013.

11 Q. Please turn your attention to the exhibit
12 marked SP-2. Is this document a true and correct
13 copy of the ARTS record for this carrier reflecting
14 the current status of their annual report and
15 regulatory fee filing?

16 A. Yes.

17 Q. According to that document, did they owe
18 any regulatory fees?

19 A. No.

20 MR. FASSIO: At this time, I offer
21 exhibits labeled SP-1 and SP-2 for admission into
22 evidence.

23 JUDGE WATSON: Those exhibits will be
24 admitted.

25 (Exhibits SP-1 and SP-2 admitted into

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1 evidence.)

2 JUDGE WATSON: Thank you. I have a
3 question for the witness. Just to tie everything
4 up in a bow, I assume that none of these companies
5 have likewise paid a penalty? They have not filed
6 their annual report, not paid their regulatory
7 fees, and presumably, they have not paid a penalty
8 as well?

9 A. Well, the penalties were in a separate
10 order, so some of them may have been fined, and I
11 don't know, at this time, whether they paid their
12 penalties.

13 JUDGE WATSON: Okay. Thank you.

14 CONTINUING DIRECT EXAMINATION

15 BY MR. FASSIO:

16 Q. Was MBC Telecom, LLC one of the companies
17 referred to investigative staff by financial
18 services?

19 A. Yes.

20 Q. Has MBC Telecom, LLC filed a 2012 annual
21 report or paid 2013 regulatory fees?

22 A. No.

23 Q. What is your recommendation regarding this
24 company?

25 A. I recommend that the Commission revoke the

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1 company's registration.

2 Q. Was Midwestern Telecommunications,
3 Incorporated one of the companies referred to
4 investigative staff by financial services?

5 A. Yes.

6 Q. Has Midwestern Telecommunications,
7 Incorporated filed a 2012 annual report or paid
8 2013 regulatory fees?

9 A. No.

10 Q. What is your recommendation for this
11 company?

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

14 Q. Was Think 12 Corporation one of the
15 companies referred to investigative staff by
16 financial services?

17 A. Yes.

18 Q. Has Think 12 Corporation filed a 2012
19 annual report or paid 2013 regulatory fees?

20 A. No.

21 Q. What is your recommendation for this
22 company?

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

25 Q. Was United American Technology,

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1 Incorporated one of the companies referred to
2 investigative staff by financial services?

3 A. Yes.

4 Q. Has this company filed a 2012 annual
5 report or paid 2013 regulatory fees?

6 A. No.

7 Q. What is your recommendation for United
8 American Technology, Inc.?

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

11 Q. And finally, was Yak Communications
12 (America) one of the companies referred to
13 investigative staff by financial services?

14 A. Yes.

15 Q. Has Yak Communications (America) filed a
16 2012 annual report or paid 2013 regulatory fees?

17 A. No.

18 Q. What is your recommendation for this
19 company?

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

22 MR. FASSIO: Thank you. I have no further
23 questions for Ms. Paul at this time.

24 JUDGE WATSON: Okay. And no one is on the
25 bridge line and no one is present in the room. So

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1 I guess you escape cross-examination, and I asked
2 the one question I wanted to.

3 MR. FASSIO: At this time, I can summarize
4 staff's recommendations in a closing statement.
5 Staff recommends that the Commission revoke the
6 registrations of the following telecommunication
7 companies named in this proceeding: Collier
8 Technologies, Incorporated; Envision Technologies,
9 Incorporated, doing business as ETI Communications;
10 Genext, LLC; Infotelecom Holdings, LLC; MBC
11 Telecom, LLC; Midwestern Telecommunications,
12 Incorporated, Think 12 Corporation; United American
13 Technology, incorporated, and Yak Communications
14 (America), Incorporated.

15 Staff has presented evidence that these
16 companies have neither filed a 2012 annual report
17 nor remitted regulatory fees for 2013.

18 Staff moves to dismiss the complaint
19 against Master Call Corporation, as the testimony
20 shows staff recently discovered this company, in
21 fact, filed its annual report on time and was in
22 compliance at the time the complaint was issued.

23 JUDGE WATSON: And I'll point out that the
24 Commission has agreed to dismiss, as -- dismissed
25 the complaint granting your motion.

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1 MR. FASSIO: Thank you. This concludes
2 staff's presentation.

3 JUDGE WATSON: Thank you very much. We're
4 done for today, and we're off the record.

5 (The hearing concluded at 1:52 p.m.)

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4 STATE OF WASHINGTON

5 COUNTY OF KING

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I, Mary M. Paradise, a Certified Shorthand
Reporter in and for the State of Washington, do
hereby certify that the foregoing transcript of the
hearing on January 16, 2014, is true and accurate
to the best of my knowledge, skill and ability.

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IN WITNESS WHEREOF, I have hereunto set my
hand this 22nd day of January, 2014.

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MARY M. PARADISE, CSR

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