

TENNESSEE REGULATORY AUTHORITY

Eddie Roberson, Chairman
Tre Hargett, Director
Sara Kyle, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 29, 2008

SECOND NOTICE

GTC Telecom, Inc.
3151 Airway Avenue, Suite P-3
Costa Mesa, California 92626

SENT VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED
70001670000635499834

RE: Surety Bond or Irrevocable Letter of Credit Mandated by Tenn. Code Ann. § 65-4-125(j)
Company ID 128314

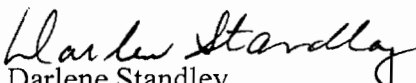
To Whom It May Concern:

Tenn. Code Annotated § 65-4-125(j) requires telecommunications service providers such as GTC Telecom, Inc. to file with the Tennessee Regulatory Authority ("Authority") a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding brought by or on behalf of the Authority under Title 65 or the Consumer Telemarketing Protection Act, Tenn. Code Ann. § 47-18-1501 *et seq.*¹

On September 21, 2007, the Authority received a cancellation notice from Travelers Casualty and Surety Company indicating bond (no.104501844) for GRC Telecom, Inc. would be cancelled on October 23, 2007. As of that date, GTC Telecom, Inc. has become non-compliant with Tenn. Code Ann. § 65-4-125(j). Telecommunications service providers that fail to comply with the requirements of Tenn. Code Ann. § 65-4-125(j) are subject to sanction, including the revocation of their certificate of convenience and necessity authorizing them to transact business in Tennessee.² To avoid sanction, a valid and compliant bond or letter of credit must be submitted to the Authority immediately. Otherwise, GTC Telecom, Inc.'s non-compliance with Tenn. Code Ann. § 65-4-125(j) will be brought before the Directors of the Tennessee Regulatory Authority for consideration on May 19, 2008.

If you have questions, please contact Lisa Foust at (615) 741-2904, extension 220.

Sincerely,


Darlene Standley
Utilities Division Chief

¹ Tenn. Code Ann. § 65-4-125(j) applies to all telecommunications service providers subject to the control and jurisdiction of the Authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tenn. Code Ann. § 65-4-301(b) and providers that own or operate equipment facilities in Tennessee with a value greater than five million dollars (\$5,000,000).

² See Tenn. Code Ann. § 65-4-201.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

4396 6456 9000 0670 0000

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To GTC Telecom
 Street, Apt. No., or P.O. Box No. 3151 Airway Ave Sk P-3
 City, State, ZIP+4 Costa Mesa, CA 92626

PS Form 3800, May 2000 See Reverse for Instructions

PLACE STICKER AT TOP OF ENVELOPE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <u>[Signature]</u> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>BARBARA S. PIERCE</u> C. Date of Delivery <u>5/23/04</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below</p>
<p>1. Article Addressed to:</p> <p><u>Jerry DeCicci o</u> <u>GTC Telecom</u> <u>3151 Airway Ave Sk P-3</u> <u>Costa Mesa, CA 92626</u></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p> <p><u>7000 1670 0006 3549 92626</u></p>	<p>4. Restricted Delivery? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

PS Form 3811, February 2004

Domestic Return Receipt

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