



July 11, 2017

Washington Utilities & Transportation Commission
Telecommunications Division
PO Box 47250
Olympia, WA 98504-7250

RE: Notice of Penalties Incurred
Assessment No. UT-170479

To Whom it May Concern:

I am in receipt of the above notice concerning QuantumShift Communications, Inc.'s failure to file its annual report. Unfortunately, the company did not receive an annual reminder this year, and the state of non-compliance was entirely unintentional. Enclosed is the requested questionnaire concerning the status of the annual report. The report, fee, and penalty were paid online on July 11, 2017.

Please contact me with any additional questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads 'Jenna Brown'.

Jenna Brown
Director, Regulatory Affairs
(415) 209-7044
jbrown@vcomsolutions.com

RECEIVED
REGULATORY MANAGEMENT
2017 JUL 14 AM 8:43
STATE OF WASH
UTIL. AND TRANSP
COMMISSION

Service Date: June 28, 2017

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

PENALTY ASSESSMENT: UT-170479
PENALTY AMOUNT: \$1000

QuantumShift Communications, Inc.
12657 Alcosta Blvd, Suite 418
San Ramon, CA 94583

According to Washington Utilities and Transportation Commission (Commission) records, you have violated Washington Administrative Code (WAC) 480-120-382, which requires telecommunications companies to file their annual report and pay regulatory fees each year by May 1. You did not file a complete annual report by May 1, 2017.

Revised Code of Washington (RCW) 80.04.405 authorizes the Commission to assess a penalty of \$100 for each violation of a Commission rule. In the case of a continuing violation, every day's continuance is a separate and distinct violation. The Commission interprets noncompliance with WAC 480-120-382 beyond May 1 as a continuing violation, and assesses penalties of \$100 for each day a company fails to file its complete report or pay its regulatory fees after that date.

As a result, the Commission has assessed penalties against you in the amount of \$1000 on the following basis:

On February 28, 2017, the Commission sent the 2016 annual report forms and the 2017 regulatory fee packets to all telecommunications companies registered in Washington. The instructions page for the annual report form instructed these companies to file complete annual reports and pay regulatory fees by May 1, 2017. The instructions page also stated that failure to file the complete annual report by May 1 would result in penalties. The deadline for requesting an extension to file your annual report was April 15. You did not request an extension.

As of May 15, 2017, QuantumShift Communications, Inc. had not filed its complete 2016 annual report or paid its 2017 regulatory fee. May 15 is 10 business days from May 1, resulting in a total penalty of \$1,000. A complete and accurate annual report is still not on file and additional penalties may accrue until the Commission receives the report and any required regulatory fee. QuantumShift Communications, Inc. does not have prior violations of 480-120-382, and accordingly, the Commission will exercise its discretion to suspend a \$750 portion of the penalty subject to the conditions that QuantumShift Communications, Inc. files a complete annual report, pays any outstanding regulatory fee, and pays the \$250 portion of the penalty that is not suspended

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT UT-170479

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.

[x] 1. Payment of penalty. I admit that the violations occurred. I have:

[] Enclosed \$ _____ in payment of the penalty

[x] Submitted my payment of \$ 1,484.04 online at www.utc.wa.gov. My confirmation number is 241390

[] 2. Contest the violation. I believe that one or more of the alleged violations did not occur, for the reasons I describe below (if you do not include reasons supporting your contest of the violations here, your request will be denied):

[] a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision

OR

[] b) I ask for a Commission decision based solely on the information I provide above.

[] 3. Application for mitigation. I admit the violations, but I believe that the penalty should be reduced because the violations occurred due to circumstances beyond my control, as explained below (if you do not include reasons that support your application for mitigation here, your request will be denied):

[] a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision

OR

[] b) I ask for a Commission decision based solely on the information I provide 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: 7-11-17 [month/day/year], at San Ramon, CA [city, state]

Jenna Brown
Name of Respondent (company) – please print

Jenna Brown
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.”

