

BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. 321 COMMUNICATIONS, INC.; EMAN NETWORKS; ERNEST COMMUNICATIONS, INC.; GREENFLY NETWORKS, INC.; IBASIS RETAIL, INC.; INETWORKS GROUP, INC.; LDC GROUP, LLC; LEGACY LONG DISTANCE INTERNATIONAL, INC.; MASTER CALL CORPORATION; PUBLIC WIRELESS, INC.; TELE CIRCUIT NETWORK CORPORATION; TELECOMMUNICATIONS COMMUNICATIONS SERVICES, INC.; TELEXPREE, LLC; TTUSA ACQUISITION, INC.; UMPQUA INDIAN DEVELOPMENT CORP., Respondents.

CANCELLATION PROCEEDING VOLUME I, PAGES 1-28 ADMINISTRATIVE LAW JUDGE RAYNE PEARSON

10:00 A.M. NOVEMBER 9, 2015

Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive Southwest Olympia, Washington 98504-7250

REPORTED BY: ANITA W. SELF, RPR, CCR #3032

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APPEARANCES

ADMINISTRATIVE LAW JUDGE:

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FOR WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION:

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AMY ANDREWS Regulatory Analyst 1300 So. Evergreen Park Drive SW P.O. Box 47250 Olympia, Washington 98504 360.664.1157

ALSO PRESENT:

Sondra Walsh

* * * * *

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REVOCATION HEARING

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OLYMPIA, WASHINGTON, NOVEMBER 9, 2015

10:00 A.M.

PROCEEDINGS

JUDGE PEARSON: All right. Good morning.

Let's be on the record in Docket UT-151543.

It's 10:00 a.m. on November 9th, 2015, which is the time set for hearing the Commission's complaint against 15 telecommunications companies seeking to revoke their registrations for failure to file their annual reports and pay their regulatory fees.

My name is Rayne Pearson and I'm the administrative law judge preceding over this proceeding.

So let's begin by taking appearances. Commission staff is the only party with me in the hearing room today.

MR. O'CONNELL: Thank you, your Honor.

My name is Andrew J. O'Connell, Assistant Attorney General. I'm present on behalf of Commission staff. There's a full notice of appearance on file with the Commission.

Seated to my right is Ms. Amy Andrews.

JUDGE PEARSON: Okay. Thank you.

So before we go through the list of

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1 companies named in the complaint to see if any of them
2 are appearing on the bridge line today, let's first
3 address whether any of the companies have come into
4 compliance since the complaint was served.

5 MR. O'CONNELL: Sure. And yes, your Honor,
6 four of the companies have come into compliance, filed
7 their annual reports and paid any regulatory fees that
8 were due.

9 These are 321 Communications, Inc.; Greenfly
10 Networks, Inc.; iBasis Retail, Inc.; and iNetworks
11 Group, Inc. And for each of those companies, Staff
12 plans to present evidence of the company's compliance
13 through Ms. Andrews. After the evidence has been
14 presented, Staff intends to move for dismissal of the
15 complaint with respect to these companies.

16 JUDGE PEARSON: Okay. Thank you.

17 So now I will read the names of the other
18 nine companies to see if any of them are present on the
19 bridge line today. I don't believe any of them are, but
20 we will check just in case.

21 So the first is EMAN Networks. Okay.

22 Hearing nothing.

23 Ernest Communications, Inc.? Hearing
24 nothing.

25 LDC Group, LLC? Hearing nothing.

1 Legacy Long Distance International, Inc.?

2 Hearing nothing.

3 Public Wireless, Inc.? Hearing nothing.

4 Tele Circuit Network Corporation? Hearing
5 nothing.

6 Telecommunications Communications Services,
7 Inc.? Hearing nothing.

8 TelexFree, LLC? Hearing nothing.

9 TTUSA Acquisition, Inc.? Hearing nothing.

10 Umpqua Indian Development Corp.? Okay. And
11 hearing nothing, we can proceed.

12 So Mr. O'Connell, you can go ahead when
13 you're ready.

14 MR. O'CONNELL: Thank you, your Honor.

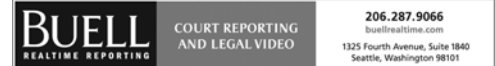
15 I have a packet for each present party
16 containing copies of all the exhibits that Staff plans
17 to present as evidence at the hearing today. These have
18 already been filed with the Commission in this docket.

19 Does your Honor need a copy?

20 JUDGE PEARSON: I do not. I received my
21 copy yesterday. Thank you.

22 MR. O'CONNELL: Okay. Then Staff does have
23 one preliminary matter.

24 With regard to the 11 companies that
25 your Honor just named, Staff intends to ask that the



1 Commission find each of them in default. Each of the
2 companies was listed in the complaint, served by the
3 Commission by mail.

4 The proof of service is on file in the
5 records center and has been filed under this docket as
6 Exhibit AA-1, and we have a copy here. According to
7 this proof of service, the Respondents were served by
8 first-class mail and by certified mail with return
9 receipt requested at the addresses on file with the
10 Commission.

11 The service was valid under the Commission's
12 service rule, Washington Administrative Code 480-07-150,
13 subsection seven, which authorizes the Commission to
14 serve its notices, complaints and orders by mail
15 properly addressed with first-class postage prepaid. I
16 have a question or two for Ms. Andrews about service
17 when she testifies.

18 At this time, Staff offers Exhibit AA-1.

19 JUDGE PEARSON: Okay. Thank you. And I
20 will admit AA-1 into the record.

21 (Exhibit No. AA-1 admitted.)

22 JUDGE PEARSON: And just to clarify, I
23 realize I read off the names of ten companies, and I do
24 believe that five companies have come into compliance,
25 and there was one that you didn't mention.



1 MR. O'CONNELL: Your Honor, it's my
2 understanding that there were four --

3 MS. ANDREWS: There are four.

4 MR. O'CONNELL: -- and that there were 11
5 companies -- if I could go through my list to make sure
6 we have --

7 JUDGE PEARSON: There was one that started
8 with an M that --

9 MS. ANDREWS: Master Call.

10 JUDGE PEARSON: -- I deleted off my list. I
11 thought they were on your list of companies that had
12 come into compliance.

13 MS. ANDREWS: No.

14 JUDGE PEARSON: They weren't. Okay. So
15 tell me the name of that company again.

16 MS. ANDREWS: Master Call --

17 JUDGE PEARSON: Master Call --

18 MS. ANDREWS: -- Corporation.

19 JUDGE PEARSON: -- Corporation?

20 MS. ANDREWS: Um-hmm.

21 JUDGE PEARSON: Okay.

22 And just to check, is there anyone from
23 Master Call Corporation on the bridge line?

24 Okay. Hearing nothing --

25 MR. O'CONNELL: So at this time, your Honor,



1 Staff asks that the Commission find all 11 Respondents
2 in default under RCW 34.05.440 and Washington
3 Administrative Code 480-07-450 for failure to appear at
4 this hearing.

5 Staff further requests under these
6 authorities that the Commission proceed with the hearing
7 and dispose of the substantive issues.

8 JUDGE PEARSON: Okay. Thank you.

9 So the companies again that will be held in
10 default are EMAN Networks; Ernest Communications, Inc.;
11 LDC Group, LLC; Legacy Long Distance International,
12 Inc.; Public Wireless, Inc.; Tele Circuit Network
13 Corporation; Telecommunications Communications Services,
14 Inc.; TelexFree, LLC; TTUSA Acquisition, Inc.; Umpqua
15 Indian Development Corp.; and Master Call Corporation.

16 So those companies have not come into
17 compliance and also have not made an appearance here
18 today, so they will be held in default.

19 So I will grant your motion, and I can swear
20 in Ms. Andrews now so she can testify.

21 MR. O'CONNELL: Thank you, your Honor.
22 AMY ANDREWS, witness herein, having been
23 first duly sworn on oath,
24 was examined and testified
25 as follows:

1 JUDGE PEARSON: Okay. Thank you. Whenever
2 you're ready, go ahead.

3 MR. O'CONNELL: Thank you, your Honor.

4 EXAMINATION

5 BY MR. O'CONNELL:

6 Q. Would you please state your name and spell it
7 for the record?

8 A. Amy Andrews, A-m-y, A-n-d-r-e-w-s.

9 Q. And what is your occupation?

10 A. Regulatory analyst with the Washington Utilities
11 and Transportation Commission.

12 Q. How long have you been in that position?

13 A. Two years, one month.

14 Q. And what are your duties?

15 A. I investigate whether companies regulated by the
16 Commission are in compliance with the rules requiring
17 those companies to file annual reports and pay
18 regulatory fees.

19 Q. And is that how you are involved in this matter?

20 A. Yes, it is.

21 Q. Are competitively classified telecommunications
22 companies required to file an annual report and also
23 submit a regulatory fee?

24 A. Yes.

25 Q. Do you know what statute and/or rule requires



1 this?

2 A. Yes. RCW 80.04.080 requires every public
3 service company to file an annual report with the
4 Commission, RCW 80.24.010 requires telecommunication
5 companies to file regulatory fees, and WAC 480-120-382
6 requires competitively classified telecommunication
7 companies to both file the annual report and pay
8 regulatory fees by May 1st each year.

9 Q. How does the Commission learn the amount of
10 these companies' intrastate operating revenue for a
11 given year?

12 A. Through the annual report submitted by the
13 company.

14 Q. And how does the Commission determine whether a
15 regulatory fee is due?

16 A. Based on the regulatory fee calculation
17 schedule, which is part of the annual report.

18 Q. So if a competitively classified
19 telecommunication company fails to file its annual
20 report, how would the Commission know if any regulatory
21 fees were due?

22 A. It would not.

23 Q. Is it possible, under Washington Administrative
24 Code 480-120-382, that a competitively classified
25 telecommunications company might not have to pay a

1 regulatory fee?

2 A. Yes, it is, if the intrastate gross operating
3 revenues are less than \$20,000.

4 Q. Are you familiar with the companies that are
5 named this in proceeding?

6 A. Yes, I am.

7 Q. How so?

8 A. In early February, I requested the Annual Report
9 Tracking System, which is otherwise known as the ARTS
10 database, to be populated from the Commission's
11 companies database. This creates a record for each
12 regulated company. This is where I document the date
13 the annual reports are received, notes for completeness,
14 and document any regulatory fee payments which are made.

15 On February 27th of 2015, the 2014 annual report
16 packets were mailed to every active regulated company to
17 the address on file with the Commission.

18 The instruction page for that annual report
19 document notifies the companies that they are to file
20 the report and pay the fees no later than May 1.

21 The instruction page also informs the company
22 they can file an extension request with the Commission
23 as long as it is received prior to May 1. None of the
24 companies listed in the complaint today filed for an
25 extension request.



1 Then after May 1st, I generate a listing of
2 noncompliant companies from the ARTS database, which
3 then those companies are assessed a penalty. The
4 penalty assessment document informs the company that the
5 Commission may revoke the company's certificate if they
6 fail to file the annual report or pay the regulatory
7 fees.

8 And then on July 29th of 2015, I mailed a notice
9 of noncompliance for those companies which remained out
10 of compliance, which also informed the companies the
11 Commission could revoke their operating certificate for
12 failure to file the annual report and pay the regulatory
13 fees.

14 Q. Okay.

15 So according to the proof of service in this
16 docket, the complaint was served by first-class mail and
17 also was sent by certified mail to each company named in
18 the complaint, correct?

19 A. Correct.

20 Q. Were any of the certified and first-class
21 mailings returned?

22 A. Yes. For TTUSA Acquisition, Inc., both the
23 first-class and certified mailings were returned. For
24 TelexFree, LLC, the first-class mailing was returned.

25 Q. Since the complaint was issued, have any of the

1 companies filed an annual report or paid regulatory
2 fees?

3 A. Yes.

4 Q. How would you know or become aware that a
5 company had come into compliance?

6 A. The mailed documents coming from the mail room
7 are delivered directly to me, and any online filings are
8 delivered to me via e-mail through the records center.

9 Q. When was your last check for compliance?

10 A. This morning at 9:00 a.m.

11 Q. And what did you do exactly?

12 A. I verified with the mail room staff that there
13 were no pending deliveries of annual reports, and I
14 checked the online filing portal for the electronic
15 filings, as well as checked the ARTS database.

16 Q. And which companies have filed an annual report
17 and paid their appropriate regulatory fee, if any were
18 due since the complaint was issued?

19 A. 321 Communications, Inc.; Greenfly Networks,
20 Inc.; iBasis Retail, Inc.; and iNetworks Group, Inc.

21 Q. And had you identified each of these companies
22 as being delinquent with respect to submission of the
23 annual report and regulatory fees due on May 1st, 2015?

24 A. Yes.

25 Q. And at this point they have all filed annual



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1 reports and paid regulatory fees if any were due,
2 correct?

3 A. Correct.

4 Q. Okay.

5 I'd like you to please turn your attention to
6 the document marked Exhibit AA-2.

7 Is this the 2014 annual report that you received
8 from 321 Communications, Inc.?

9 A. Yes, it is.

10 Q. Is this a true and accurate copy of the report
11 filed with the Commission?

12 A. Yes, it is.

13 Q. When was this report filed?

14 A. October 29th, 2015.

15 Q. And does this record contain the information
16 showing that this company also paid its regulatory fee
17 if any were due?

18 A. Yes, it does.

19 Q. Did 321 Communications, Inc., owe any regulatory
20 fee?

21 A. They did not.

22 Q. Thank you.

23 I'd like you to please turn your attention to
24 the document marked Exhibit AA-3.

25 Is this the 2014 annual report that you received

1 from Greenfly Networks, Inc.?

2 A. Yes, it is.

3 Q. Is this a true and accurate copy of the report
4 filed with the Commission?

5 A. Yes, it is.

6 Q. When was this report filed?

7 A. November 1st, 2015.

8 Q. And does this record contain the information
9 showing that this company also paid its regulatory fee
10 if any were due?

11 A. Yes, on page five.

12 Q. Did Greenfly Networks, Inc., owe any regulatory
13 fee?

14 A. Yes, they did.

15 Q. I'd like you to please turn your attention to
16 the document marked Exhibit AA-4.

17 Is this the 2014 annual report that you received
18 from iBasis Retail, Inc.?

19 A. Yes, it is.

20 Q. Is this a true and accurate copy of the report
21 filed with the Commission?

22 A. Yes, it is.

23 Q. When was this report filed?

24 A. October 27th, 2015.

25 Q. And does this record contain the information



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1 showing that this company also paid its regulatory fee
 2 if any were due?
 3 A. Yes, on page five.
 4 Q. Did iBasis Retail, Inc., owe any regulatory fee?
 5 A. No.
 6 Q. I'd like you to please turn your attention to
 7 the document marked Exhibit AA-5.
 8 Is this the 2014 annual report that you received
 9 from iNetworks Group, Inc.?
 10 A. Yes.
 11 Q. Is this a true and accurate copy of the report
 12 filed with the Commission?
 13 A. Yes.
 14 Q. When was this report filed?
 15 A. October 12th, 2015.
 16 Q. Does this record contain the information showing
 17 that this company also paid its regulatory fee if any
 18 were due?
 19 A. Yes, on page five.
 20 Q. Did iNetworks Group, Inc., owe any regulatory
 21 fee?
 22 A. No, they did not.
 23 MR. O'CONNELL: Thank you. At this time,
 24 your Honor, Staff offers Exhibits AA-2, AA-3, AA-4 and
 25 AA-5, which have already been filed with the Commission



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1 in this docket.
 2 JUDGE PEARSON: Okay. And I will admit
 3 those exhibits marked AA-2 through AA-5 into the record.
 4 (Exhibit Nos. AA-2 through AA-5
 5 admitted.)
 6 BY MR. O'CONNELL:
 7 Q. So Ms. Andrews, for purposes of this proceeding,
 8 do you consider that these companies have come into full
 9 compliance?
 10 A. Yes.
 11 Q. And what's your recommendation to the Commission
 12 for these companies?
 13 A. I recommend the companies' registrations not be
 14 revoked, and the Commission dismiss the complaints
 15 against the companies.
 16 Q. Okay.
 17 Now I want to ask you about each of the
 18 companies listed in the complaint that remain out of
 19 compliance.
 20 I'd like to start with Master Call Corporation.
 21 Was Master Call Corporation one of the companies you
 22 identified as delinquent with respect to submission of
 23 the annual report and regulatory fees due on May 1st,
 24 2015?
 25 A. Yes.



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1 Q. Has Master Call Corporation filed a complete
 2 2014 annual report?
 3 A. No.
 4 Q. Did they file anything at all?
 5 A. Yes, they did.
 6 Q. What did they file?
 7 A. On April 6th, 2015, they filed the annual report
 8 document, which was missing the company's financials.
 9 Q. And is it required that they submit the company
 10 financials?
 11 A. Yes.
 12 Q. What is your -- what is your recommendation to
 13 the Commission regarding Master Call Corporation?
 14 A. I recommend that the Commission revoke the
 15 company's registration.
 16 Q. Okay.
 17 Did you also identify EMAN Networks as
 18 delinquent with respect to submission of the annual
 19 report and regulatory fees due on May 1st, 2015?
 20 A. Yes.
 21 Q. And did you also identify Ernest Communications,
 22 Inc., as delinquent with respect to submission of the
 23 annual report and regulatory fees due on May 1st, 2015?
 24 A. Yes.
 25 Q. Did you identify LDC Group, LLC, as delinquent



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1 with respect to submission of the annual report and
 2 regulatory fees due on May 1st, 2015?
 3 A. Yes.
 4 Q. Did you identify Legacy Long Distance
 5 International, Inc., as delinquent with respect to
 6 submission of the annual report and regulatory fees due
 7 on May 1st, 2015?
 8 A. Yes.
 9 Q. And did you also identify Public Wireless, Inc.,
 10 as delinquent with respect to submission of the annual
 11 report and regulatory fees due on May 1st, 2015?
 12 A. Yes.
 13 Q. Did you identify Tele Circuit Network
 14 Corporation as delinquent with respect to submission of
 15 the annual report and regulatory fees due on May 1st,
 16 2015?
 17 A. Yes.
 18 Q. And did you also identify Telecommunications
 19 Communications Services, Inc., as delinquent with
 20 respect to submission of the annual report and
 21 regulatory fees due May 1st, 2015?
 22 A. Yes.
 23 Q. Did you identify TTUSA Acquisition, Inc., as
 24 delinquent with respect to submission of the annual
 25 report and regulatory fees due May 1st, 2015?



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1 A. Yes.
 2 Q. And did you also identify Umpqua Indian
 3 Development Corporation as delinquent with respect to
 4 submission of the annual report and regulatory fees due
 5 May 1st, 2015?
 6 A. Yes.
 7 Q. Have any of these companies filed a 2014 annual
 8 report?
 9 A. No.
 10 Q. Have any of these companies paid their 2015
 11 regulatory fee?
 12 A. No.
 13 Q. What is your recommendation to the Commission
 14 regarding these companies?
 15 A. I recommend that the Commission revoke the
 16 companies' registrations.
 17 Q. Okay.
 18 Lastly, I'd like to ask you about TelexFree,
 19 LLC. Was TelexFree, LLC, one of the companies you
 20 identified as delinquent with respect to submission of
 21 the annual report and regulatory fees due on May 1st,
 22 2015?
 23 A. Yes.
 24 Q. Has TelexFree, LLC, filed an annual report?
 25 A. No.



1 Q. Have they paid a 2015 regulatory fee?
 2 A. No.
 3 Q. Is TelexFree, LLC, currently involved in Chapter
 4 11 bankruptcy proceedings in Massachusetts?
 5 A. Yes.
 6 Q. How do you know that they are involved in that
 7 proceeding?
 8 A. After receiving the return service, I researched
 9 on the Internet looking for a valid address for the
 10 company. The company's website stated the information
 11 regarding the bankruptcy.
 12 Q. Okay.
 13 And what is your recommendation to the
 14 Commission regarding TelexFree, LLC?
 15 A. I recommend that the Commission revoke the
 16 company's registration.
 17 MR. O'CONNELL: Thank you.
 18 Your Honor, I have no further questions for
 19 Ms. Andrews at this time. But before we conclude this
 20 hearing, I would like to ask if I could be permitted to
 21 briefly state Staff's recommendations and their legal
 22 basis.
 23 JUDGE PEARSON: Absolutely.
 24 Just briefly, is there a party on the bridge
 25 line that would like to identify themselves?



1 MASTER CALL REPRESENTATIVE: Hello?
 2 JUDGE PEARSON: Yeah. Who is this?
 3 MASTER CALL REPRESENTATIVE: I joined --
 4 sorry, I joined a little bit later. It's Master Call.
 5 JUDGE PEARSON: Okay. We have basically
 6 finished up with our staff's testimony with respect to
 7 your company.
 8 Did you have something that you wanted to
 9 add?
 10 MASTER CALL REPRESENTATIVE: Do you have a
 11 question to -- because it says we didn't -- one second.
 12 From our side, it's about reporting and failing to pay
 13 fee, right?
 14 JUDGE PEARSON: Right, that your company
 15 filed an incomplete annual report that was missing the
 16 financials.
 17 Is that correct, Ms. Andrews?
 18 MS. ANDREWS: Yes.
 19 MASTER CALL REPRESENTATIVE: Master Call
 20 stopped service in Washington. That's why it was -- we
 21 didn't pay any fees.
 22 JUDGE PEARSON: Okay. So you are
 23 voluntarily ceasing service in Washington; you don't
 24 wish to operate in Washington anymore?
 25 MASTER CALL REPRESENTATIVE: We don't



1 operate -- Master Call Corporation doesn't operate in
 2 Washington, yes.
 3 JUDGE PEARSON: Okay. So there are two ways
 4 we can do this. You could either submit a voluntary
 5 cessation, or I can go ahead and just cancel your permit
 6 through this docket, which would be the fastest way to
 7 do it, and which I would do anyway because you haven't
 8 yet filed a report, and it doesn't sound like you
 9 intend -- that you intend to.
 10 MASTER CALL REPRESENTATIVE: Yes. This
 11 would be perfect.
 12 JUDGE PEARSON: Okay. So you're fine with
 13 the cancellation?
 14 MASTER CALL REPRESENTATIVE: That would
 15 resolve the problem, yes.
 16 JUDGE PEARSON: Okay. Thank you.
 17 MASTER CALL REPRESENTATIVE: Thank you very
 18 much.
 19 JUDGE PEARSON: Mr. O'Connell, you can go
 20 ahead with your --
 21 MASTER CALL REPRESENTATIVE: And sorry --
 22 any -- I mean, I can leave, right?
 23 JUDGE PEARSON: Yes, you can. You may hang
 24 up, yes.
 25 MASTER CALL REPRESENTATIVE: Okay. Thank



1 you very much. Again, Master Call, you are -- thank
2 you.

3 JUDGE PEARSON: Thank you.

4 MR. O'CONNELL: Thank you, your Honor.

5 Staff recommends that the Commission revoke
6 the authority of the following competitively classified
7 telecommunications companies named in this proceeding:

8 EMAN Networks; Ernest Communications, Inc.;

9 LDC Group, LLC; Legacy Long Distance International,
10 Inc.; Master Call Corporation; Public Wireless, Inc.;
11 Tele Circuit Network Corporation; Telecommunications
12 Communications Services, Inc.; TelexFree, LLC; TTUSA
13 Acquisition, Inc.; Umpqua Indian Development Corp.

14 These companies have failed to file a 2014
15 annual report or submit 2015 regulatory fees as required
16 by RCW 80.04.080, and RCW 80.24.010, and Washington
17 Administrative Code 480-120-382.

18 Your Honor, I need to specifically address
19 the situation of TelexFree, LLC.

20 JUDGE PEARSON: Okay.

21 MR. O'CONNELL: This company has filed for
22 bankruptcy under Chapter 11, and the matter's pending
23 before the bankruptcy court in the District of
24 Massachusetts.

25 When a company files a petition under

1 Chapter 11, the petition operates as a stay against
2 proceedings against it except under Section 362,
3 subsection B. This provides an exception to the stay
4 for a governmental unit like the UTC to enforce the
5 Agency's regulatory power against the company for
6 anything except a monetary judgment.

7 Other companies involved in this proceeding
8 have come into compliance by filing their annual reports
9 with the Commission, but as Staff has testified, some of
10 these companies didn't owe regulatory fees.

11 It is Staff's position that the Commission
12 can enforce this regulation against TelexFree, LLC, and
13 revoke its authority to operate because the revocation
14 of authority is enforcement of the Commission's
15 regulatory power and is not a monetary judgment.

16 To put it simply, your Honor, TelexFree's
17 inability to make any monetary payment does not exclude
18 them from their obligation to file an annual report
19 which costs nothing.

20 So like the other competitively classified
21 telecommunications companies named in the complaint who
22 have failed to comply with the Commission's regulation
23 requiring the submission of an annual report, Staff
24 recommends that the Commission revoke TelexFree, LLC's
25 authority to operate.



1 The remaining Respondent companies --

2 JUDGE PEARSON: Can I just have you give me
3 that citation again?

4 MR. O'CONNELL: Sure. It is -- well, the
5 citation would be 11 USC Section 362. The relevant
6 subsections are subsection A, which provides the stay,
7 and then subsection B, which provides the exception to
8 the stay for government -- exercises of governmental
9 regulatory power.

10 JUDGE PEARSON: Okay. Thank you.

11 MR. O'CONNELL: For the remaining companies,
12 the four that have come into compliance, Staff has
13 presented evidence that they have filed their annual
14 reports and paid their regulatory fees if any were due.

15 Staff, therefore, moves to dismiss the
16 Commission's complaint against those companies: 321
17 Communications, Inc.; Greenfly Networks, Inc.; iBasis
18 Retail, Inc.; and iNetworks Group, Inc.

19 Thank you, your Honor.

20 JUDGE PEARSON: Okay. And that motion to
21 dismiss is granted. I will issue an order in this
22 docket reflecting that 11 companies were held in default
23 today for failing to appear. The record supports not
24 only holding these companies in default, but also
25 revoking their telecommunications registrations.

1 And the order will also reflect that four
2 others have since come into compliance, and that the
3 complaint against those companies is dismissed.

4 Do we have anything further here today?

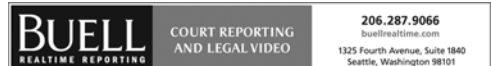
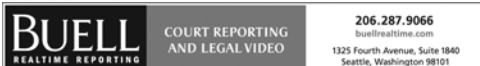
5 MS. ANDREWS: No.

6 MR. O'CONNELL: Nothing from Staff,
7 your Honor.

8 JUDGE PEARSON: Okay. Thank you. Then we
9 are adjourned.

10 (Hearing concluded at 10:24 a.m.)

11 -o0o-



C E R T I F I C A T E

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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I, ANITA W. SELF, a Certified Shorthand Reporter
in and for the State of Washington, do hereby certify
that the foregoing transcript is true and accurate to
the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand
and seal this 9th day of November, 2015.

ANITA W. SELF, RPR, CCR #3032

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