MILLER INC.

ANDREW O. ISAR

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Via Overnight Delivery

March 14, 2014

Chairman James M. Allison c/o Sharla Dillon, Dockets and Records Manager Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243

14-00030

Re:

Joint Application of Business Discount Plan, Inc., Assignee, and U.S. Telecom Long Distance, Inc., Assignor, for Approval for Assignee to Acquire the Customers of Assignor

#### Dear Chairman Allison:

On behalf of Business Discount Plan, Inc. and U.S. Telecom Long Distance, Inc. (jointly, "Applicants"), attached for filing with the Tennessee Regulatory Authority are an original and thirteen (13) copies of the above-referenced Application. Also enclosed is a check in the amount of \$25.00 applicable to filing fee.

Business Discount Plan, Inc. requests confidential treatment of its asset transfer agreement submitted as Exhibit A. This Exhibit A contains commercially sensitive and competitively significant information that is not otherwise released to the public. Unrestricted availability of this information would provide competitors with knowledge that would be otherwise unavailable and could place Business Discount Plan, Inc. at a competitive disadvantage. Confidential and trade secret treatment is therefore required to avoid commercial and competitive injury. Please note that upon approval of this transaction both Companies will continue to provide interexchange telecommunications services in Tennessee.

Please acknowledge receipt and acceptance of this filing. Questions concerning this submission should be directed to the undersigned.

Respectfully submitted,

MILLER ISAR, INC.

Andrew O. Isar

Regulatory Consultants to Business Discount Plan, Inc. and U.S. Telecom Long Distance, Inc.

**Enclosures** 

### BEFORE THE TENNESSEE REGULATORY AUTHORITY

Joint Application of	)	
Business Discount Plan, Inc. Assignee, and	) ) TPA Doolest No. 14	
U.S. Telecom Long Distance, Inc., Assignor	) TRA Docket No. 14)	
For Approval for Assignee to Acquire the Customers of Assignor	) ) )	

#### **JOINT APPLICATION**

Business Discount Plan, Inc. ("BDP") and U.S. Telecom Long Distance, Inc. ("USTLD") (jointly "Applicants"), by their undersigned representatives and pursuant to Section 65-4-112 and 65-4-114 of Tennessee Code, Rule 1220-4-2-.56(d) of the Tennessee Regulatory Authority (Authority"), and any other law or rule deemed applicable by the Authority, respectfully request Authority approval, to the extent required, for BDP to acquire the Tennessee customers, including any customer contracts of USTLD, through a mutually negotiated customer base acquisition ("Transaction"). As a result of the Transaction, USTLD's customers will be transferred to BDP, which will become the interexchange service provider for those customers. As described below, the Transaction will be virtually transparent to customers of USTLD in terms of the services that those customers receive and the rates and terms of those services currently provided by USTLD. USTLD will maintain its current operating authority and continue to assume attendant regulatory obligations in order to redirect its telecommunications market focus in the State.

In support of this filing, Applicants provide the following information:

#### I. INTRODUCTION AND REQUEST FOR EXPEDITED TREATMENT

On February 25, 2014, BDP and USTLD entered into a *Customer Base Purchase and Sale Agreement* ("Agreement"), appended as confidential **Exhibit A**, whereby USTLD agreed to sell, and BDP agreed to acquire, USTLD's commercial and residential intraLATA and interLATA interexchange customers located in Tennessee and other jurisdictions served by Applicants. Under the terms of the Agreement, BDP will begin providing current USTLD customers the same services at the same rates, terms and conditions provided by USTLD, effective on or about March 27, 2014, following regulatory approvals, where required.

USTLD has made an affirmative business decision to redirect its market focus and to sell its existing customer base in order to concentrate its efforts on a different segment of the telecommunications market in Tennessee and throughout the U.S. To that end, USTLD will maintain its current operating authority and continue to comply with attendant regulatory obligations following the transfer of its customers to BDP.

USTLD will assign to BDP those customers for which applicable state governmental approvals are required and have been obtained under the terms of the Agreement in order to complete the assignment. Applicants submit that the public interest would be served by the prompt transition of the business to BDP as quickly as possible, and therefore urge that Authority promptly approve the requested transfer to permit the transfer of the Tennessee customers at the earliest possible time.

#### II. DESCRIPTION OF THE APPLCATIONERS

#### A. Business Discount Plan, Inc.

BDP is a privately-held corporation organized under the laws of the State of California on August 18, 1992. BDP is a provider of non-facilities-based resold of interLATA and intraLATA interexchange telecommunications services to commercial and residential customers in Tennessee and throughout the U.S. BDP was granted authority to provide interexchange telecommunications services in Tennessee on December 22, 1995 in Docket No. 95-03357. The Company is authorized by the Federal Communications Authority ("FCC") to provide interstate and international telecommunications services, and maintains authority to provide intrastate interexchange telecommunications services in more than 35 states throughout the U.S. BDP is in current compliance with its applicable regulatory obligations in Tennessee and in the other jurisdictions in which it operates.

#### B. USTLD, Inc.

USTLD is a privately-held corporation organized under the laws of the State of Nevada on August 13, 1997. USTLD is also a provider non-facilities-based resold of interLATA and intraLATA interexchange telecommunications services to commercial and residential customers in Tennessee and throughout the U.S. USTLD was granted authority to provide such services by the Authority on January 8, 2002 in Case No. 01-00977, and assigned Company ID 128756. The Company is authorized by the FCC to provide interstate and international telecommunications services, and maintains authority to provide intrastate interexchange telecommunications services in more than 35 states throughout the U.S. USTLD is in current compliance with its applicable regulatory obligations in Tennessee and in the other jurisdictions in which it operates.

#### III. CONTACTS

Questions or any correspondence, orders, or other materials pertaining to this filing should be directed to the following.

#### For Business Discount Plan, Inc.:

Craig Konrad, President Business Discount Plan, Inc. One World Trade Center Suite 800 Long Beach, CA 90831 Telephone: 949.798.7040

#### For USTLD, Inc.:

Robert Young
President
U.S. Telecom Long Distance, Inc.
3960 Howard Hughes Parkway
Fifth Floor, #5001F
Las Vegas, NV 89109
Telephone: 888.299.6618

#### With a copy to:

Andrew Isar
Miller Isar Inc.
4423 Point Fosdick Drive, N.W.
Suite 306
Gig Harbor, WA 98335
Telephone: 253.851.6700

Email: aisar@millarisar.com

#### IV. DESCRIPTION OF THE TRANSACTION

Pursuant to the Agreement, BDP will acquire USTLD's customer accounts and contracts, to the extent permitted under applicable law and regulations, certificates, licenses, registrations or other authorizations to provide intrastate, interstate, and international telecommunications services. The Agreement and transfer will become effective on or about March 27, 2014, or upon approval by regulatory agencies in those jurisdictions where the Company's operate.

USTLD will assign to BDP those customers for which applicable governmental approvals have been obtained. In the interest of assuring seamless and uninterrupted service, all of the assigned customers will continue to receive service from BDP under the same rates, terms and conditions of services as were previously provided by USTLD. BDP will initially concur USTLD's existing tariff and honor USTLD's rates, terms, and conditions, to its customers. Future changes in the rates, terms and conditions of service to the affected customers will be undertaken pursuant to applicable federal and state notice and tariff requirements.

#### V. PUBLIC INTEREST CONSIDERATIONS

Applicants respectfully submit that the proposed Transaction serves the public interest. The Transaction will result in the assignment of USTLD customers to an existing long-standing company with established operating history in the State that will continue to provide telecommunications services to transferred customers without interruption. Further the proposed Transaction is structured to assure an orderly transition of customers from USTLD to BDP.

In accordance with the terms of their service contracts and the rules and procedures of the FCC and applicable state(s), including this Authority, customers have been properly notified of the proposed transaction and the change in their telecommunications provider from Consumer to BDP. BDP and USTLD have provided customers with more than 30 days advanced notice of the transfer pursuant to Section 64.112(e) of the FCC's rules, 47 C.F.R. §64.1120(e), a copy of which is attached hereto at **Exhibit B.** Notification of the transaction has also been provided to the FCC pursuant to 47 C.F.R. §64.1120(e).

#### VI. CONCLUSION

WHEREFORE, for the reasons set forth above, Applicants request the Authority grant all authority necessary for Business Discount Plan, Inc. to acquire the customers of USTLD, Inc. Further, Applicants request that the Authority expeditiously act on the Application so that

USTLD, Inc.'s Tennessee's customers may be assigned to Business Discount Plan, Inc. at the earliest possible closing.

Respectfully submitted this 28th day of February, 2014,

Robert Young

President

U.S. Telecom Long Distance, Inc.

3960 Howard Hughes Parkway

Fifth Floor, #5001F

Las Vegas, NV 89109

Telephone: 888.299.6618

Craig Konrad, President Business Discount Plan, Inc.

One World Trade Center

Suite 800

Long Beach, CA 90831

Telephone: 949.798.7040

## **EXHIBIT A Customer Base Purchase and Sale Agreement**

(CONFIDENTIAL - Submitted under seal)

Business Discount Plan, Inc. requests confidential treatment of the *Customer Base Purchase and Sale Agreement* appended hereto. This Exhibit A contains commercially sensitive and competitively significant information that is not otherwise released to the public. Unrestricted availability of this information would provide competitors with knowledge that would be otherwise unavailable and could place Business Discount Plan, Inc. at a competitive disadvantage. Confidential and trade secret treatment is therefore required to avoid commercial and competitive injury.

# **EXHIBIT B Customer Notification**

### **BUSINESS DISCOUNT PLAN, INC.**

One World Trade Center Suite 800 Long Beach CA 90831 http://www.interstatebdprate.net/

#### **Notice of Carrier Change**

February 25, 2014

Dear Valued U.S. Telecom Long Distance, Inc. Customer:

Great news for your long distance service! Following a reevaluation of its business focus, your current long distance company, U.S. Telecom Long Distance, Inc. ("UST") has entered into an agreement with Business Discount Plan, Inc. ("BDP") to acquire certain business holdings. As a result, Business Discount Plan, Inc., will automatically become your new long distance telecommunication services provider after March 27, 2014. (The specific date(s) of the transfer of your interstate and intrastate telephone services may differ depending upon when we receive the applicable federal and state regulatory approvals.)

Please rest assured that the transaction will not affect the services you currently receive. You will continue to receive services with the same rates, features, terms, and conditions as you currently enjoy, with the added convenience of receiving one bill through your local telephone company, where available. In the event that changes are made to your service you will be notified by separate mailing thirty (30) days prior to the changes becoming effective.

You will not be responsible for any charges associated with the transfer of your account. All charges associated with the transfer to BDP will be borne by BDP. Although you have the right to select the carrier of your choice, we value your business and hope that BDP may continue to serve you. If you should choose another telephone provider you will need to contact that carrier directly to arrange for the change prior to the transfer of your services to BDP and also provide BDP with notice per existing service terms. It can take several weeks for a new carrier to make the switch and you may also incur service initiation fees from that provider such as service order, installation and other similar charges associated with establishing a new service account.

If you currently have a preferred carrier freeze on your account you will still be automatically transferred to BDP on the effective date unless you have selected another carrier before the effective date. To arrange a new freeze or confirm an existing freeze, you must contact your local service provider.

BDP will be responsible for responding any customer inquiries prior to and during the transfer of service from UST to BDP. BDP's toll free customer service number for BDP is 800-680-1120, which will remain the same after your services are transferred.

You can trust that you will be provided with the same quality service to which you have grown accustomed with UST. We welcome you to BDP and look forward to meeting all your long distance communication needs. Please visit the web site <a href="http://www.interstatebdprate.net/">http://www.interstatebdprate.net/</a> for more information.

Sincerely,

The Product Management Team Business Discount Plan, Inc.

STATE OF CALIFORNIA	)
	)
COUNTY OF ORANGE	)

#### **VERIFICATION**

I, Craig Konrad, state that I am President of Business Discount Plan, Inc. ("BDP"); that I am authorized to make this verification on behalf of BDP; that the foregoing filing was prepared under my direction and supervision; and that, with respect to BDP, the same are true and correct to the best of my knowledge, information, and belief.

> Craig Konrad President Business Discount Plan, Inc. One World Trade Center Suite 800 Long Beach, CA 90831

Telephone: 949.798.7040

Subscribed and Sworn to me this 18th day of February, 2014

My Authority Expires: June 14, 2017

SEAL



STATE OF CALIFORNIA	
	`
COUNTY OF ORANGE	Ś

#### **VERIFICATION**

I, Robert Young, state that I am President of U.S. Telecom Long Distance, Inc. ("USTLD"); that I am authorized to make this verification on behalf of USTLD; that the foregoing filing was prepared under my direction and supervision; and that, with respect to USTLD, the same are true and correct to the best of my knowledge, information, and belief.

Robert Young
President
U.S. Telecom Long Distance, Inc.
3960 Howard Hughes Parkway
Fifth Floor, #5001F
Las Vegas, NV 89109
Telephone: 888.299.6618

Subscribed and Sworth to me this 19th day of February, 2014

Motory Public

My Commission Expires:

11/24/15

SEAL



STATE OF CALIFORNIA COUNTY OF DRAWN & Subscribed and sworn to (or allimed) before me on this 1972, day of PLA A NOVAD 1/1 by PLASE TO YOUR proved to me on the basis of satisfactory evidence to be the periodical who appeared before me.