



TENNESSEE REGULATORY AUTHORITY

**460 James Robertson Parkway
Nashville, Tennessee 37243-0505**

MEMORANDUM

To: *Application of Telecare, Inc. for Authority to Resell
Telecommunications Services in Tennessee, Docket No. 95-02660
Company ID 112014*

From: *Lisa Foust, Utilities Division LF By DF
Rebecca Montgomery, Legal Division RSM/jpc*

Date: **October 15, 2010**

A Notice to Appear has been issued requiring Telecare, Inc. ("Telecare" or the "Company") to appear before the Tennessee Regulatory Authority ("TRA" or "Authority") during the Authority Conference scheduled for Monday, October 25, 2010 at 1:00 p.m. and show cause why the Authority should not proceed to convene a proceeding to impose civil penalties and sanctions, including but not limited to revocation of Telecare's Certificate of Public Convenience and Necessity, for operating without a bond or irrevocable letter of credit in violation of Tenn. Code Ann. § 65-4-125(j) and violation of Tenn. Code Ann § 65-4-301.

On September 11, 2009 the Authority received a Notice of Cancellation from Travelers Casualty and Surety Company of America ("Travelers") regarding bond number 103699239, issued on behalf of Telecare with an effective cancellation date of October 8, 2009. On September 11, 2009, Staff phoned the company at 317-776-7654 and spoke with Michelle Barnett indicating non-compliance with Tenn. Code Ann. § 65-4-125(j) if the bond was not renewed. Ms. Barnett indicated she would have the bond renewed before the expiration date of October 8, 2009. On April 9, 2010, a certified letter was sent to the company indicating violation of Tenn. Code Ann. § 65-4-125(j). The letter was received and signed for on April 14, 2010 by D.J. Barnett.

As of the date of this memo, no Surety Bond or Letter of Credit has been received by the TRA. As a result, Telecare has been and continues to be in violation of Tenn. Code Ann. § 65-4-125(j). Additionally, Telecare is in violation of Tenn. Code Ann. § 65-4-301 for failure to pay the required inspection fees to the Authority, which were due April 1, 2010.

As evidenced herein, numerous attempts have been made by Staff to see that Telecare complies with Tenn. Code Ann. § 65-4-125(j). Nevertheless, these attempts have not resulted in ATI securing and providing to the TRA a Bond or Letter of Credit in compliance with Tenn. Code Ann. § 65-4-125(j). This matter is before the Authority to hear from a representative of Telecare during the Authority Conference on October 25, 2010 and to be provided an explanation as to why a docket should not be opened for the purpose of conducting a contested case proceeding to determine whether the TRA should impose sanctions against Telecare in the form of civil penalties and/or revocation of its CCN for failure to pay its annual inspection fee pursuant to Tenn. Code Ann. § 65-4-301(a)(1) and failure to have a surety bond or irrevocable letter of credit filed with the Authority as required by Tenn. Code Ann. § 65-4-125(j).

c: Michelle Barnett, Telecare, Inc.