

**BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
NASHVILLE, TENNESSEE**

IN RE: SHOW CAUSE ORDER AGAINST STAR) DOCKET NO. 95-02329
LINK COMMUNICATIONS, INC. D/B/A)
OMEGA TELECOMMUNICATIONS)
)
)

**AGREED ORDER AND ASSURANCE OF VOLUNTARY
COMPLIANCE**

THIS AGREED ORDER AND ASSURANCE OF VOLUNTARY COMPLIANCE

("Assurance") is given by Omega Telecommunications a division of Star Link Communications, Inc. ("Omega" or "Respondent") to the Tennessee Public Service Commission (Commission) and filed this 5th day of October 1995.

WITNESSETH:

Some of the facts and circumstances surrounding the execution of this Order and Assurance are as follows:

A. The Tennessee Public Service Commission has conducted an investigation of the telecommunications operations of the Respondent in this state. As a result of the investigation, the Commission Staff determined that certain acts and practices of the Respondent have violated the Rules and Regulations of the Tennessee Public Service Commission governing the provision of long distance telephone service in this state and in

particular, the provisions of TPSC Rule 1220-4-2-.56, Verification of Orders for Changes In Long Distance Carriers. The Commission issued a Show Cause Order against the Respondent to answer to the charges of violating this rule. A hearing was held before Administrative Judge, Ralph B. Christian, II, on August 11, 1995 at which time the Commission Staff presented unrefuted testimony regarding violations of the Commission's Rules and Regulations.

B. Respondent enters into this Assurance, and the Tennessee Public Service Commission agrees to accept it, in order to avoid the costs and expense of further litigation.

NOW, THEREFORE, the Respondent, the Tennessee Public Service Commission and all parties of record whose signatures are affixed to this Assurance agree as follows:

I. COMMISSION RULE VIOLATIONS

Accordingly, it is hereby agreed that upon approval of the Commission, Respondent shall be permanently enjoined and bound from engaging in the practices set forth herein:

- A. Respondent and its agents agree to never solicit or accept new customers for the provision of any type of telecommunications services in Tennessee from and after the date of this agreement.
- B. Respondent shall continue to provide telecommunications services to existing customers in Tennessee, until said customers voluntarily request a discontinuance of the respondent's telecommunications services as described herein. Respondent agrees to provide telecommunications services to existing customers in Tennessee in accordance with applicable provisions of the rules and regulations of the Public Service Commission, and of the Federal Communications Commission. The respondent shall abide by all state statutes governing the provision of telecommunications service, particularly the provisions of Tennessee Code Annotated, Section 65-5-206. In addition, Respondent shall not engage in unfair or deceptive acts or practices in the conduct of its existing business. Respondent shall abide by all provisions of the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. §§ 47-18-101, et

seq., including, but not limited to § 47-18-104(b)(27) which prohibits any and all unfair and/or deceptive acts or practices.

II. PAYMENT OF FINES AND COSTS TO THE STATE

Respondent shall pay the sum of fifteen thousand dollars (\$15,000) to the Tennessee Public Service Commission for fines and costs of investigation, pursuit and monitoring for compliance of this matter. The money from the fines may be used for consumer protection purposes by the Commission and any other state agency such as the Consumer Advocate Division of the Attorney General's Office. The initial fine payment shall be made by providing a certified check for the amount of five thousand dollars (\$5000.00) payable to the Tennessee Public Service Commission by the day that this Assurance is finally approved and accepted by the Commission in its Final Order. The payment of the balance of the fine shall be made as follows: payment of five hundred dollars (\$500.00) by certified check due on the 10th day of each month following the month in which the Final Order in this docket is entered for a period of ten months, thereafter payment of one thousand dollars (\$1000) by certified check due on the 10th day of the month for a period of five months or until the balance is paid in full.

III. RESTITUTION FOR CUSTOMERS

Respondent shall provide within thirty (30) days of the approval of this Assurance by Final Order of the Commission, a list of all Tennesseans who have ever been customers of the Respondent. Said list shall include:

- (1) name, address and telephone number of all such customers,
- (2) any prior adjustments or refunds made to these customers of any fees associated with switching the customer to Respondent or other carriers of choice, or,
- (3) any rate adjustments.

The Respondent understands that the Commission expressly relies upon the represented lists and if said representations are false or misleading, the Tennessee Public Service Commission may move to vacate or set aside this Assurance and Agreed Order and impose further fines or pursue other enforcement action against the Respondent.

A. RESTITUTION FOR EXISTING CUSTOMERS

1. For each and every existing customer of the Respondent listed, Respondent, shall:
 - (a) Within thirty (30) days of the entry of the Commission's Final Order, mail a letter from the Commission listing the options for refund and carrier change along with a Commission addressed postcard that customers may return to request to switch to another carrier and/or request a refund of any carrier switching fees and/or toll fees charged by the Respondent; no other materials, including exclusively promotional materials, may be included without the permission of the Director of the Consumer Services Division;
 - (b) Within sixty days of the receipt of any returned postcard from existing customers requesting a refund or upon direct request to either the Commission or the Respondent for refund, mail a check or credit the customer's telephone bill in an amount covering all prior switching fees paid by the customer plus a toll adjustment for all intrastate toll charges paid from \$.25 a minute to \$.22 a minute, and/or switch each customer so requesting to their preferred long distance carrier without charge;
 - (c) Mail the materials required by this section via the United States Postal Service, with each envelope clearly marked "ADDRESS CORRECTION REQUESTED.", and, in the event any envelope is returned with a corrected or forwarding address, Respondent shall again attempt to mail the Commission letter and refund to the correct address. The Commission shall receive written notification of the name, corrected address and date of mailing the second notification to any person within five (5) days of mailing the second notice.
 - (d) Provide a refund to any and all existing customers who make a written request for a refund or for a change in carrier either to the Commission or the Respondent; or by mailing the postcard provided within sixty (60) days of the mailing of the Commission's letter and pre-addressed postcard (postcards must be postmarked prior to the sixtieth day to be eligible for refund) to all existing customers;

- (e) Respondent is responsible for all costs associated with the refund process set forth in Subsection 4, including, but not limited to, all costs associated with the mailing of letters, all letterhead, envelopes, copying charges, postage and costs associated with the issuance of refund checks.
- 2. Within two (2) months of entry of the Commission's Final Order and monthly thereafter, the Respondent shall file with the Commission and the following information, and will supplement such information as is necessary:
 - (a) A report listing the total amount of all refunds paid by Respondent, a list of all moneys paid as refund to existing customers including the name and address of such customers, and the name of all customers who have requested but have not yet received a refund as of the date of this report. Such report shall also include a certification that the eligible persons listed as receiving a refund have, in fact, received a full refund. Additionally, the Respondent shall verify and certify compliance with each provision of this Assurance of Voluntary Compliance and Agreed Order with respect to refunds.
 - (b) An acknowledgment that each officer, director and employee of Respondent involved in conducting business in the State of Tennessee has received a copy of this Assurance and has certified to having read it and agreed to abide by its terms.
- 3. Within twenty (20) days of receipt of a request from the Commission for evidence that a specific person or persons have received the required packet and/or notification letter, and any applicable refunds, Respondent shall provide written verification by providing any documents, books and records necessary to establish to the satisfaction of the Commission office that the refund process was completed in compliance with this Assurance and Agreed Order. Such documents shall include, but not be limited to, copies of the front and back of canceled checks indicating that the specific person or persons received the required item. The documents, books or records shall be physically turned over and provided to the Commission's Consumer Services office no later than twenty (20) days from receipt of such request.

B. RESTITUTION FOR PREVIOUS CUSTOMERS

- 1. For each and every previous Tennessee customer of the Respondent, the Respondent shall :
 - (a) Within sixty (60) days of the entry of the Commission's Final Order, mail a letter from the Commission along with a check (by U.S. Mail) providing a refund for all previous Tennessee customers of the Respondent adjusting all intrastate toll rates previously paid by said customers from \$.25 to \$.22 per minute, as long as the refund exceeds

one dollar (\$1.00); no other materials may be included without the express permission of the Director of the Consumer Services Division. Respondent also agrees to make adjustments, upon request by any Tennessee customers, for any previous switching fees not already refunded or adjusted.

- (b) Adhere to all the requirements contained III A. 1. (c) through (e), 2. and 3. listed above with regard to refunds to previous customers,
- 2. Respondents shall retain verification of all refunds made pursuant to this agreement for 18 months after all payments have been made to consumers pursuant to this agreement.
- 3. In the event that the Respondent is unable to locate persons entitled to a refund, those funds due such persons shall be treated as unclaimed property in the possession of the State of Tennessee pursuant to the Uniform Disposition of Unclaimed Property Act, T.C.A. 66-29-110, et. seq. These funds may be delivered to the Treasurer prior to the statutory due date of one (1) year set forth in T.C.A. § 66-29-110, covering unclaimed property held by courts, public officers and agencies. The Respondent shall provide a report to the Commission within six (6) months of entry of the Final Order in this docket which details the amounts and to whom owing that are unclaimed. These refunds should then be delivered to the Treasurer for retention as unclaimed property. The Respondent shall continue to provide this information to the Commission every six(6) months until all funds have been claimed and/or returned to the Respondent.

IV. MONITORING AND COMPLIANCE

Upon request, Respondent agrees to provide books, records and/or documents to the Commission at any time, and further, to informally, or formally under oath, provide testimony and/or other information to the Commission relating to compliance with this Assurance. Respondent shall make any requested information available within one (1) week of the request, at the Tennessee Public Service Commission or at such other location as is agreeable to Respondent and the Commission.

V. PRIVATE RIGHT OF ACTION

Nothing in this Assurance shall be construed to affect any private right of action that a person may hold against Respondent.

VI. PENALTY FOR FAILURE TO COMPLY

Respondent agrees to pay all court costs and attorneys' fees associated with any successful petitions to enforce this Assurance and Order against the Respondent.

VII. DEFAULT

In the event that Respondent defaults under the terms of this Assurance by failing to meet any financial obligation arising from this Assurance's terms including fines and the cost of the restitution process, total amount remaining shall be immediately due and payable. At the time of default, all remaining amounts are immediately due and owing and shall be immediately subject to simple interest of one percent (1%) per month. Additionally, the Respondent agrees to pay reasonable attorneys' fees and court costs associated with any collection efforts required to collect the remaining amounts owed the State at the point of default.

VIII. VENUE

Venue as to all matters between the parties relating hereto or arising out of this Assurance is solely in the Commission or the Chancery Court of Davidson County, Tennessee.

IX. ADDITIONAL REPRESENTATIONS AND WARRANTIES

Respondent represents and warrants that the execution and delivery of this Assurance is its free and voluntary act, that this Assurance is the result of good faith negotiations, and that Respondent believes that the Assurance and terms hereof are fair and reasonable. The parties warrant that they will implement the terms of this Assurance in good faith. The Commission agrees that it will notify Respondent in writing of any alleged default and will give Respondent ten (10) days to cure the default.

1. Respondent represents that signatories to this Assurance have authority to act for and bind the Respondent.
2. Respondent will not participate, directly or indirectly, in any activity to form a separate entity for the purpose of engaging in acts set forth and prohibited in this Assurance or for any other purpose which would otherwise circumvent any part of this Assurance.
3. Neither Respondent nor anyone acting on its behalf shall state and/or imply and/or cause to be stated or implied that the Attorney General, Commission, or any other governmental unit of the State of Tennessee has approved, sanctioned, or authorized any practice, act, or conduct of the Respondent.
4. Acceptance of this Assurance by the State shall not be deemed approval by the State of any of Respondent's advertising or other business practices.
5. Star Link Communications, Inc. represents that it is the true legal name of the entity entering into this Assurance of Voluntary Compliance and Agreed Order. The Respondent understands that the Commission and the Attorney General expressly rely upon this representation and if said representations are false or misleading the State may move to vacate or set aside this Assurance and Agreed Order or request that Respondent be held in contempt.

X. COMPLIANCE WITH OTHER LAWS

Nothing in this Assurance and Order shall be construed as relieving Respondent from complying with any other state or federal law(s), regulation(s) or rule(s), nor shall any of the

provisions of this Assurance and Order be deemed to be permission to engage in any acts or practices prohibited by such law(s), regulation(s), or rule(s).

XI. APPLICABILITY OF ASSURANCE TO RESPONDENT AND ITS SUCCESSORS

Respondent agrees that the duties, responsibilities, burdens and obligations undertaken in connection with this Assurance shall apply to Respondent, as well as its agents, assigns, representatives, employees, successors, sales staff and any and all other persons or entities acting directly or indirectly on its behalf.

XII NOTIFICATION TO STATE


For five (5) years following execution of this Assurance, Respondent shall notify the Commission, in writing at least thirty (30) days prior to the effective date of any proposed changes in its corporate structure, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation or firm, the creation or dissolution or subsidiaries, a change of address or any other changes in Respondent's status that may effect compliance with obligations arising out of this Assurance.

XIII. JURISDICTION

Jurisdiction of this Commission over the subject matter herein and over the person of the Respondent for the purposes of entering into and enforcing this Assurance and Agreed Order is admitted. Jurisdiction is retained by this Commission for the purpose of enabling the State to apply to this Commission for such further orders and directions as may be necessary or appropriate for the construction, modification or execution of this Assurance and Agreed Order, including the enforcement of compliance therewith and penalties for violation thereof.

Respondent agrees to pay all court costs and attorneys' fees associated with any successful petitions to enforce any provision of this Assurance and Agreed Order against Respondent.

ENTERED THIS 5th DAY OF OCTOBER 1995.


RALPH B. CHRISTIAN, II
ADMINISTRATIVE JUDGE

APPROVED FOR ENTRY:

FOR RESPONDENT:

(Signature)

Print name:..... Eric Smith

Title:..... CEO, Star Link Communications, Inc.

Federal Tax Identification No..... 75-2586698

Social Security Number: 331-40-3452

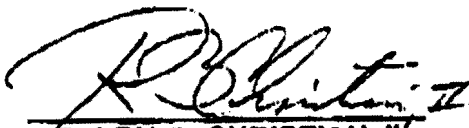
Name of Company: Star Link Communications, Inc.

Address of Company: 1106 S. Santa Fe Trail, Suite 1
Duncanville, Texas 75137

Telephone number:..... 214-296-6342

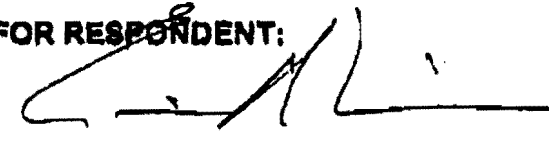
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ENTERED THIS 5th DAY OF OCTOBER 1995.


RALPH B. CHRISTIAN, II
ADMINISTRATIVE JUDGE

APPROVED FOR ENTRY:

FOR RESPONDENT:



(Signature)

Print name:.....Eric Smith

Title:.....CEO, Star Link Communications, Inc.

Federal Tax Identification No.....75-2586698

Social Security Number:331-40-3452

Name of Company:Star Link Communications, Inc.

Address of Company:1108 S. Santa Fe Trail, Suite 1
Duncanville, Texas 75137

Telephone number:.....214-298-6342