

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

ATTORNEYS AT LAW

900 COMERICA BUILDING
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (269) 381-8844
FAX (269) 381-8822

GEORGE H. LENNON
DAVID G. CROCKER
MICHAEL D. O'CONNOR
HAROLD E. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER
GARY P. BARTOSIEWICZ
BLAKE D. CROCKER

ROBERT M. TAYLOR
RON W. KIMBREL
PATRICK D. CROCKER
THOMAS A. BIRKHOLO
RUSSELL B. BAUGH
ANDREW J. VORBRICH
TYREN R. CUDNEY

OF COUNSEL
JOHN T. PETERS, JR.

THOMPSON BENNETT
(1912-2004)
VINCENT T. EARLY
(1922-2001)
JOSEPH J. BURGIE
(1926-1992)

February 8, 2007

filed electronically in docket office on 02/09/07

Darlene Standley, Chief
Telecommunications Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

RE: Cost Plus Communications, LLC
Docket No. 06-00306

Dear Ms. Standley:

Enclosed for filing with the Regulatory Authority, please find an original and four (4) copies of the above captioned corporation's response to the TRA's January 12, 2007 request for additional information. An electronic version of the response was filed.

Please date-stamp the extra copy and return same to me in the enclosed postage-paid envelope.

Should you have any questions or concerns, please contact the undersigned.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker

PDC/pas

1. What position does Mr. Matthew N. Simpson hold with Cost Plus Communications? What are his duties and responsibilities with Cost Plus?

Response: Mr. Matthew N. Simpson is the Secretary and Chief Technology Officer. He is responsible for the operation and maintenance of the company's switches.

2. Provide further information regarding the financial qualifications of the officers of Cost Plus, or in the alternative, provide the name of the accounting firm to be used by Cost Plus.

Response: The account firm used by Cost Plus is:

**Management Accounting Services
14n859 Route 59
East Dundee, IL 60118**

3. Provide a \$20,000 surety bond or letter of credit in compliance with Tenn. Code Ann. § 65-4-125(j).

Response: Irrevocable Letter of Credit attached hereto as Attachment 1.

4. Provide further information regarding compliance with Tenn. Code Ann. § 65-21-114. Specifically, explain technically how the company will not bill for countywide calls within Tennessee.

Response: Cost Plus Communications, LLC's billing system is capable of sorting retail intra-county calls from inter-county calls and billing the intra-county calls as local.

5. Provide further information regarding the corporate structure of Cost Plus Communications, LLC. Is there a parent company? Are there any subsidiaries?

Response: Cost Plus Communications, LLC is limited liability company organized in the State of Michigan. Cost Plus does not have a parent company or any subsidiaries.

ATTACHMENT 1

Irrevocable Letter of Credit

ATTACHMENT 1

Irrevocable Letter of Credit



Des Plaines National Bank

A Branch of Mount Prospect National Bank

IRREVOCABLE LETTER OF CREDIT

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

REFERENCE: Name of Company authorized by TRA: **Cost Plus Communications, LLC**
Company ID # as assigned by the TRA: **0531063**
Irrevocable Letter of Credit Number: **200702**
Effective Date: **February 2, 2007**
Expiration Date: **February 2, 2008**

Sir/Madam:

You have requested of Des Plaines National Bank, a branch of Mount Prospect National Bank, (the "Lender") that we establish an irrevocable letter of credit which will remain available on behalf of Cost Plus Communications, LLC (the "Company") who has applied to the Tennessee Regulatory Authority (the "TRA") for authority to provide telecommunications services in the state of Tennessee. The purpose of this letter of credit is to secure payment of any monetary sanction imposed against the Company, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA.

We hereby establish and issue, in favor of the TRA, an irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America. The TRA may draw upon this letter of credit, at any time and from time to time, by delivering a Letter of Credit Notice, substantially in the form set forth below (a "Notice"), which Notice shall specify the amount (the "Draw Amount") to be drawn and the bank account (the "Bank Account") to which the Draw Amount should be delivered and shall be signed by an official designated and duly authorized by the TRA, to Lender at the address listed below, or to such other address as the Lender shall notify the TRA in writing by certified mail. Promptly after the delivery of each Notice, the Lender hereby covenants and agrees to deliver, by wire transfer of immediately available funds, the Draw Amount to the Bank Account.

This letter of credit shall be deemed automatically renewed without amendment for successive one-year periods and may be canceled by the Lender by giving thirty (30) days advanced written notice by certified mail of such cancellation to the TRA and the Company, it being understood that the Lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation.

The Lender hereby represents and warrants that it is qualified and authorized to issue this letter of credit and is a bank designated by the Treasurer of the State of Tennessee as an authorized depository bank for the deposit of state funds.

Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500, or any revisions thereto.

Yours Very Truly,

Des Plaines National Bank, a branch of Mount Prospect National Bank

Name: **Gregory S. Hull**
Title: **Vice President**
Address of Lender: **701 Lee Street, Suite 150, Des Plaines, IL 60016**

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing letter of credit and found the same to be sufficient and in conformity to law and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this ____ day of _____, 20__.

Name:
Title:

**FORM OF
LETTER OF CREDIT NOTICE**

Des Plaines National Bank, a branch of Mount Prospect National Bank
701 Lee Street, Suite 150
Des Plaines, IL 60016

Re: Irrevocable Letter of Credit No. 200507

Dear Sir or Madam:

You are hereby notified, and the undersigned hereby certifies, that the undersigned is an official designated and duly authorized by the TRA to deliver this notice and that a monetary sanction in the amount of \$ _____ (the "Draw Amount") has been imposed against IBFA Acquisition Company, LLC, its representatives, successors or assigns, in an enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA.

Pursuant to that certain Irrevocable Letter of Credit referenced above, we hereby request that you deliver payment of the Draw Amount to the bank account listed below by wire transfer of immediately available funds:

Name of Bank Account: _____
Account Number: _____
ABA Routing Number: _____
Reference: _____
Name of Contact: _____
Telephone Number: _____
Facsimile Number: _____

Please confirm receipt of this Notice and the Federal Reserve wire confirmation number of the delivery of the Draw Amount by sending a facsimile to the person at the number listed above.

Sincerely,

TENNESSEE REGULATORY AUTHORITY

Name:
Title: