



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

MEMORANDUM

TO: Chairman Mary W. Freeman
Director Eddie Roberson
Director Kenneth C. Hill

FROM: Lisa Cooper, Chief, Consumer Services Division *XC*
Shilina B. Brown, Counsel, Legal Division *SB*

DATE: October 15, 2010

SUBJECT: *Staff Investigation of Associated Telecommunications Management Services, LLC d/b/a Angles Communications for Alleged Violation of Tenn. Code Ann. § 65-4-125*
Docket No. 10-00196

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Attached for consideration by this panel is a Settlement Agreement between the Consumer Services Division ("CSD" or "Staff") and Associated Telecommunications Management Services, LLC d/b/a Angles Communications ("Angles") for violations of Tenn. Code Ann. § 65-4-125. The Settlement Agreement pertains to 17 complaints received by CSD alleging that Angles changed the local telephone service of Tennessee consumers without their permission.

Tenn. Code Ann. § 65-4-125 prohibits telecommunications service providers and persons acting on behalf of any telecommunications service provider to designate or change the provider of telecommunications services to a subscriber if the provider or person acting on behalf of the provider knows or reasonably should know that such provider or person does not have the authorization of such subscriber.

In the event that this Settlement is approved by the Directors, Angles will make a payment of \$20,000 to the Authority within thirty days following the date of the Directors' approval. A designated representative for Angles will be available telephonically to answer questions from the panel during the Authority Conference at which the panel considers this Settlement Agreement.

Considering all relevant facts, the Staff asserts that the terms of this Settlement are fair and reasonable and should result in no further violation of Tenn. Code Ann. § 65-4-125 by Angles. Staff submits the attached Settlement Agreement for consideration by this panel.

Enclosure: Settlement Agreement

Original in Docket No. 10-00196

c: Thomas E. Biddix

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
STAFF INVESTIGATION OF ASSOCIATED)	DOCKET NO.
TELECOMMUNICATIONS MANAGEMENT)	10- <u>00196</u>
SERVICES, LLC d/b/a ANGLES)	
COMMUNICATIONS FOR ALLEGED)	
VIOLATIONS OF TENN. CODE. ANN. §65-4-125)	
and TENN. COMP. R. & REGS. 1220-4-2-.56(5))	

SETTLEMENT AGREEMENT

This Settlement Agreement has been entered into between the Consumer Services Division (“CSD”) of the Tennessee Regulatory Authority (“Authority” or “TRA”) and Associated Telecommunications Management Services, LLC d/b/a Angles Communications (“Angles”), and is subject to the approval of the Directors of the TRA. This Settlement Agreement pertains to 17 complaints received by the CSD alleging that Angles violated the TENN. CODE ANN. § 65-4-125 *et seq.* and Authority Rule 1220-4-2-.56(5) by changing the local telephone service of Tennessee consumers without their permission.

On or about July 28, 2009, the CSD received the first complaint alleging that the complainant’s local telephone service had been switched to Angles without permission. The CSD provided notice, via certified mail, of the first complaint on or about July 28, 2009 and informed Angles of its alleged violation of TENN. CODE ANN. § 65-4-125 *et seq.* (“Slamming

Law”).¹ The CSD provided notice to Angles via certified mail of each additional violation. The CSD received the last complaint related to Angles on or about April 30, 2010.

TENN. CODE ANN. § 65-4-125(a) prohibits telecommunications service providers and persons acting on behalf of any telecommunications service provider to designate or change the provider of telecommunications services to a subscriber if the provider or person acting on behalf of the provider knows or reasonably should know that such provider or person does not have the authorization of such subscriber. TENN. CODE ANN. § 65-4-125(f) provides for a civil penalty of not less than \$100 nor more than \$1,000 for each day of any violation of subsection (a). Angles maintains that no knowing violations have occurred. CSD relied upon the factors stated in TENN. CODE ANN. § 65-4-116(b) during the negotiations that resulted in this agreement, including the size of Angles’ business, good faith attempt by Angles to achieve compliance, and the gravity of the violations.

In an effort to resolve these 17 complaints, CSD and Angles agree to settle this matter based upon the following acknowledgements and terms subject to approval by the Directors of the TRA:

1. Angles neither admits nor denies that the above mentioned complaints are true and valid complaints and are in violation of TENN. CODE ANN. § 65-4-125 *et seq.*
2. Angles agrees to make a settlement payment of Twenty Thousand (\$20,000.00) Dollars to the TRA as permanent disposition of these complaints, and agrees to remit the full amount to the Office of the Chairman of the TRA within thirty days of approval by the Authority of

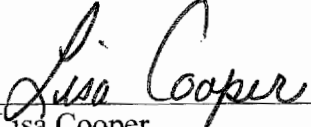
¹ Slamming is a colloquialism used to denote the unauthorized changing of a consumer’s long distance service provider without the consumer’s written or oral authorization. Slamming is strictly prohibited by Tenn. Code Ann. § 65-4-125 and Tenn. Comp. R. & Reg. 1220-4-2-.56.

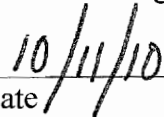
this Settlement Agreement. Upon payment of the amount of Twenty Thousand (\$20,000.00) Dollars, Angles will be deemed to be in compliance with the terms and conditions of this Settlement Agreement and is excused from further proceedings in this matter.

3. The terms of this Settlement Agreement apply to any and all claims, known or unknown, that were or might have been brought against Angles for alleged violations of TENN. CODE ANN. § 65-4-125 *et seq.* and Authority Rule 1220-4-2-.56 and occurring prior to the date of this Settlement Agreement.
4. The CSD and Angles agree and acknowledge that this Settlement Agreement is the result of a compromise and shall not be construed as an admission by Angles of any wrongdoing on its part or on the part of its predecessors, successors, assigns, agents, parents, subsidiaries, affiliates, officers, directors, employees or shareholders. Angles expressly denies any such liability, wrongdoing or responsibility.
5. Angles agrees that its representative will participate telephonically or in person at the Authority Conference at which the Directors consider this Settlement Agreement.
6. In the event of any failure on the part of Angles to comply with the terms and conditions of this Agreement, the Authority reserves the right to re-open this matter. Any costs incurred in enforcing the Settlement Agreement shall be paid by Angles.
7. If any clause, provision or section of this Settlement Agreement for any

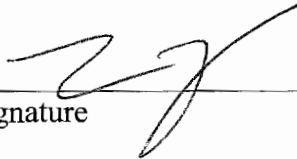
reason is held to be illegal or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Settlement Agreement and this Settlement Agreement shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

8. This Settlement Agreement represents the entire agreement between the parties, and there are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of this Settlement Agreement, which are not fully expressed herein or attached hereto.



Lisa Cooper
Chief, Consumer Services Division
Tennessee Regulatory Authority


Date



Signature
Thomas E. Biddix

Print Name
Manager

Print Title
September 22, 2010

Date