



TENNESSEE REGULATORY AUTHORITY
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

MEMORANDUM

To: *Application of BetterWorld Telecom, LLC for Authority to Resell
Telecommunications Services in Tennessee, Docket No. 03-00542
Company ID 128924*

From: *Lisa Foust, Utilities Division LF by DF
Rebecca Montgomery, Legal Division RSM/jrc*

Date: **October 15, 2010**

A Notice to Appear has been issued requiring BetterWorld Telecom, LLC ("BetterWorld" or the "Company") to appear before the Tennessee Regulatory Authority ("TRA" or "Authority") during the Authority Conference scheduled for Monday, October 25, 2010 at 1:00 p.m. and show cause why the Authority should not proceed to convene a proceeding to impose civil penalties and sanctions, including but not limited to revocation of BetterWorld's Certificate of Public Convenience and Necessity, for operating without a bond or irrevocable letter of credit in violation of Tenn. Code Ann. § 65-4-125(j).

On June 21, 2010, the Authority received a Notice of Cancellation from Bond Safeguard Insurance Company ("Bond Safeguard") regarding bond number 5007626, issued on behalf of BetterWorld with an effective cancellation date of thirty (30) days from the date of the Authority receiving the letter. On August 31, 2010, Staff sent the Company a certified letter indicating non-compliance with Tenn. Code Ann. § 65-4-125(j). The certified letter was received by the Company on September 9, 2010 and signed for by C. Tanner. On September 9, 2010, Mr. Glen Powell phoned Lisa Foust in the Utilities Division and indicated he would get the bond renewed retroactively so there would be no lapse in coverage. By September 22, 2010, no replacement bond had been received and Lisa Foust left a voice mail for Mr. Powell inquiring about the bond. Mr. Powell did not return the call.

As of the date of this memo, no Surety Bond or Letter of Credit has been received by the TRA. As a result, BetterWorld has been and continues to be in violation of Tenn. Code Ann. § 65-4-125(j).

As evidenced herein, numerous attempts have been made by Staff to see that BetterWorld complies with Tenn. Code Ann. § 65-4-125(j). Nevertheless, these attempts have not resulted in BetterWorld securing and providing to the TRA a Bond or Letter of Credit in compliance with Tenn. Code Ann. § 65-4-125(j). This matter is before the Authority to hear from a representative of BetterWorld during the Authority Conference on October 25, 2010 and to be provided an explanation as to why a docket should not be opened for the purpose of conducting a contested case proceeding to determine whether the TRA should impose sanctions against BetterWorld in the form of civil penalties and/or revocation of its CCN.

c: Gloria Costa, Manager Regulatory & Administration, BetterWorld Telecom, Inc.