

**APPLICATION FOR CERTIFICATE  
TO PROVIDE OPERATOR SERVICES AND/OR  
RESELL  
TELECOMMUNICATION SERVICES IN TENNESSEE  
SECTION A**

Application is hereby made for a certificate of authority pursuant to TRA Rule 1220-4-2-.57 to provide telecommunications services in the State of Tennessee.

**Part I : General Information**

A. Name of Applicant Consumer Telcom, Inc.  
Full exact name of person, corporation, partnership, sole proprietorship, or other entity, for which application is made.

Consumer Telcom, Inc.

Legal name of applicant, if different from above.

701 N. Green Valley Parkway, Suite 200 Henderson, NV 89014

Address

City

State

Zip

Tenn. Secretary of State Certificate of Authority ID

Federal Taxpayer ID Number

88-0408027

Social Security Number for Applicants

Applying as Individuals

Any trade name(s), assumed name(s) or fictitious name(s) used by applicant:

Inapplicable

If applicant has affiliate(s) engaged in providing telecommunications services, provide the above requested information for each affiliate(s), as well as for the applicant.

Address

City

State

Zip Code

Phone No. ( ) -

(Use additional pages if necessary)

**\*\*\*IMPORTANT INFORMATION\*\*\***

If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade name, assumed name or fictitious name used by the above, provide the above requested information on all parts of this application as well as for the applicant. Provide this information on a separate attachment, if necessary.

**THIS SECTION FOR TRA USE ONLY**

Docket Number.

07-00094

Company ID Number

129022

Date Approved

Evaluator

*Kyle  
Miller  
Jones*

- B. Describe other businesses or business transactions, if any, at the same location as the principal business address:

None

- C. Provide the name, business and home address of and a chronological summary of the employment history and business experience over the preceding eight years of:

- (a) The proprietor, if the applicant is an individual;
- (b) Every member, if the applicant is a partnership;
- (c) Each Executive Officer, Director and each Key Stockholder if the applicant is a joint stock association or a corporation. (Note: If the applicant is a publicly traded corporation or a subsidiary of such a corporation it does not need to provide this information)
- (d) Any person in a position to exercise control over or direction of, the business of the applicant, regardless of the form of organization of the applicant.

Information to be included:

NAME TITLE

BUSINESS ADDRESS

PHONE No.

HOME ADDRESS

PHONE No.

EMPLOYMENT HISTORY

**Provide the above requested information on separate attachments.**

- D. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business whose authority to transact business was denied, revoked or suspended by a state or federal regulatory or law enforcement entity?

☐ Yes ☒ No If yes, please explain fully.

- E. Has the Tennessee Regulatory Authority, or any other agency of the State of Tennessee, any federal agency or any agency of any other state ever initiated a regulatory action or order against the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust)?

☐ Yes ☒ No If yes, please explain fully.

- (1) Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust), been enjoined or restrained by order by any court or state or federal regulatory or law enforcement entity from engaging in any conduct or practice related to the telecommunications business? ☐ Yes ☒ No If yes, please explain fully.

- F. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business who has ceased providing telecommunications services in any state, describe the circumstances. (Use additional pages if necessary)

- G. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) or more shareholders or beneficiaries (of a trust) been convicted of any crime or crimes, or charged in court with any fraudulent or dishonest acts in any transaction of any kind, or confined in any penal institution? If so, list such persons, give details, state results and final outcome. **(Use additional pages if necessary)**

(1) Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) or more shareholders or beneficiaries (of a trust) been indicted, convicted, pled guilty or pled nolo contendere to a felony in Tennessee or elsewhere?

☐ YES ☐ NO If yes, please explain fully.

- H. Name and telephone number of contact person authorized to respond to Authority inquiries regarding company operations Monday through Friday.

Name Phone No. Fax No.

(800)  e-mail Address

- (1) Name and telephone number of contact person authorized to respond to Authority inquiries regarding this filing Monday through Friday.

Name Phone No. Fax No.

(800)  e-mail Address

- I. List a toll-free telephone number and mailing address that consumers can call or write to report service problems and/or request refunds or adjustments.

PHONE NUMBER ALTERNATE PHONE NUMBER  
  
ADDRESS CITY ST ZIPCODE

- (J) Provide the name and address of the registered agent for service of process:

- (K) Identify all authorized agents in the state, if any by name, address, business and home phone numbers and any other businesses conducted by the agent at the same location: (use additional sheets if necessary)

Part II:

- A. Check the type of telecommunication services you plan to provide in Tennessee.

☒ Resell Interexchange long distance services  
☐ Operator Services  
☐ Resell local services  
☐ Other (describe)

- B. If providing operator services, list company name, address and contact person for all reseller carriers you serve in Tennessee. **Provide the above information on Appendix I.**

- C. List the state(s) where the applicant, its parent company, and all affiliates is authorized to operate in at this time. For each such state, describe applicant's current activities along with a history of operations there. (Use additional pages if necessary.)

Please see attachment

For the above states, list the number and types of complaint(s) filed against applicant, and the complaint(s)' current status. Provide this information on a separate attachment, if necessary.

Please see attachment

If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade name, assumed name or fictitious name used by the above, provide the above requested information for all as well as for the applicant. Provide this information on a separate attachment, if necessary.

- D. List any states that the applicant or any affiliate, parent company, or constituency corporation operating under any trade name, assumed name, or fictitious name, has been denied authority to provide service. (Use additional pages if necessary)

In no instance has applicant been denied authority to provide service.

- E. Areas in Tennessee to be served.

Statewide

- F. What type of customers will the applicant serve?

a. Business ☒

b. Residential ☒

c. Aggregators ☐

(e.g. Hotels, Payphones)

d. Other (specify)

- G. Does the applicant allow a property imposed fee (PIF) to be added to the price of intrastate telephone calls over its network? If yes, specify amount. No

- H. Are your prices for intrastate services plus any PIF equal to or less than the dominant carriers' price for similar services? Yes ☐ No ☐

- I. Describe the type of services and price that the applicant will be offering in Tennessee on the Informational Tariff Form found in Appendix II<sup>1</sup>.

- J. What is the applicant's 10XXX or 800 access code, if applicable? 1010-444

- K. Does the applicant now have or plan to have any telecommunication's facilities (e.g. switches, fiber lines) in Tennessee?

Applicant neither has, nor plans to have, telecommunications facilities in Tennessee.

<sup>1</sup>Applicant is required to fill out an Informational Tariff form. Failure to fill out this form will cause the applicant's request to be rejected.

L Whose facility-based network(s) will the applicant be reselling?  
 Applicant will be reselling the network services of Qwest and Global Crossing

M Will the applicant be utilizing the local telephone company's billing system ☒ or billing customers directly? ☐ Yes

N Describe briefly how the applicant plans to market their services in Tennessee?  
 Applicant plans to market its services using in-house telemarketing staff.

O If independent telemarketers are to be used, list the name, contact person, address phone number and federal taxpayer ID for each company.  
 Inapplicable

COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE

any  
 2/10  
 65  
 40

P Describe the methods and procedures by which the applicant will use to switch a consumer's preferred interexchange service, and to prevent unauthorized switching of a consumer's interexchange service. Use additional pages if necessary. If you have written procedures or company guidelines, attach copies.

Applicant strictly adheres to the Federal Communications Commission's regulations governing account verification, 47 C.F.R. Section 64.1100 et. seq. Applicant specifically engages in the use of third party verification and further sends letters confirming new account transfers to new subscribers.

Q. Applicant has the ability and agrees to honor the form of call blocking that the consumer has subscribed to with their local telephone company. Yes ☒ No ☐

R Applicant gives permission to the local telephone company to provide the Authority a periodic sample of the reseller's intrastate toll calls. The purpose of this analysis is to audit the reseller's rates to assure they are at or below the dominant carrier's tariffed rates. Yes ☒ No ☐

<sup>2</sup>A copy of a bill is required if the applicant is going to bill the customer directly.

Part III: Organization Structure

A. Applicant's organizational structure

☒ Corporation

☐ Publicly Traded Corporation

☐ Subsidiary of a Publicly Traded Corporation

☐ Limited Liability Corporation **Attach a copy of the articles of organization and operating agreement along with amendments.**

☐ Other Form of Corporation

List type Subchapter C Corporation (Example S Corporation)

**Attach a copy of the charter, bylaws and/or certificate of incorporation.**

☐ Association **Attach a copy of the charter, bylaws and/or certificate of incorporation and Letter of Authorization from Tennessee Secretary of State**

☐ Joint Stock Association **Attach a copy of the charter, bylaws and/or certificate of incorporation and Letter of Authorization from Tennessee Secretary of State.**

☐ Trust **Attach a copy of the trust agreement and Letter of Authorization from Tennessee Secretary of State.**

☐ Individual **Attach a copy of the Letter of Authorization from Tennessee Secretary of State**

**SECTION (a)-(g) is to be completed if applicant is a Corporation Association or Trust**

(a) The date and state of formation/incorporation: September 23, 1998, California

(1) Parent Company, if applicable None

(b) Attach a certificate of good standing from the state in which the applicant was incorporated/formed.

(1) Attach a copy of Certification of Authority issued by Tennessee Secretary of State showing corporation's authority to engage in business in Tennessee.

(d) Describe the corporate structure of the applicant, including the identity of any parent or subsidiary of the applicant. Disclose whether any parent or subsidiary is publicly traded on any stock exchange.

(e) Provide the history of material litigation and criminal convictions of every current director, executive officer, or key shareholder of the applicant for the ten-year period prior to the date of this application.

(f) If applicable, attach a copy of the instrument creating the trust and all amendments thereto:

B. ☐ Proprietorship

☐ Partnership

- ☐ General Attach a copy of the partnership agreement along with any amendments.
- ☐ Limited Attach a copy of the certificate of limited partnership and the partnership agreement along with any amendments.
- ☐ Other (Explain on separate sheet)

All of the above will be required to submit a valid business license.

- (a) Identify the place and date of the applicant's qualifications to provide telecommunications services in this state.
- (b) List the full name, social security number and address of the owners, if a sole proprietorship, or all partners identifying the percentage of ownership:  
**ATTACH ADDITIONAL PAGES AS NECESSARY**

C. Number of employees: 40.

Employer Identification Number (E.I.N.) 88-0408027

Part IV: Financial Information

A. Address where business records are kept: 701 N. Green Valley Parkway, Suite 200

<u>Henderson,</u>	<u>Nevada</u>	<u>89014</u>	<u>800.872.3811</u>
CITY	STATE	ZIP CODE	PHONE NUMBER

B. Attach a copy of the applicant's most recent unconsolidated and consolidated audited financial statements for the immediately preceding three-year period. Provide in detail the applicant's financial condition, including balance sheet and income statement, or a copy of IRS form 1120 or 1065 filed by your business for the previous year. Attach, if available, a copy of your company's 10K and/or stockholder reports.

(1) Fiscal year end: Month December Day 31

(2) Date of most recent audited, unconsolidated financial statement of Applicant:  
Applicant does not maintain audited financial statements

(3) If applicable, name and address of independent certified public accountant:

Inapplicable

(4) Period covered by financial statement attached: January 1 to July 31, 2006

C. Does the applicant currently have an internal auditor and/or internal audit program? none

If so, Name of internal auditor .

D. If applicable, provide a history of applicant's material litigation and criminal convictions for the ten-year period prior to the date this application is made. Material litigation is defined as any litigation that, according to generally accepted accounting principles, is deemed significant to a person's financial health and would be required to be referenced in annual audited financial statements, reports to shareholders or similar documents.

Part VI: Rule Compliance Agreement

- A. Attach a copy of a Small and Minority-Owned Telecommunications Business Participation Plan Pursuant to Tennessee Code Annotated § 65-5-212.
- B. Have you read and understand the Tennessee Regulatory Authority's (TRA) Rules and Regulations for Resellers, 1220-4-2 located at the TRA's website <http://www.state.tn.us/tra> *electronic fileroom* in its entirety?  
\_\_\_\_\_ ☒ Yes \_\_\_\_\_ ☐ No
- C. Do you understand the penalties for non-compliance, and all associated fees to provide such service? \_\_\_\_\_ ☒ Yes \_\_\_\_\_ ☐ No

Mail the completed application and a check for \$50.00 to: Tennessee Regulatory Authority, **P.O. Box 198907, Nashville, TN 37219-8907**. Should you have any questions, call (615) 741-7489, ext. 163.

The Reseller or Operator Service Provider applicant, hereby, affirms the following:

Will comply with the TRA Reseller Rules and all other applicable Authority Rules and state laws, including T.C.A. Section 65-5-206 located at the TRA's website <http://www.state.tn.us/tra> *electronic fileroom* under the External Site of Lexis Law Publishing.

**Having been duly sworn, and under the penalties of perjury, I hereby certify that the representations in this RESELLER APPLICATION and all attachments and appendices are true and correct to the best of my knowledge and belief. I further understand that omissions or inaccuracies may result in denial of the APPLICATION and grounds for revocation of Certificate of Authority.**



For Individual and Partners:

_____ Signature	_____ Signature
_____ PRINTED NAME	_____ PRINTED NAME

_____ Signature	_____ Signature
_____ PRINTED NAME	_____ PRINTED NAME

For Corporations  
and Other Organizations

\_\_\_\_\_  
Consumer Telcom, Inc.  
(NAME OF CORPORATION)

BY:

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
Joseph Nicotra  
PRINTED NAME

\_\_\_\_\_  
President  
Title

ATTEST:

\_\_\_\_\_  
Title

On this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me, a Notary Public

known to me to be the person(s) named in, and who executed the foregoing application, being duly sworn according to law, deposes and says that the statements and representations set forth in the above application are true and correct to the best of his/her knowledge and belief.

\_\_\_\_\_  
Notary Public

seal

Docket No. 07-00094, *Application of Consumer Telcom, Inc for Certificate to Resell  
Telecommunications Services in Tennessee*

Information Request Response

1. **[Provide] [a] list of complaints filed with any state regulatory agency in states where Consumer Telcom, Inc. is conducting business, along with a brief description of the nature of the complaint and how it was resolved. Also include information for any FCC complaints against Consumer Telcom.**

**Response:** Consumer Telcom, Inc. receives periodic consumer complaints filed through state regulatory utility commissions, consistent with those received by virtually all carriers. Since its inception, the Company has received a total of 112 complaints, 93 from state regulatory utility commissions, and 19 from the Federal Communications Commission. Of state complaints, 36 pertained to slamming and 57 to billing-related matters; of the federal complaints, 7 pertained to slamming and 12 to billing-related matters.

In all instances, the complaints were resolved. Following investigation and the provision of documentation supporting the Company's actions, the Company in many instances refunded or credited funds to subscribers for billing-related complaints, in an effort to satisfy the subscriber, despite the subscriber's erroneous allegations. Consumer Telcom, Inc. has not been the subject of any regulatory utility commission enforcement action in the nearly nine years since the company was formed.

2. **The Application indicates [that] Consumer Telcom plans to market its services using in-house telemarketing staff. Is Consumer Telcom, Inc. aware of Tenn. Code Ann § 65-4-404 prohibiting telephone solicitations to persons objecting to such calls? Will Consumer Telcom, Inc. comply with Tenn. Code Ann. § 65-4-405(d)(1) as well as § 65-4-404?**

**Response:** Consumer Telcom, Inc. hereby avers that it is aware of, and will comply with the provisions of Tenn. Code Ann. §§ 65-4-404 and 65-4-405(d)(1). The Company further complies with applicable federal regulation including purchases of current "Do Not Call" lists. Further, the Company readily complies with called party requests to be removed from Company purchased listings when upon request, even if the called party's name did not appear on a "Do Not Call" list. Consumer Telcom, Inc. is completing the Telephone Solicitor Application Form, which will be used for its Tennessee operations.

3. **Will Consumer Telcom, Inc. be utilizing the local telephone company's billing system or billing customers directly? If consumer Telcom, Inc. will be billing customers directly, please provide a sample bill.**

**Response:** Consumer Telcom, Inc. engages BSG Clearing Solutions (<http://www.bsgclearing.com/>) to bill subscribers through the subscriber's incumbent local exchange carrier billing system. BSG Clearing Solutions is used by several incumbent local exchange carriers, including AT&T, Inc.

4. **Please provide further information regarding the technical and managerial qualifications of Consumer Telcom, inc. Provide a listing of key technical and managerial personnel and a description of their education and previous telecommunications experience. Also describe what the day-to-day duties/responsibilities of these employees will be in regard to Consumer Telcom, Inc.'s Tennessee operations.**

**Response:** Consumer Telcom, Inc.'s business model is based on maintaining a minimum of in-house staff and outsourcing as many functions as possible to experienced professional entities. As noted, billing is outsourced to incumbent carriers through BSG Clearing Solutions arrangements. Information Technology and customer service functions are also outsourced to companies with ample functional and telecommunications experience. Beyond in-house telemarketing and sales people who serve in operational roles, Mr. Nicotra retains responsibility for company operations and profitability. No other "key" individuals are employed by the Company. This business model has served Consumer Telcom, Inc. well, and enabled to operate profitability. The Company's entry into the Tennessee market, is simply an incremental extension of the Company's current operations.

## JURAT

State of California

County of ORANGE

Subscribed and sworn to (or affirmed) before me on

this 15<sup>th</sup> day of DECEMBER, 2006,

by JOSEPH NICETRA

~~personally known to me~~ or proved to me on the basis of satisfactory evidence to be the person~~(s)~~ who appeared before me.



(seal)

Signature

A handwritten signature in black ink, appearing to read "Joseph Nicetra", written over a horizontal line.

RE: RESELLER APPLICATION  
PUBLIC SERVICE COMMISSION OF TENNESSEE