



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

**MEMORANDUM**

**To:** *Application of Independent Telecommunications Systems, Inc. for Authority to Resell Telecommunications Services in Tennessee, Docket No. 04-00108 Company ID 128894*

**From:** Lisa Foust, Utilities Division *LF by OF*  
Rebecca Montgomery, Legal Division *RSW/jc*

**Date:** October 15, 2010

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A Notice to Appear has been issued requiring Independent Telecommunications Systems, Inc. ("Independent" 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 Independent'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 14, 2010 the Authority received a Notice of Cancellation from Merchant's Bank of Michigan ("Merchants") regarding Letter of Credit 538351, issued on behalf Independent with an effective cancellation date of July 15, 2010. On July 15, 2010, Staff phoned the company at 616-242-5300 and left a message for Robert Sweezie regarding the Letter of Credit. He returned the phone call the same day and stated he would get the Letter of Credit renewed. On September 20, 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 23, 2010 and signed for by Sandra Bickford.

As of the date of this memo, no Surety Bond or Letter of Credit has been received by the TRA. As a result, Independent 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 Independent complies with Tenn. Code Ann. § 65-4-125(j). Nevertheless, these attempts have not resulted in Independent 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 Independent 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 Independent in the form of civil penalties and/or revocation of its CCN.

c: Robert Sweezie, Independent Telecommunications Systems, Inc.