



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED

10-26-09
04:59 PM

In the Matter of the Application of
Speedypin Prepaid, L.L.C. for
Registration as an Interexchange Carrier
Telephone Corporation Pursuant to the
Provision of Public Utilities Code
Section 1013.

A. 09-05-021
(Filed May 22, 2009)

**AMENDED PROTEST OF THE CONSUMER PROTECTION AND SAFETY DIVISION
TO THE APPLICATION OF SPEEDYPIN PREPAID, LLC**

I. INTRODUCTION

Pursuant to Rule 1.12 of the California Public Utilities Commission's Rules of Practice and Procedure, the Commission's Consumer Protection and Safety Division (CPSD), submits this Amended Protest to Application 09-05-021 (Application). CPSD amends its protest because new facts have come to light that indicate different violations from those alleged in the initial protest. Pursuant to Rule 1.12, prior to filing parties must obtain permission from the Administrative Law Judge (ALJ); CPSD obtained permission to file this amended protest from ALJ Bemesderfer on October 22, 2009.

CPSD's initial protest was based on the allegation that Applicant Speedypin Prepaid, LLC (Speedypin) had been operating without authority prior to filing this Application. Pursuant to Public Utilities Code Sections 885-886, it is illegal for companies that offer prepaid telephone debit cards to operate without the appropriate registration under Public Utilities Code Section 1013.

In the process of attempting to discover the nature and extent of Speedypin's illegal operations in California prior to the filing of this Application, Speedypin has made several assertions which have proved to be outright falsehoods. Because of the nature of the assertions, it is not plausible to believe that the statements were made inadvertently or

unknowingly. Therefore, CPSD respectfully requests to amend its Protest to include allegations that Applicant Speedypin has violated Rule 1.1 of the Commission's Rules of Practice and Procedure, by knowingly misrepresenting several key facts, the most important of which is that Speedypin firmly stated that its phone cards "cannot be used to both originate and terminate interexchange calls within the borders of the state of California by blocking in-state terminations at the switch platform." CPSD's lead investigator was able to purchase a Speedypin phone card in California and place local calls within California. The CPSD investigator's declaration is attached as Exhibit 1.

II. BACKGROUND

Speedypin is a company organized and existing under the laws of Colorado and registered in California as of December 15, 2008. On May 22, 2009, Speedypin submitted an application to the California Public Utilities Commission (CPUC). CPSD's review of the Application uncovered information indicating that Speedypin may already be providing telecommunications services to California consumers without first obtaining authorization from the CPUC.

CPSD has propounded two Data Requests; the first one on September 14, 2009, and the second one on October 12, 2009. Speedypin submitted responses to the first data request on September 21st, and to the second one on October 16th. (Exhibit 2.)

In the first set of responses CPSD discovered two important documents: 1) a Speedypin "Profit & Loss Statement, Inception through August 31, 2009" that shows \$188,344.10 in "phonecard sales" income (Exhibit 3); 2) an "FCC Form 499-A Reporting Worksheet (Reporting Calendar 2008 Revenues)" that shows California as the only jurisdiction in which Speedypin provides service (Exhibit 4). CPSD believes that these two documents indicate phonecard sales in California. As will be further discussed below, CPSD was able to further verify phonecard sales in California by purchasing a Speedypin phonecard and placing intrastate calls.

On October 12, 2009, ALJ Bemserderfer held a conference call at Speedypin's request. In attendance were ALJ Karl Bemserderfer; Jonathan Marshlian, counsel for Speedypin; CPSD supervisor Linda Woods; CPSD staff analyst Yolanda Valdez; and

counsel for CPSD Travis Foss. During the call, Mr. Marashlian assured the ALJ and CPSD that none of the “phonecard sales” listed on the Profit and Loss Statement were in California. When asked where they were licensed, Mr. Marashlian responded with Texas, Florida, and Illinois. ALJ Bemesderfer pointed out that counsel’s statements in a phone call were insufficient, and indicated his preference that CPSD propound a data request and that Speedypin put its counsel’s assertions in the form of a formal response to a data request. CPSD propounded a second set of data requests to Speedypin later that day.

In the second data request Speedypin was asked the following question: “Speedypin Prepaid offers its calling cards via online sales through its website. How does Speedypin Prepaid ensure that its phonecards are not sold to California consumers?” In response, Speedypin stated:

Without waiving its General Objections, Speedypin Prepaid responds by stating it is lawful for Speedypin Prepaid to sell interstate and international telecommunications services to California consumers. Speedypin Prepaid does not require an NDIEC license from the CPUC before offering or providing interstate and/or international telecommunications services which might originate in California, but terminate outside of the state. Speedypin Prepaid ensures that its PINS cannot be used to both originate and terminate calls within the borders of the state of California by blocking in-state terminations at the switch platform. The switch platform is programmed to recognize inbound calls originated in California, and if the customer enters a California destination number, the call is blocked from completion, thereby preventing consumers from originating and terminating intrastate telecommunications calls. Speedypin Prepaid further directs the CPSD to its response to request #1d for further explanation of its blocking technology. (Exhibit 2.)

On Wednesday, October 21, 2009, CPSD’s investigator went to www.speedypin.com and purchased a phone card called “SPP Latin America \$2 prepaid phone card”. (Ex. 1.) She was able to purchase the card in California without any problem. (*Ibid.*) She tested the card by making local telephone calls, which she was able to do easily. (*Ibid.*) She also called Speedypin’s Customer Service Number and spoke to a Speedypin representative, who told her that the Speedypin access number could be used

to make “any calls” to “anywhere”, including within and without the state of California. (*Ibid.*)

III. DISCUSSION

A. Violation of PU Code sections 885 and 886

CPSD reaffirms the basis for its initial protest. Speedypin is not registered as a carrier with the CPUC, nor registered as a phone card provider pursuant to Section 885-886 of the Public Utilities Code. Speedypin has no authority to provide telecommunications and/or phone card services in California. Pursuant to Public Utilities Code Sections 885-886, it is illegal for companies that offer prepaid telephone debit cards (phone cards) to operate without the appropriate registration under Public Utilities Code Section 1013.

Because Speedypin appears to have been offering telecommunications services to the California market for at least this past year without registering, CPSD respectfully recommends the Commission consider imposing a monetary penalty.

B. Violations of Rule 1.1

Any party that appears before the Commission is prohibited by Commission Rules of Practice and Procedure Rule 1.1 from misleading the Commission “by an artifice or false statement of fact or law.” Speedypin’s most egregious lie is that its calling cards cannot be used in California to make intrastate calls. This lie has been part of a pattern of misrepresentation designed to avoid acknowledging the existence of phonecard sales in California prior to registration. Speedypin has made several other misleading and false statements that are a part of this pattern, which are described below.

1. First Violation of Rule 1.1: Speedypin Offers Intrastate Service in California, But Claims That It Does Not

As discussed above, Speedypin firmly stated that it blocks its cards from making intrastate calls in California. (Ex. 2.) Speedypin described with detail the technical mechanism it uses to accomplish this feat at the switch platform. (*Ibid.*) Speedypin described in no uncertain terms how it blocks intrastate calls at the switch platform by

programming the switch to recognize inbound calls that originate in California. CPSD Staff has proven that this is a falsehood. There is no plausible explanation other than that Speedypin made the statement knowingly and intentionally.

When CPSD staff was able to complete intrastate calls from her office in the CPUC offices in Los Angeles to her home in California using a Speedypin phonecard, it became clear that Speedypin's assertions are false. Because of the way that Speedypin thoroughly answered the question, including technical details about how the intrastate call blocking is achieved, there can be no doubt that Speedypin understood the question and intentionally attempted to deceive the Commission.

The probable motive for this Rule 1.1 violation is to avoid sanctions for operating without authority, because if Speedypin can establish the technical impossibility of making an intrastate call, it would be able to claim that it could not possibly have any intrastate revenue in California¹.

2. Second Violation of Rule 1.1: Speedypin Falsely Claims It Does Not Offer "Hard Cards"

In a meet and confer letter on October 19th to Speedypin's counsel (Exhibit 5), CPSD pointed out that Speedypin's objections to the Commission's jurisdiction have already been overruled by the Commission in *Skynet Communications, Inc.* (D.09-01-017). In that case, applicant Skynet argued that it was not required to register because it did not offer intrastate service. The Commission stated: "Contrary to Skynet's assertions, these statutes [885-886] are not limited to phonecard providers providing intrastate services, and there is no exclusion for the hypothetical (and unusual) case where a provider of international phonecards would block access to intrastate calling on cards used in California."

¹ However, CPSD disagrees with the legal premise of Speedypin's argument. It does not matter if a phonecard can only be used for interstate or international calls – all entities offering phone cards in California must be registered, regardless of intrastate call-blocking. See *Skynet Communications, Inc.* (D.09-01-017).

When confronted with this legal precedent, Speedypin’s counsel responded by email dated October 20, 2009, stating:

“unlike SkyNet, Speedypin does not "offer[] the services of telephone prepaid debit cards." Speedypin Prepaid sells electronic PINS and it does so exclusively through the Internet. Therefore, by the reasoning set forth by ALJ Patrick in the SkyNet Decision, which specifically references the term "cards" on numerous occasions, Speedypin Prepaid is not the type of provider that would be required to Register with the Commission because Speedypin Prepaid *simply does not sell cards or anything in a physical medium.*” (Exhibit 6. Emphasis added.)

This statement is demonstrably false. According to Speedypin Prepaid’s website, <http://www.speedypinprepaid.com/services.html>, Speedypin offers both “Hard Cards” and “PINS”. The website says: “SpeedyPin Prepaid has laminated paper cards and plastic vending card formats available, which can be shipped immediately.” In the section under “PINS”, the website says: “SpeedyPin Prepaid’s cards are available for resale in PIN format.” (A printout of this webpage is attached at Exhibit 7.)

Also, on a website called “Speedypin Phone Cards”, www.speedypin.com, applicant Speedypin offers international calling cards such as the one purchased by CPSD Staff. For example, Speedypin offers a calling card titled “SPP India \$50 Phone Card” (<http://speedypin.com/prepaid/phone-card/SPIN50>), and offers two purchasing options: 1) a physical card with the Speedypin Prepaid logo imprinted on it, with the caption “PINless/Rechargeable”, with the title “SPP India” and the amount of \$50; 2) Instant PIN by email. (Exhibit 8.)

According to its own website, Speedypin offers both physical, laminated paper cards and PINs; according to the website called “Speedypin Phone Cards”, Speedypin offers two purchasing options – a physical card or an electronic PIN. Therefore, Speedypin’s counsel’s statement that Speedypin “does not sell cards or anything in a physical medium” is an attempt to mislead the Commission by a false statement, for the purpose of avoiding the Commission’s jurisdiction over it².

² Again, CPSD disagrees with the underlying legal premise of Speedypin’s argument. There is no legal distinction between a physical card and the PIN that is imprinted on the card, which the company uses to
(continued on next page)

3. Third Rule 1.1 Violation: Speedypin Falsely Claims it is Licensed in Illinois

In the telephonic conference on October 12, 2009, (described above) Speedypin asserted that it was not selling any phone cards in California. Counsel for CPSD asked a question regarding the location where Speedypin is currently licensed and doing business. Speedypin responded that it is licensed and has revenue in “Texas, Florida, and Illinois.” On October 12, 2009, in CPSD’s second data request, CPSD asked “For the three states indicated by counsel at the telephonic conference, indicate the amount of income revenue generated in that state (Illinois, Florida, Texas).” (Ex. 2.) Speedypin refused to respond to the question on the grounds of relevance and jurisdiction. (Ex. 2.)

CPSD has subsequently been unable to find any evidence that Speedypin has operating authority in Illinois. Speedypin’s misrepresentation and refusal to answer have caused CPSD a great deal of frustration and wasted hours spent attempting to verify a statement that apparently is untrue. On October 21st Speedypin rejected CPSD’s attempt to meet and confer on this question on the grounds that CPSD’s claims about the scope of its authority to obtain information were “wild and unsubstantiated.” (Page 4 of Exhibit 9.)

4. Fourth Rule 1.1 Violation: Speedypin Falsely Claimed It Did Not Provide a Profit and Loss Statement to CPSD

CPSD discovered a Profit and Loss Statement in the financial records provided by Speedypin that showed “Phonecard Sales” of \$188,344.10 (mentioned above). On October 8, 2009, CPSD informed the ALJ that such a statement existed, and that therefore CPSD intended to prepare a data request for further clarification. (Exhibit 10.) Later on October 8th, counsel for Speedypin stated: “We are unaware of any Profit &

(continued from previous page)

route calls and track usage. This is proven by Speedypin’s own website, which states: “SpeedyPin Prepaid’s cards are available for resale in PIN format.” (<http://www.speedypinprepaid.com/services.html>) A carrier may not avoid jurisdiction merely by claiming that its phone cards are available as electronic PINs.

Loss statement having ever been submitted to the CAPUC [sic] which reflects January - August 2009 “actual” revenue.” (Exhibit 11.)

Mr. Marashlian later admitted his mistake, acknowledging that his review of the documents submitted by Speedypin was “hasty” and that his statement was “incorrect.” (Response to 1(b), Exhibit 2.) However, Speedypin’s correction was not made until October 16th, after CPSD was required to propound a data request (DR 02) to verify the truth, because Mr. Marashlian had sent several emails denying that any mistake had been made. Again, Speedypin’s misrepresentations caused frustration and wasted time spent by CPSD attempting to defend itself from Speedypin’s false assertion that it had never sent any Profit and Loss Statement to CPSD.

5. Fifth Rule 1.1 Violation: Speedypin Falsely Claims Copies of Documents Were Mailed to CPSD

At the PHC on August 24, 2009, Speedypin agreed to provide financial documentation. The documentation was provided in electronic format to CPSD on September 26, 2009. However, the important financial documents were redacted. When CPSD telephoned Speedypin to obtain the documents that had been redacted, counsel was told that CPSD had inadvertently been sent the redacted version, but that an unredacted set of financial documents had been delivered via overnight mail. No documents ever reached either CPSD or its counsel. CPSD had to request that Speedypin re-submit the unredacted version by email. CPSD believes that Speedypin never sent any financial documents to CPSD, and that its statement that they were sent via overnight mail was false.

CPSD believes that Speedypin did not want CPSD to discover the 2008 Profit and Loss statement showing phonecard sales in California. This small misrepresentation caused Staff frustration and several hours spent following up, which caused this proceeding to be delayed by at least two weeks.

6. Sixth Rule 1.1 Violation: Speedypin Falsely Claims It Cannot Distinguish Between Intra- and Interstate Calls

When CPSD discovered the existence of “phonecard sales” revenue on the Speedypin Profit and Loss Statement (discussed above), CPSD sought clarification. On October 8, 2009, Speedypin’s counsel explained that the revenue was all interstate, except in those states where Speedypin is authorized, stating: “Indeed, Speedypin Prepaid *clearly and plainly explained that its financial records do not distinguish intra and interstate revenues*; therefore, to indicate to ALJ Bemmesderfer that the Applicant submitted documents which “indicate the existence of California revenues” is the height of irresponsibility and, yes, lacks candor.” (Exhibit 12. Emphasis added.)

In response to CPSD’s second data request, Speedypin provided a chart showing “Percentage of Total Intrastate Prepaid Calling Card Minutes” = “3.35%”; “Percentage of Total Prepaid Calling Card Revenue for Intrastate Services” = “0.23%”; “Percentage of Total Prepaid Calling Card Revenue for International Services” = “99.61%”. (Response to 1(a), Ex. 2.) Clearly, Speedypin’s records do distinguish between intra and interstate revenue. Again, the probable motive is that Speedypin was attempting to conceal the existence of intrastate phonecard sales. On October 19th CPSD asked for an explanation from Speedypin as to how it can be true that its financial records do not distinguish intra and interstate revenue (Ex. 5), because the chart provided in response to the second CPSD data request Question 1(a) appears to do exactly that. Speedypin has not responded.

7. History of Helein & Marshlian, LLC, Counsel for Applicant

CPSD’s Protest did not originally contain any history regarding Speedypin’s law firm, Helein & Marshlian, LLC. However, in light of CPSD’s new allegations, that history is important and should be recounted.

In D.06-04-048, the Commission found that the law firm Helein Law Group had violated Rule 1 and ordered that firm to disclose that it had been found in violation of

Rule 1 in any future documents filed at the CPUC for a period of three years. The three-year term ended in April of 2009, and this application was filed in May 2009.

Both Jonathan Marashlian and Charles Helein, the name partners in Helein & Marashlian, LLC, were members of the Helein Law Group. CPSD is not claiming that Speedypin's attorneys violated the terms of D.06-04-048. In that decision, the Commission found that Helein Law Group's statement that its client had never been the subject of any complaints in any other state jurisdiction was a knowing lie, because in fact there had been 42 slamming complaints with the Florida Public Services Commission.

This history does not by itself establish a violation, but should be considered as an aggravating factor in assessing the level of culpability by Helein & Marashlian, LLC, in this case.

IV. RECOMMENDATION

Enough is enough. A few of the early misrepresentations were minor and frustrating, and caused delays of a few weeks, but were insufficient to indicate a clear pattern. However, the outright falsehood perpetrated by Speedypin that its phonecards cannot be used to make intrastate calls tips the scales; it cannot be explained away, on any grounds. This lie indicates a clear intent to deceive the Commission.

CPSD recommends that the Commission deny this application on the grounds that Speedypin has repeatedly made false statements and operated without authority in California. Monetary sanctions under PU Code section 2107 and 2108 are also warranted against Speedypin and/or its counsel because the pattern of the misrepresentations shows intent to deceive the Commission on the issue of whether Speedypin has been operating without authority. Moreover, this is not the first time Helein and Marashlian have been involved in this type of behavior.

CPSD has not been able to ascertain the exact amount of phonecard revenue Speedypin's sales have generated in California, but it is apparent that Speedypin is concealing some California revenue. The numerous lies and misleading statements

described above have made CPSD's attempts to discover how much revenue next-to-impossible.

We can say for certain that some revenue has been generated in California, although not how much or when. This is proven by the fact that CPSD Staff was able to place an intrastate call using a Speedypin phonecard. In fact, a Speedypin representative assured CPSD Staff that its cards could be used "any time" to make calls to "anywhere", including within California. (Ex. 1.) This indicates a regular business practice of selling phone cards in California without limitations on intrastate use.

CPSD's attempts to discover the amount of intrastate revenue have been met repeatedly with frivolous objections and misleading statements, including that Speedypin cannot distinguish between intra and interstate revenue (false); Speedypin does not sell physical cards, only electronic PINs (false); Speedypin's revenue is from states where it is already licensed, such as Illinois (false for Illinois); that the Commission's jurisdiction does not extend to international calling cards (false pursuant to D.09-01-017); and most importantly, that Speedypin's phonecards are blocked from making intrastate calls (false). In a form filed with the FCC, Speedypin stated that the only jurisdiction in which Speedypin provides service is California (possibly true, but it contradicts Speedypin's statements made to the CPUC). (Ex. 4.)

Speedypin's objections to data requests and its assertion that the Commission lacks jurisdiction ultimately rest on the outright falsehood that Speedypin's phonecards cannot be used to make intrastate calls. CPSD has conclusively demonstrated that this is a lie, by purchasing a Speedypin card and making intrastate calls. Speedypin's pattern of deception is clearly designed to avoid sanctions for operating in California without a license. The deceptions have caused CPSD to waste resources chasing down falsehoods, performing unnecessary investigation, and engaging in lengthy e-mail arguments with Speedypin's counsel over jurisdiction and the permissible scope of discovery. Therefore, a substantial fine for each misrepresentation is warranted. Moreover, Speedypin by its actions has shown that it is not have the requisite fitness to operate a calling card business in California, and therefore CPSD recommends that this application be denied.

Respectfully submitted,

/s/ TRAVIS T. FOSS

Travis T. Foss
Staff Counsel

Attorney for the Consumer Protection
& Safety Division

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-1998
Fax: (415) 703-2262

October 26, 2009

EXHIBIT 1

DECLARATION OF YOLANDA VALDEZ AVILA
A.09-05-021

- 1. I am a Public Utilities Regulatory Analyst with the Utility Enforcement Branch (UEB) of the Consumer Protection and Safety Division (CPSD) of the California Public Utilities Commission. I am the lead analyst for CPSD assigned to this case. I have personal knowledge of the facts stated herein.**
- 2. I participated in a telephonic conference in this case on October 12, 2009. Also in attendance were ALJ Karl Bemederfer; Jonathan Marashlian, counsel for Applicant Speedypin Prepaid, LLC (Speedypin); CPSD Supervisor Linda Woods; and counsel for CPSD Travis Foss. During the conference call Mr. Marashlian agreed to respond to a data request from CPSD regarding the issues discussed in the conference call.**
- 3. I prepared a data request and sent it to Speedypin later that day, October 12. As a follow-up to statements made by Mr. Marashlian on the conference call, I propounded Question 2 that asked "Speedypin offers its calling cards via online sales through its website. How does Speedypin ensure that its phonecards are not sold to California consumers?"**
- 4. Speedypin responded to the data request on October 16, 2009. In response to Question 2, Speedypin stated "Speedypin Prepaid ensures that its PINS cannot be used to both originate and terminate calls within the borders of the state of California by blocking in-state terminations at the switch platform. The switch platform is programmed to recognize inbound calls originated in California, and if the customer enters a California destination number, the call is blocked from completion, thereby preventing consumers from originating and terminating intrastate telecommunications calls."**
- 5. I was assigned to attempt to purchase a phonecard from Speedypin and make an intrastate call. On Wednesday, October 21, 2009, I went to www.speedypin.com and purchased a phonecard called "SPP Latin**

America \$2 prepaid phone card." I obtained 5 PIN numbers from Speedypin.

6. I called Speedypin Customer Service for "SPP Latin America \$2" at Customer Service Number (800) 483-3805. The customer service representative who I spoke with is named "Adam."
7. I asked Adam about using the phonecard. Adam asked me the following:
 - a. What is your PIN number? I told him I have 5 of them. He requested that I just give him one of the numbers.
 - b. Will you be calling from your landline or cell phone?
 - c. If cell phone use, do you have limited or unlimited long distance call use?
 - d. He asked for the name on my prepaid phonecard. I told him it is the SPP Latin America \$2 phonecard.
 - e. He asked, "Your name is Yolanda?" I said "yes", it is Yolanda Avila.
 - f. From where are you calling from and to where will you be placing your call? I told him my call would be from California to Portland, Oregon. He said, "ok, it is from state to state then?" I said "yes."
8. After I answered his questions, he then placed me on hold, so he could search for an access phone number. Adam was very pleasant and helpful. He told me to use the access phone number (800) 726-0542. Upon dialing the access phone number he instructed that I enter my assigned PIN numbers then to enter the call number by indicating 1 + area code + phone number and I would be connected.
9. I also asked him if I can use my assigned PINs for calling within California and he said "yes."
10. I then connected from my cell number (626) ***-**** to my home number (626) ***-**** in West Covina, California.
11. I connected from my cell number (626) ***-**** to my relative's number in Vancouver, Washington State (360) ***-****.
12. Before calling to Vancouver, I called Speedypin's Customer Service again at (800) 483-3805 to confirm if I may use the same "access number" for calling to Vancouver, Washington. The same representative, Adam, had

answered the call and told me that the access number he gave me may be used for any calls I wish to make anywhere. He said this included out of California and within state. He then said, "Didn't you just call?" I told him that I wanted to make sure if I use the same access number, and can it be used within and out of California. I told him that all this was new to me and I needed to make sure that I was using my prepaid card correctly.

13. I tested each of the following 5 new Speedypin PINs using the same Access Number (800) 483-3805:

PIN # 89-8445-4684
Time Tested: 3 p.m.
Card Balance: \$2.00
Minutes Available: 26

After dialing a telephone number, the automated voice announces how many minutes are available.

3:00 p.m. – 26 minutes available on card with \$2.00 value				
3:07 p.m. – 24 minutes	“	“	“	\$1.90
3:21 p.m. – 21 minutes	“	“	“	\$1.52
4:27 p.m. – 16 minutes	“	“	“	\$1.23
4:35 p.m. -	“	“	“	\$.94
4:47 p.m. – 12 minutes		“	“	\$.94

The remaining PINs below also contain 26 minutes worth and the same procedure in dialing was used.

88-1935-1650
88-0394-0752
43-8636-7030
61-8847-4966

14. I selected the English language option using each card and selected the Spanish option on the first two PINs indicated above. The dialing procedure is the same for both languages.

15. On Thursday, October 22, 2009, I tested the five PINs calling from my work landline to my home landline and each time I used the same Access

Phone Number (800) 726-0542. I then tested each PIN by calling from my work landline in Los Angeles to a CPUC work landline in San Francisco. All the calls went through without any problem.

16. The use of the PINs is as if I actually had a prepaid phonecard. The only difference is that I was using an electronic card. From using the Speedypin website, I learned that recharging a card is easy and quick. This can be done via Speedypin's website or via their access numbers.

17. It does appear that Speedypin is operating in California as a point of origin for purchasing cards and making intrastate calls.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Dated: 10-23-2009

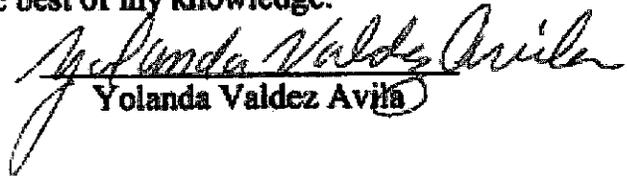

Yolanda Valdez Avila

EXHIBIT 2



The CommLaw Group

HELEIN & MARASHLIAN, LLC
1420 Spring Hill Road
Suite 205
McLean, Virginia 22102

Telephone: (703) 714-1300

Facsimile: (703) 714-1330

E-mail: mail@CommLawGroup.com

Website: www.CommLawGroup.com

Writer's Direct Dial Number
703-714-1313

Writer's E-mail Address
jsm@CommLawGroup.com

October 16, 2009

Via First Class Mail

California Public Utilities Commission
Consumer Protection and Safety Division
Attn: Yolanda Valdez, Utility Enforcement Branch
320 West 4th Street, Suite 500, 5th Floor
Los Angeles, CA 90013
yol@cpuc.ca.gov

Re: Speedypin Prepaid, LLC Data Request No. -02

Dear Ms. Valdez:

Enclosed, please find Speedypin Prepaid, LLC's responses to the Consumer Protection and Safety Division's ("CPSD") Data Request No. -02 dated October 12, 2009.

Should you have any questions regarding this matter, please contact the undersigned.

Sincerely,

/s/

Jonathan M. Marashlian
Counsel for Speedypin Prepaid, LLC

cc:

Karl J. Bemesderfer (via e-mail)
Linda Woods (via e-mail)
Travis T. Foss (via e-mail)
Larry Salzman (via email)

**GENERAL OBJECTIONS OF SPEEDYPIN PREPAID, LLC
TO DATA REQUEST NO. 2**

1. The following answers are limited to Speedypin Prepaid, LLC ("Speedypin Prepaid") and are complete and correct as far as Speedypin Prepaid is aware, according to information available to Speedypin Prepaid at the present time. Speedypin Prepaid understands it has a continuing obligation to disclose additional information if any may come to its attention following this submission.
2. Speedypin Prepaid reserves the right to object to the admissibility of any of these answers or of any document provided herein, in whole or in part, at any further investigation, hearing or trial in this matter, on any grounds, specifically including but not limited to materiality, relevance, and privilege.
3. Speedypin Prepaid objects to each of the following requests to the extent they seek information that is protected by the attorney-client privilege, the work product doctrine, or otherwise privileged or protected from disclosure, and will not disclose such information.
4. Speedypin Prepaid objects to each of the following requests to the extent they seek information that is neither relevant nor reasonably calculated to lead to relevant information.
5. Speedypin Prepaid objects to each of the following requests to the extent that they would require Speedypin Prepaid to divulge confidential and proprietary business information or customer information protected by applicable laws, including but not limited to Section 222 of the Communications Act of 1934, 47 USC §222, as amended (1996).
6. Speedypin Prepaid objects to each of the following requests to the extent that they are broad, vague, ambiguous, and unduly burdensome.
7. Speedypin Prepaid objects to each of the following requests to the extent they seek to harass, embarrass and/or burden Speedypin Prepaid.
8. Speedypin Prepaid objects to each of the following requests to the extent they call for information and/or documents not within its possession, custody and/or control, information and/or documents that are already within the CPSD's custody and/or control, or information and/or documents which are as readily available to the CPSD as Speedypin Prepaid.
9. Speedypin Prepaid objects to each of the following requests to the extent they are duplicative of previous requests made by the CPSD.

**RESPONSES OF SPEEDYPIN PREPAID, LLC
TO DATA REQUEST NO.: 02**

1. In the telephonic conference on October 12, 2009, counsel stated that Speedypin Prepaid, LLC ("Speedypin Prepaid") was licensed in Illinois, Florida, and Texas.
 - a. Speedypin Prepaid's Profit and Loss statement provided in response to CPSD's Data Request No. 1 states income from "Phonecard Sales" of \$188,344.10. Please indicate the amount of those sales that are interstate only in nature, thus under FCC jurisdiction only.

RESPONSE: Without waiving its General Objections, Speedypin Prepaid responds by stating that of the amount recorded in its Profit and Loss ("P&L") Statement, less than 1% reflects revenue received from intrastate telecommunications services. Over 99% of Speedypin Prepaid's revenue is derived from international long distance services. Copied below is the confidential portion of Speedypin Prepaid's

quarterly Percentage of Interstate Use ("PIU") Report filed with the Federal Communications Commission in WC Docket No. 05-68. As reflected therein, 99.61% of Speedypin Prepaid's revenue from April 1st through June 30, 2009 was derived from international telecommunications services, subject exclusively to the FCC's jurisdiction.

Filing	Data
Public Notice: Certification (FCC)	
Reporting Period: April 1st - June 30	
Percentage of Total Intrastate Prepaid Calling Card Minutes	3.35%
Percentage of Total Interstate Prepaid Calling Card Minutes	3.36%
Percentage of Total International Prepaid Calling Card Minutes	93.47%
Percentage of Total Prepaid Calling Card Revenue for Interstate Services (excluding revenue from prepaid calling cards sold by, to, or pursuant to contract with the Department of Defense (DOD) or a DoD entity)	0.23%
Percentage of Total Prepaid Calling Card Revenue for International Services (excluding revenue from prepaid calling cards sold by, to, or pursuant to contract with the Department of Defense (DOD) or a DoD entity)	99.61%

The prepaid calling card and prepaid PIN-based telecommunications marketplace in which Speedypin Prepaid competes is geared almost entirely to sales of US-originated international calling. The extent to which Speedypin Prepaid's PINS are purchased by consumers and used to make intrastate (or even domestic interstate) calls is de minimis and practically negligible.

- b. Does the \$188,344.10 indicate "actual" sales, or projected? If so, explain the basis for the following statement made to CPSD in an email from Mr. Marshlian dated October 8, 2009: "We are unaware of any Profit & Loss statement having ever been submitted to the CAPUC [sic] which reflects January - August 2009 "actual" revenue."

RESPONSE: Without waiving its General Objections, Speedypin Prepaid responds that the \$188,344.10 amount reflects actual sales of Speedypin Prepaid PINS.

The statement by undersigned counsel was incorrect, as it was based on a hasty review of the documents in Speedypin Prepaid's file folder. In a rush to respond to the CPSD's assertion that Speedypin Prepaid had sold intrastate telecommunications to California consumers in 2009, which counsel immediately recognized as false, counsel failed to recollect the submission of financial statements of both Speedypin, LLC *and* Speedypin Prepaid, LLC. In counsel's hurried review of Speedypin Prepaid's responses to CPSD's First Data Request, counsel mistook the financial statements as exclusively the parent's (Speedypin, LLC). Counsel mistakenly recognized the \$188,344.10 as the parent's revenue from the sale of Phonecards associated with independent, unaffiliated prepaid calling card companies. The hasty preparation of exhibits, *i.e.*, failure to separate each distinct document into separately labeled Attachments, contributed to counsel's error. Counsel thereafter compounded the error by making a mistaken presumption that any information submitted about Speedypin Prepaid's sales related to the submission of FCC Form 499-Qs, which report revenue projections.

In further response, counsel wishes to place on the record that he agrees with ALJ Bemserderfer's position that the CPSD cannot be faulted for performing its job to the best of its ability, *as long as* its activities do not extend beyond its jurisdictional authority. Neither the ALJ nor counsel should expect anything less of the agency tasked with protecting California consumers from companies that seek to harm them. However, neither Speedypin Prepaid nor its parent, Speedypin, falls within this category of companies.

Counsel admits extreme sensitivity to the exacting scrutiny to which Speedypin Prepaid's application for authority has been subjected. The sensitivity does not arise from the mere fact that the application or the company are being researched, analyzed, and closely scrutinized. This due diligence is to be expected. Instead, the sensitivity relates to counsel's own deep-seated concerns and insecurities regarding the past. Counsel worries that his current law firm and its personnel have been unjustly and undeservedly treated differently than other firms representing clients before the CPSD.

Nonetheless, Counsel and his firm, the *CommLaw* Group, take very seriously their duties of candor before the tribunal and before the CPSD or any governmental agency. Counsel admits that he has a tendency to overreact when his truthfulness has been questioned given his tireless work to establish The *CommLaw* Group as an esteemed boutique law firm. This has been particularly evident in this proceeding, as it is the first such formal proceeding before the CPUC in which The *CommLaw* Group has participated since the expiration of sanctions against The Helein Law Group. To the extent this sensitivity has colored counsel's tone and/or caused an acrimonious relationship with CPSD in the context of this proceeding, counsel not only extends his sincere apologies, but also a hand and an invitation to work towards better relations in the future.

- c. Can Speedypin distinguish between intra- and interstate calls placed by consumers using Speedypin's calling cards?

RESPONSE: Without waiving its General Objections, Speedypin Prepaid responds by stating that Speedypin Prepaid does have the capability to jurisdictionalize traffic. That is, it can distinguish between intra and interstate calls placed by consumers.

- d. State whether any of the "Phonecard Sales" of \$188,344.10 were in California.

RESPONSE: Without waiving its General Objections, Speedypin Prepaid responds that "Phonecard Sales" of \$188,344.10 were not in California. Speedypin Prepaid has not marketed intrastate telecommunications to California consumers. Speedypin Prepaid implemented switch blocking to affirmatively block termination of calls in California which may have originated from consumers either residing in or traveling to California. Because the company ordered the switch block *prior to* the posting and marketing of Speedypin Prepaid PINS on the www.speedypin.com retail portal, attempts to complete California-originated intrastate calls (*i.e.*, intrastate telecommunications services) have been blocked.

- e. For the three states indicated by counsel at the telephonic conference, indicate the amount of income revenue generated in that state (Illinois, Florida, Texas).

RESPONSE: Without waiving and in addition to its General Objections, Speedypin Prepaid specifically objects to this request as overbroad and irrelevant in that it is unrelated to its fitness to offer resold toll telecommunications services to California consumers or its qualifications to obtain a certificate of authority in California. Furthermore, the requested information is duplicative of the CPSD's Request #1h. Without waiving its objections, Speedypin Prepaid responds by directing the CPSD to its response to #1h.

- f. Provide documents showing the grant of operating authority in each of those states.

RESPONSE: Without waiving and in addition to its General Objections, Speedypin Prepaid specifically objects to this request as overbroad and irrelevant in that it is unrelated to its fitness to offer resold toll telecommunications services to California consumers or its qualifications to obtain a certificate of authority in California. Furthermore, the requested information is duplicative of the CPSD's Request #1h and publicly available. Without waiving its objections, Speedypin Prepaid responds by directing the CPSD to its response to #1h and to public information available.

- g. Provide the dates on which Speedypin began providing services in each jurisdiction.

RESPONSE: Without waiving and in addition to its General Objections, Speedypin Prepaid specifically objects to this request as overbroad and irrelevant in that it is unrelated to its fitness to offer resold toll telecommunications services to California consumers or its qualifications to obtain a certificate of authority in California. Furthermore, the requested information is duplicative of the CPSD's Request #1h. Without waiving its objections, Speedypin Prepaid responds by directing the CPSD to its response to #1h.

- h. Are there any other states in which the \$188,344.10 in revenue was generated? If yes, provide the state and documents showing that Speedypin has obtained operating authority in that state.

RESPONSE: Without waiving and in addition to its General Objections, Speedypin Prepaid specifically objects to this request as overbroad, unduly burdensome and improper to the extent it seeks information beyond the authority and jurisdiction of the CPUC. Speedypin Prepaid recognizes that an applicant's regulatory compliance history in other jurisdictions is, indeed, a relevant factor for certification. However, the CPUC has expressly limited the scope of inquiry into extra-jurisdictional matters by specifying that applicant disclosures in response to NDIEC Application Question No. 8 (relating to operations in other states) shall be limited to disclosure of actual "sanctions." See Decision No. 97-06-107 at pg. 8. It is important to recognize that the *CommLaw* Group adheres to the interpretation of the term "sanction" in this instance to include "pending or on-going investigations." Based on this interpretation of the term, Speedypin Prepaid responded in the negative – as in, Speedypin Prepaid has not been subjected to any governmental sanctions, nor is it presently the subject of any investigations or inquiries at any state or federal governmental agency. This response should end the inquiry. For if it does not, and ALJ Bemserderfer orders Speedypin Prepaid to respond to CPSD's question, ALJ Bemserderfer will find himself evaluating the laws and regulations of countless state jurisdictions, applying those laws and regulations to the specific facts regarding Speedypin Prepaid's telecommunications services, and being asked to reach conclusions about matters which go far beyond what is reasonable and more importantly, what is required by the CPUC. Because of this undesirable result, Speedypin Prepaid objects to further inquiry into Speedypin Prepaid's extra-jurisdictional activities on the basis of the CPSD and CPUC's lack of authority to judge Speedypin Prepaid's compliance with other states' applicable laws and regulations. It bears emphasis that in lodging its objections to this request, Speedypin Prepaid neither admits nor denies that it is providing intrastate telecommunications (in the form of prepaid calling PINS sold over the Internet) to consumers in any state, other than as previously described. Rather it is Speedypin Prepaid's position that in the conduct of their public interest investigations and analysis, the CPSD and the CPUC are limited to inquiring into certain aspects of an Applicant's history of compliance in other jurisdictions. And these areas of inquiry are addressed in Decision No. 97-06-107 and its progeny. There is no history of either the CPSD or the CPUC making determinations regarding an Applicant's compliance with another state's or jurisdiction's laws or regulations, nor would it be proper for your honor to authorize such an expansive and never-ending inquiry. Speedypin Prepaid therefore objects to any attempts by the CPSD to open an inquiry into whether or not its sales of prepaid calling PINS over the Internet to consumers in another state, are or are not in compliance with that state's applicable laws or regulations.

Explain the reason(s) that you did not indicate these other states on Line 227 of the FCC Form 499-A.

RESPONSE: Without waiving its General Objections, Speedypin Prepaid hereby responds and refers to an explanation provided in an October 8, 2009 email:

Line 227 of the FCC Form 499-A requests information relevant to the services which are subject to the FCC's jurisdiction, which include ONLY interstate and international telecommunications services.

Line 227 -- check those jurisdictions where the filing entity provided telecommunications service or interconnected VoIP service in the past 15 months, and any additional jurisdictions in which the filing entity expects to provide telecommunications service or interconnected VoIP service in the next 12 months. **Identify jurisdictions where customers physically obtain service. For most switched services, identify jurisdictions where customers can originate calls. However, for services where the called party pays, also identify jurisdictions where calls**

terminate. For example, an operator service provider that handled inmate calls originating in New Jersey and terminating collect in New Jersey, New York, and Pennsylvania, would identify New Jersey, New York, and Pennsylvania as jurisdictions served.

Wherefore, any state checked in response to Line 227 is reflective of a jurisdiction where a consumer can physically obtain service and originate calls. The ONLY services requiring the identification of both the originating and terminating ends of a communication relate to Called Party Pays. Prepaid calling card services are Calling Party Pays.

Speedypin Prepaid checked California -- and no other state -- due to the timing of the 2009 Form 499-A filing and what is considered standard practice for any new company entering the business. The 2009 Form 499-A relates to 2008 revenues. Speedypin Prepaid responded to Data Request #1 by indicating it first provided telecommunications services on April 6, 2009. In other words, Speedypin Prepaid did not engage in any business in 2008, but was still required to file the 2009 Form 499-A (pertaining to 2008), because it filed its "initial registration" in 2008, as the company was preparing to enter the market. Speedypin Prepaid checked California at the time because it is fairly standard for interstate telecommunications providers to identify at least one state in response to Line 227, and the company chose California because the state houses the company's headquarters.

2. Speedypin Prepaid offers its calling cards via online sales through its website. How does Speedypin Prepaid ensure that its phonecards are not sold to California consumers?

RESPONSE: Without waiving its General Objections, Speedypin Prepaid responds by stating it is lawful for Speedypin Prepaid to sell interstate and international telecommunications services to California consumers. Speedypin Prepaid does not require an NDIEC license from the CPUC before offering or providing interstate and/or international telecommunications services which might originate in California, but terminate outside of the state. Speedypin Prepaid ensures that its PINS cannot be used to both originate and terminate interexchange calls within the borders of the state of California by blocking in-state terminations at the switch platform. The switch platform is programmed to recognize inbound calls originated in California, and if the customer enters a California destination number, the call is blocked from completion, thereby preventing consumers from originating and terminating intrastate telecommunications calls. Speedypin Prepaid further directs the CPSD to its response to request #1d for further explanation of its blocking technology.

EXHIBIT 3

SpeedyPin Prepaid, LLC
Profit & Loss Statement
Inception Through August 31, 2009

	<u>Jan - Aug 09</u>
Ordinary Income/Expense	
Income	
Phonecard Sales	188,344.10
Usage Fees	4,195.33
Processing Income	239.56
Total Income	<u>192,778.99</u>
Cost of Goods Sold	
Usage Costs	170,696.55
Total COGS	<u>170,696.55</u>
Gross Profit	22,082.44
Expense	
Bank & Credit Card Fees	557.65
Marketing Costs	2,147.00
Office Expense	44.60
Other Operating Expenses	220.00
Professional Fees	19,664.26
Total Expense	<u>22,633.51</u>
Net Ordinary Income	-551.07
Other Income/Expense	
Other Expense	
State Income Tax	800.00
Total Other Expense	<u>800.00</u>
Net Other Income	<u>-800.00</u>
Net Income	<u><u>-1,351.07</u></u>

EXHIBIT 4

2009 FCC Form 499-A Telecommunications Reporting Worksheet (Reporting Calendar 2008 Revenues)

Filers must refile Blocks 1, 2 and 6 if there are any changes in this section. See Instructions.

Block 2-C: FCC Registration and Contact Information

219 Filer 499 ID [from Line 101] 827523

220 Legal name of reporting entity [from Line 102] Speedypin Prepaid, LLC

221 Chief Executive Officer (or, highest ranking company officer if the filing entity does not have a chief executive officer) First Last
Larry Saltzman

222 Business address of individual named on Line 221
Street 1 480 N. Magnolia
Street 2 Suite 107
Street 3
City El Cajon State CA Zip (postal code) 92020 Country if not USA

223 Second ranking company officer, such as Chairman (Must be someone other than the individual listed on Line 221)
224 Business address of individual named on Line 223
Street 1
Street 2
Street 3
City State CA Zip (postal code) Country if not USA

225 Third ranking company officer, such as President or Secretary (Must be someone other than individuals listed on Lines 221 or 223)
226 Business address of individual named on Line 225
Street 1
Street 2
Street 3
City State CA Zip (postal code) Country if not USA

227 Indicate jurisdictions in which the filing entity provides service. Include jurisdictions in which service was provided in the past 15 months and jurisdictions in which service is likely to be provided in the next 12 months.

<input type="checkbox"/> Alabama	<input type="checkbox"/> Guam	<input type="checkbox"/> Massachusetts	<input type="checkbox"/> New York	<input type="checkbox"/> Tennessee
<input type="checkbox"/> Alaska	<input type="checkbox"/> Hawaii	<input type="checkbox"/> Michigan	<input type="checkbox"/> North Carolina	<input type="checkbox"/> Texas
<input type="checkbox"/> American Samoa	<input type="checkbox"/> Idaho	<input type="checkbox"/> Midway Atoll	<input type="checkbox"/> North Dakota	<input type="checkbox"/> Utah
<input type="checkbox"/> Arizona	<input type="checkbox"/> Illinois	<input type="checkbox"/> Minnesota	<input type="checkbox"/> Northern Mariana Islands	<input type="checkbox"/> U.S. Virgin Islands
<input type="checkbox"/> Arkansas	<input type="checkbox"/> Indiana	<input type="checkbox"/> Mississippi	<input type="checkbox"/> Ohio	<input type="checkbox"/> Vermont
<input checked="" type="checkbox"/> California	<input type="checkbox"/> Iowa	<input type="checkbox"/> Missouri	<input type="checkbox"/> Oklahoma	<input type="checkbox"/> Virginia
<input type="checkbox"/> Colorado	<input type="checkbox"/> Johnston Atoll	<input type="checkbox"/> Montana	<input type="checkbox"/> Oregon	<input type="checkbox"/> Wake Island
<input type="checkbox"/> Connecticut	<input type="checkbox"/> Kansas	<input type="checkbox"/> Nebraska	<input type="checkbox"/> Pennsylvania	<input type="checkbox"/> Washington
<input type="checkbox"/> Delaware	<input type="checkbox"/> Kentucky	<input type="checkbox"/> Nevada	<input type="checkbox"/> Puerto Rico	<input type="checkbox"/> West Virginia
<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Louisiana	<input type="checkbox"/> New Hampshire	<input type="checkbox"/> Rhode Island	<input type="checkbox"/> Wisconsin
<input type="checkbox"/> Florida	<input type="checkbox"/> Maine	<input type="checkbox"/> New Jersey	<input type="checkbox"/> South Carolina	<input type="checkbox"/> Wyoming
<input type="checkbox"/> Georgia	<input type="checkbox"/> Maryland	<input type="checkbox"/> New Mexico	<input type="checkbox"/> South Dakota	

228 Year and month filer first provided (or expects to provide) telecommunications in the U.S. Check if prior to 1/1/1999, otherwise Year 2009 Month 5

EXHIBIT 5

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 19, 2009

Helein & Marshlian, LLC
1420 Spring Hill Road
Suite 205
McLean, VA 22102
Attention: Mr. Jonathan Marshlian, Esq.

RE: Meet and Confer; Speedpin Prepaid Responses to CPSD DR 02

Mr. Marshlian:

This letter represents counsel's effort to meet and confer with you regarding your client's responses to CPSD's Second Data Request, dated October 13, 2009. You provided responses which were incomplete because of legal objections which are invalid. CPSD requires you to provide complete answers no later than **October 23, 2009**.

You have objected specifically to our Question 2 with regards to the Commission not having jurisdiction over interstate and international calls, and generally your answers have been framed in terms of "interstate" versus "intrastate" revenue. However, CPSD's questions generally did not call for such a distinction; instead, CPSD requests information regarding revenue derived at the "point of sale". That is, CPSD is not concerned with the ultimate destination of the telephone call made with your calling card – instead, CPSD is concerned with the location of the "point of sale" for your calling cards. "Point of sale" means the location where the transaction occurred – in other words, if the consumer resides in California and placed an order on your website while residing in California, the "point of sale" would be in California.

CSPD's jurisdiction comes from the location where the sale of the prepaid card occurs, and has nothing to do with the nature (inter- or intrastate) of the call placed using the card. California Public Utilities (PU) Code section 885(a) requires "any entity offering the services of telephone prepaid debit cards" to register in California. Section 885 allows no exemption for interstate or international cards. Perhaps you are confusing jurisdiction over interstate and international rates – however, Section 885 does not set rates and in that sense it does not matter how the calling cards are used. We feel that Section 885 is very clear on this point.

If the statute is not clear enough, the Commission has already ruled on this objection. In D.09-01-017, the Commission rejected the same argument made by applicant Skynet Communications, Inc., which argued that it was not required to register because it did not offer intrastate service. The Commission stated:

"We reject Skynet's contention that it is not required to register with the Commission as a provider of phonecards as required by § 1013. There is no question that Skynet is a provider of phonecards in California. There is no exception to the registration requirement simply because Skynet is a provider of international phonecards and its California intrastate traffic is *de minimus*. Sections 885-886 require that all phonecard providers register with this Commission:

885. (a) Any entity offering the services of telephone prepaid debit cards is subject to the registration requirements of Section 1013, commencing January 1, 1999, unless that entity is certificated by the commission to provide telephone service . . .
886. Entities that are required to register, but have failed to do so, or entities that are denied registration by the commission, shall not offer the services of telephone prepaid debit

cards. Entities that are required to register, but have failed to do so, and entities denied registration that offer telephone prepaid debit cards shall be subject to fines or other sanctions that may be ordered by the commission.

Contrary to Skynet's assertions, these statutes are not limited to phonecard providers providing intrastate services, and there is no exclusion for the hypothetical (and unusual) case where a provider of international phonecards would block access to intrastate calling on cards used in California. Section 886 clearly provides that telecommunications providers that do not register or obtain a Certificate of Public Convenience and Necessity (CPCN) with this Commission, "shall not offer the services of telephone prepaid debit cards" in California."

Thus, it was illegal for Speedypin Prepaid to sell any calling cards in California prior to obtaining Commission authority, regardless of whether the card is used to place interstate or international calls. Your objection to answering Question 2 is invalid.

Question 1(c): In response to 1(c), you stated that Speedypin "can distinguish between inter and intrastate calls placed by consumers." However, in an email dated October 9, 2009, you stated that "Speedypin Prepaid clearly and plainly explained that its financial records do not distinguish intra and interstate revenues." If your financial records do not distinguish between inter and intrastate, how is it that you can distinguish between inter and intrastate calls? Provide an explanation.

Question 1(d): You state that Speedypin Prepaid has blocked its cards from making intrastate calls, and therefore none of the "Phonecard Sales" are in California. However, as explained above the Commission has jurisdiction over "point of sale" transactions involving calling cards, not the rates for interstate or international calls. Therefore, rephrase your response in terms of sales of phone cards in California, regardless of whether the calling cards were used for making interstate or international calls.

Question 1(e): You object that CPSD's question 1(e) is overbroad and irrelevant. However, its corporate history in other states is highly relevant to the Commission's determination of whether Speedypin is fit to operate in California, since it has no history of California operations to evaluate. The Commission regularly looks at a business practices in other states to evaluate fitness; indeed, the NDIEC registration form Question 8 requests information regarding sanctions in any other states. Therefore, your objection is not well taken.

Moreover, question 1(e) is relevant because you stated in a telephonic conference with ALJ Bemserderfer that Speedypin Prepaid is operating in Texas, Florida, and Illinois. CPSD is attempting to verify that what you say is true – that the "Phonecard Sales" listed on the Profit and Loss statement do not reflect California revenues, but sales in Texas, Florida, and Illinois. The question is not overbroad because you gave us the names of the three states; and it is relevant to performing due diligence and verify the statements you made while not under oath on a telephone call.

Question 1(f): Your objection to 1(f) is not valid for the same reasons as 1(e).

CPSD Staff searched extensively for proof of operating authority in Illinois, and was unable to find any. If you have provided false information, that fact is relevant to the Commission's inquiry into the fitness of Speedypin Prepaid. Also, if Speedypin has a business practice of operating without authority in other states, that is also relevant.

Question 1(g): Your response to 1(g) is non-responsive, in that it discusses "jurisdiction" to impose "sanctions" and other matters not called for in the question. CPSD does not believe 1(g) needs explanation – however, so that there is no confusion, CPSD explains that it intends to verify that there are no other states where there are revenues from "Phonecard Sales" as listed on the Profit and Loss statement, other than the ones mentioned by you (Texas, Florida, Illinois). You mentioned three states, and CPSD is attempting to verify that there are no others. If you have revenue from "Phonecard Sales" from other states, but no operating authority in those states, that is relevant to the Commission's inquiry into your fitness to operate.

Question 2: As stated above, you objected on jurisdictional grounds, stating that the Commission does not have jurisdiction to require an NDIEC license for companies offering interstate and/or international calling cards. Pursuant to PU Code section 885 and D.09-01-017, that objection is invalid.

If you have any questions, please contact me at (415) 703-1998 (ttf@cpuc.ca.gov).

Sincerely,

Travis T. Foss
Staff Counsel
Attorney for the Consumer Protection and Safety Division

EXHIBIT 6

Foss, Travis

From: Jonathan S. Marshlian [jsm@commlawgroup.com]
Sent: Tuesday, October 20, 2009 1:31 PM
To: Foss, Travis; Woods, Linda J.; Valdez, Yolanda
Cc: Bemederfer, Karl J.
Subject: RE: Speedypin Prepaid, LLC - Data Request No. -02
Attachments: meet and confer letter.doc

Mr. Foss –

Speedypin Prepaid is familiar with the Commission's statutory jurisdiction, as elaborated in the 2008 SkyNet Decision. But unlike SkyNet, Speedypin does not "offer[] the services of telephone prepaid debit cards." Speedypin Prepaid sells electronic PINS and it does so exclusively through the Internet. Therefore, by the reasoning set forth by ALJ Patrick in the SkyNet Decision, which specifically references the term "cards" on numerous occasions, Speedypin Prepaid is not the type of provider that would be required to Register with the Commission because Speedypin Prepaid simply does not sell cards or anything in a physical medium. For all transactions, the "point of sale" is the Internet.

Please... let's meet & confer as soon as possible – this afternoon, if you can coordinate something (either with or without ALJ Bemederfer, though my preference is to include Judge Bemederfer to ensure this process is as efficient as possible). It is my sincere hope we can put to rest CPSD's concerns regarding the question of whether Speedypin Prepaid (or its parent) operated in the state in any way that is not consistent with the strictures of California's Code, Commission policies, and applicable precedent.

Respectfully,
Jonathan

From: Foss, Travis [mailto:ttf@cpuc.ca.gov]
Sent: Tuesday, October 20, 2009 1:54 PM
To: Olivia D. Hill; Woods, Linda J.; Valdez, Yolanda
Cc: Jonathan S. Marshlian
Subject: RE: Speedypin Prepaid, LLC - Data Request No. -02

Mr. Marshlian, please find attached a meet and confer letter regarding your client's responses to CPSD data request no. 02.

Sincerely,
Travis T. Foss
Staff Attorney for CPSD

-----Original Message-----

From: Olivia D. Hill [mailto:odh@commlawgroup.com]
Sent: Fri 10/16/2009 12:21 PM
To: Bemederfer, Karl J.; Woods, Linda J.; Valdez, Yolanda; Foss, Travis
Cc: 'Jonathan S. Marshlian'
Subject: Speedypin Prepaid, LLC - Data Request No. -02

10/23/2009

EXHIBIT 7



HOME

SERVICES

ABOUT US

CONTACT US

Private Label and Promotional Phone Cards or PINs, API, White Label and Virtual Switch / Wholesale Services

PHONE CARDS

We offer SpeedyPin Prepaid branded products for your retail locations for **domestic and international calling**. We have a selection of pre-printed phone cards available for volume purchases with **aggressive discounts** (minimum purchase \$500).

SpeedyPin Prepaid has laminated paper cards and plastic vending card formats available, which can be shipped immediately.

Contact our wholesale team to discuss your customer base and locations to determine the right product.

PIN

If you operate a website selling prepaid phone cards, any of **SpeedyPin Prepaid's cards are available for resale in PIN format**. PINs can be sent by email in CSV text format and activated as needed. High volume websites will benefit further by using our **web services (API)**.

ADDITIONAL SERVICES:

- » Private Label Cards & PINs
- » Promotional Phone Cards
- » Web Services API
- » White Label Program
- » Virtual Switch & Wholesale

EXHIBIT 8

- Phone Cards**
- Best Rates Worldwide
 - Instant PIN Delivery by Email
 - Quality Cards from Trusted Carriers



Welcome!

[My Account Login](#) [View Cart](#) [Checkout](#) [Help](#) [Contact Us](#)

SPP India \$50 Phone Card - SPP India \$50 Calling Card

SPP India \$50



Instant PIN by Email

Denomination:

Quantity:

Important: *This card may not be used to place calls from California or Illinois.*

[add to cart](#)

[Recharge an Existing PIN »](#)
[Manage Purchased PINs »](#)

- [Card Details](#) [Dialing Instructions](#) [All Rates](#) [Access Numbers](#) [Customer Service](#)

Card Details for SPP India \$50

Connection Fee	?	No
Billing Increments	?	3 Minute Rounding
Maintenance Fee	?	No
Carrier Service Fee	?	Up to 30%
Payphone Fee	?	89¢ per call
Card Expiration	?	6 months after first use.
Customer Service Number	?	1-800-483-3805
Access Number	?	1-800-726-0542 <i>(Add 1.5¢/min when using this toll-free access number.)</i>
Local Access Number	?	View Local Area Access Numbers » <i>(Get the lowest rate per minute using a local access number.)</i>
Rechargeable PIN	?	Yes
PINLess Dialing	?	Coming Soon!
Network Services	?	Provided by SPP

Additional Information

Does this Card Work from	Alaska: Yes Hawaii: Yes Canada: Yes
Can I Call International Cell Phones?	Yes However, the per minute rate to call an international cell phone may be very different from the land line rate. You can review this card's rates by viewing rates

[About Us](#) | [Our Phone Cards](#) | [Contact](#) | [100% Phone Card Guarantee](#) | [Affiliate Program](#) | [Business Services](#) | [Sitemap](#)

© 2002 - 2008 SpeedyPin.com [Privacy Policy](#) [Trademark Guidelines](#)

aQMTARZECGXVP

EXHIBIT 9



The CommLaw Group

HELEIN & MARASHLIAN, LLC
1420 Spring Hill Road
Suite 205
McLean, Virginia 22102

Writer's Direct Dial Number
703-714-1313

Telephone: (703) 714-1300
Facsimile: (703) 714-1330
E-mail: mail@CommLawGroup.com
Website: www.CommLawGroup.com

Writer's E-mail Address
jsm@CommLawGroup.com

October 21, 2009

VIA E-MAIL

E-mail: tff@cpuc.ca.gov

California Public Utilities Commission
Consumer Protection and Safety Division
Attn: Travis Foss

RE: Meet and Confer; Speedypin Prepaid Responses to CPSD DR 02

Dear Mr. Foss:

On behalf of Speedypin Prepaid, LLC ("Speedypin"), its counsel hereby provides the following memorandum in response to CPSD's request to Meet and Confer regarding Speedypin's responses to Data Request No. 2. A courtesy copy of this response is simultaneously being transmitted to ALJ Bemserderfer for his consideration.

MEMORANDUM

Responding to CPSD Claims Regarding Skynet Decision and CPUC Authority to Regulate Electronic PINS:

- The California Public Utility Code ("Code") requires providers of prepaid "debit cards" to register. Speedypin does not presently sell cards. All sales reflected in Speedypin's Profit & Loss Statement and all sales to date have been in the form of PINS, which are electronically downloaded from the www.speedypin.com Internet retail marketplace portal.

- Specifically, Section 885 states:

885. (a) Any entity offering the services of telephone prepaid debit cards is subject to the registration requirements of Section 1013, commencing January 1, 1999, unless that entity is certificated by the commission to provide telephone service. An entity subject to this requirement includes any of the following:

(1) An entity that is an underlying interexchange carrier and offers and administers the services of telephone prepaid debit cards.

(2) An entity that purchases bulk time from an underlying interexchange carrier and thereby offers and administers the services of telephone prepaid debit cards (that is, the entity repackages and resells the time as prepaid debit cards).

- Even where Section 885 provides an exception to the registration requirement, it refers to prepaid debt card providers. For example, Section 885(b) states:

(b) Resellers of telephone prepaid debit cards who do not engage in any of the activities described in subdivision (a) are not subject to the registration requirement imposed by subdivision (a). Resellers that are not subject to the registration requirement imposed by subdivision (a) include both of the following:

(1) Retailers who only provide a marketing venue for telephone prepaid debit cards.

(2) Entities that only print information on telephone prepaid debit cards.

(c) Telephone prepaid debit cards offered in a promotional manner or gratis shall not subject the provider to the registration requirement imposed by subdivision (a), unless the cards are issued in conjunction with the sale of related goods or services.

Sections 885-887: <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=puc&group=00001-01000&file=885-887>

- The Skynet decision also focused on Skynet's sale of phone cards. The following language cited from the Decision are reflective of the distinction between the physical "Cards" and the non-physical "PINS":

"We reject Skynet's contention that it is not required to register with the Commission as a provider of **phonecards** as required by § 1013. There is no question that Skynet is a provider of **phonecards** in California. There is no exception to the registration requirement simply because Skynet is a provider of international **phonecards** and its California intrastate traffic is de minimus. Sections 885-886 require that all **phonecard** providers register with this Commission. . .

Contrary to Skynet's assertions, these statutes are not limited to **phonecard** providers providing intrastate services, and there is no exclusion for the hypothetical (and unusual) case where a

provider of international **phonecards** would block access to intrastate calling on cards used in California. Section 886 clearly provides that telecommunications providers that do not register or obtain a Certificate of Public Convenience and Necessity (CPCN) with this Commission, "shall not offer the services of telephone prepaid debit cards" in California.

There is no dispute that Skynet is a seller of **phonecards** in California. Thus, Skynet must be registered with this Commission if it continues to offer telecommunications services via **phonecards** to California consumers, regardless of whether such sales are made from Internet websites or corner stores, and its failure to do so would constitute an ongoing violation of California law." SkyNet, slip op. at 4-5.

- Therefore, Speedypin and its counsel's conclusion that SpeedyPin would not be required to register with the CPUC as a prepaid debit or phone card provider under PUC Code Section 885 was reasonable. Absent a specific, prior determination from the CPUC that Speedypin's services are equivalent to a debit or prepaid phone card, neither Speedypin nor its counsel had (or indeed, have) reason to believe "electronic PINS" are or would be considered to be "debit cards" or "phonecards." Indeed, such a determination could only occur in the context of the CPUC's review of SpeedyPin's NDIEC application, as evidenced by the language of Section 1013 of the Code, which states as follows:

(d) *Prior to designating any telephone corporation for registration status*, the commission shall adopt rules to do both of the following:

(1) Verify the financial viability of the corporation.

(2) Verify that the officers of the corporation have no prior history of committing fraud on the public.

(e) The commission shall require as a precondition to registration the procurement of a performance bond sufficient to cover taxes or fees, or both, collected from customers and held for remittance and advances or deposits the telecommunications company may collect from its customers, or order that those advances or deposits be held in escrow or trust.

(f) The commission may require, as a precondition to registration, the procurement of a performance bond sufficient to facilitate the collection of fines, penalties, and restitution related to enforcement actions that can be taken against a telecommunications company.

Section 1013: <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=puc&group=01001-02000&file=1001-1013>

- In other words, under the regulatory scheme established by the Commission, even if Speedypin's "electronic PINS" were considered "debit cards" or "phonecards," it

nevertheless followed the correct procedure by which to procure "Registration" status. But for the CPSD's Protest, Speedypin would be registered by now.

- Practically speaking, the process which currently applies to entities seeking "Registration Only" status appears counterintuitive, particularly for what is described as a "streamlined" process. Companies seeking Registration Only status appear to be bound to undergo the same review as entities seeking a License to provide telecommunications services just to be considered for Registration Only status. But this is neither here nor there, for whether or not it was or is required to seek "Registration" status (which it does not believe it is), Speedypin nevertheless filed the Application Form that is posted on the CPUC website and provided the information that is requested by the CPUC in that Application. Nowhere in the Application or in the Commission Rules or published policies does the CPUC provide any further guidance with respect to any additional information that might be required of an Applicant seeking ONLY Registration status.

Responding to CPSD Claims Regarding CPUC's Extra-jurisdictional Authority:

In its letter, CPSD makes wild and unsubstantiated claims about the scope of its authority to inquire into matters which are extra-jurisdictional to the CPUC. The following analyzes the scope of CPUC authority and demonstrates that there are limits which CPSD threatens to cross.

- The CPUC's authority, and by extension the CPSD's authority, to investigate extra-jurisdictional matters is limited to those matters that are specifically authorized by statute or by the CPUC.
- PUC Code Section 1013 authorizes the CPUC, prior to designating a company for registration status to "[v]erify that the officers of the corporation *have no prior history* of committing fraud." PUC Code 1013(d)(2).
- In Decision D97.06.107, in which the CPUC adopted the current NDIEC form, the CPUC concluded that, while PUC Code § 1013 does not require that the Commission inquire into the regulatory compliance history of an application, the CPUC "finds that the applicant's *regulatory compliance history* is relevant and highly probative of the applicant's prospective compliance with California authorities." Decision No. 97-07-107: <http://ftp.cpuc.ca.gov/gopher-data/telecom/d9706107.pdf> at 8.
- Section 701 of the PUC Code states that the CPUC "may supervise and regulate every public utility in the State and may do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power *and jurisdiction*."

- Question 8 to the NDIEC form requests:

To the best of applicant's knowledge, neither applicant, any affiliate, officer, director, partner, nor owner of more than 10% of applicant, or any person acting in such capacity whether or not formally appointed, *has been sanctioned* by the Federal Communications Commission or any state regulatory agency *for failure to comply* with any regulatory statute, rule or order.

- Note that all references to the scope of an applicant's compliance history are all past tense. If the Commission intended for inquiry into an applicant's qualifications to include present and future evaluations, the Commission would have used broader language. It did not.
- Interestingly, in the proceeding approving the current form, the Consumer Services Division requested that the language in the NDIEC form regarding sanctions by other state commission be broadened to include informal complaints, but would limit the inquiry to unlawful business practices. The CPUC rejected this modification finding that Question 7 already addresses unlawful business practices. Therefore, it would appear the CPUC does not contemplate investigations of an applicant's conduct to extend beyond formal commission orders, penalties or other actions. See <ftp://ftp.cpuc.ca.gov/gopher-data/telecom/d9706107.pdf> at p. 7-8
- Even in the New Century Telecom/The Helein Law Group Rule 1 sanction decision, the CPUC distinguished between informal commission investigations and formal commission actions that have or could result in penalties, fines or other sanctions. The CPCU stated:

"First, the Florida PSC's investigation was not an informal staff inquiry as NCT claimed. Attachment 1 of the Decision shows that the Florida PSC opened a docket in January 2004 to investigate NCT. Attachment 2 shows that the Florida PSC was scheduled to consider at its meeting on May 3, 2004, a staff recommendation to require NCT to pay a fine of \$420,000 for slamming. Attachment 3 shows that the Florida PSC deferred its staff's recommendation to a later meeting in response to a written request from the Helein Law Group dated April 29, 2004." (footnotes omitted)

- Even if the CPUC's authority to investigate an applicant's past conduct under PUC Code Section 701 is broad enough to include activities other than formal "sanctions" by the FCC or another state commission, it does not include, nor would it be an efficient use of public resources, for the CPUC or CPSD to investigate every informal inquiry, complaint or other action that did not result in a formal determination that the applicant violated a commission rule or otherwise engaged in wrong-doing.

- Therefore, the CPUC's, and by extension CPSD's, authority to investigate extra-jurisdictional matters is limited to:
 - (1) inquiries regarding past fraud or fraudulent conduct by an applicant or any of its principals, including criminal or civil findings of fraud or unlawful business practices;
 - (2) inquiries regarding past or ongoing formal FCC or state commission investigations or proceedings that have or will likely result in a formal order from the regulator imposes fines, penalties or other sanctions on the applicant.
- Similarly, the CPUC only has authority to investigate matters under California law. As the CPUC noted in the NCT/Helein Rule 1 sanctions decision – "The Commission has broad constitutional and statutory authority to regulate public utilities, including the power to enforce the public utilities code, as well as its own orders and rules."
- The CPUC does not, however, have the authority to enforce or even to interpret the laws of other states.
- Therefore, while the CPUC may have authority to investigate an applicant's compliance history in another state, it does not have the authority to interpret the requirements of another state or determine, on its own, whether an applicant has violated those requirements. For example, in the NCT/Helein Rule 1 sanctions decision, the CPUC relied heavily on the fact that the Florida PSC had determined that NCT violated Florida's slamming laws. The CPUC did not make an independent determination that NCT's conduct violated any Florida laws. Likewise, the CPUC and CPSD do not have authority to determine, independently, whether Speedypin is required to obtain certification in any other state.
- Because the CPUC does not have the authority to interpret the laws of other states, as applied in those states, or to determine whether an applicant has complied with those laws, CPSD does not have authority to investigate those matters beyond the scope of the investigations necessary under PUC Code Section 1013, *i.e.*, to "[v]erify that the officers of the corporation have no prior history of committing fraud."

Respectfully submitted,

/s/

Jonathan S. Marashlian

cc: ALJ Karl Bemederfer
 Yolanda Vazquez
 Linda Woods

EXHIBIT 10

Respectfully,
Jonathan S. Marashlian
Counsel for Applicant

From: Foss, Travis [mailto:tff@cpuc.ca.gov]
Sent: Thursday, October 08, 2009 2:56 PM
To: Bemederfer, Karl J.; Witteman, Chris
Cc: Woods, Linda J.; jsm@commlawgroup.com; larry@speedypin.com
Subject: RE: Speedy Pin

ALJ Bemederfer:

CPSD staff informs me that review of the financial documents provided by Speedypin includes a P&L statement for Jan-Aug 2009 that indicates the existence of California revenues of \$188,000+. CPSD is preparing a data request for further clarification as to the nature of that revenue.

Travis T. Foss
Staff Counsel
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
W - 415.703.1998
Fax - 415.703.2262
tff@cpuc.ca.gov

From: Bemederfer, Karl J.
Sent: Monday, October 05, 2009 4:28 PM
To: Witteman, Chris
Cc: Foss, Travis; Woods, Linda J.
Subject: RE: Speedy Pin

Thank you.

From: Witteman, Chris
Sent: Monday, October 05, 2009 4:28 PM
To: Bemederfer, Karl J.
Cc: Foss, Travis; Woods, Linda J.
Subject: Speedy Pin

Judge Bemederfer,

In answer to your question, Travis Foss (who is at CCPUC) informs that Speedy Pin did provide the materials requested, and that CPSD is in the process of reviewing same and formulating its position.

Chris Witteman
Legal Division/Telecommunications
California Public Utilities Commission

10/23/2009

EXHIBIT 11

Your honor, I once again request the conduct of a status conference in order to avoid further tit-for-tat exchanges. Moreover, it is counsel's opinion that your honor and the CPSD can "cut to the chase," as it were, with less delay and less confusion by participating in a status conference wherein any further clarifications sought by CPSD can be provided on the record or in chambers. Additional data requests and the delays engendered thereby are simply unnecessary and only serve to further delay Speedypin Prepaid, LLC's entry into the California marketplace.

Respectfully,
Jonathan S. Marashlian
Counsel for Applicant

From: Foss, Travis [mailto:ttf@cpuc.ca.gov]
Sent: Thursday, October 08, 2009 4:09 PM
To: Jonathan S. Marashlian; Bemederfer, Karl J.; Witteman, Chris
Cc: Woods, Linda J.; larry@speedypin.com
Subject: RE: Speedy Pin

CPSD's "candor"? The Profit and Loss statement is attached to an "FCC Form 499-A", which was sent to us by Mr. Marashlian himself.

Also, I'm not sure what Mr. Marashlian means by putting "actual" revenue in "quotes", but it looks like actual revenue to me. However, it may be that we've misunderstood the document, which is why CPSD intends to seek clarification.

Travis

From: Jonathan S. Marashlian [mailto:jsm@commlawgroup.com]
Sent: Thursday, October 08, 2009 12:57 PM
To: Foss, Travis; Bemederfer, Karl J.; Witteman, Chris
Cc: Woods, Linda J.; larry@speedypin.com
Subject: RE: Speedy Pin

ALJ Bemederfer:

We are unaware of any Profit & Loss statement having ever been submitted to the CAPUC which reflects January - August 2009 "actual" revenue. Indeed, at the time Speedypin Prepaid, LLC applied to the CAPUC for its NDIEC license back in January of 2009, Speedypin Prepaid submitted (and later resubmitted on May 21st), at Confidential Attachment E, the following two documents: (1) an irrevocable letter of credit from Speedypin, LLC, the applicant's parent, guaranteeing a minimum of \$25,000 of funding for use by Speedypin Prepaid, LLC during its first 12 months of operations, and (2) the audited financial statements of Speedypin, LLC relative to years 2007 and 2008. Neither of these submissions contained any information about actual or projected revenue for either Speedypin Prepaid, LLC or Speedypin, LLC relative to the time period of January - August 2009. We are unaware of any request by the CA PUC for supplemental financial information since the resubmission on May 21st. Which raises serious concerns about the CPSD's candor with your honor.

Before your honor facilitates CPSD's efforts to further delay certification of the Applicant, we would request the courtesy of a status conference to determine the basis for CPSD's desire to delve into facts which, frankly, do not exist.

10/23/2009

EXHIBIT 12

Foss, Travis

From: Jonathan S. Marashlian [jsm@commlawgroup.com]
Sent: Thursday, October 08, 2009 2:37 PM
To: Foss, Travis; Bemederfer, Karl J.; Witteman, Chris
Cc: Woods, Linda J.; larry@speedypin.com
Subject: RE: Speedy Pin

Yes, Mr. Foss, "candor." As in, where does CPSD Staff come up with the conclusion that the P&L statement attached as response to CPSD's Data Request #4 indicates the existence of California revenues of \$188,000+?

...Speedypin includes a P&L statement for Jan-Aug 2009 that indicates the existence of California revenues of \$188,000+.

The clarification, if Mr. Foss and his staff would read CPSD's Data Request and Speedypin Prepaid's responses thereto in their entirety and in context, is that the P&L statement reflects \$188,344 "Phonecard Sales." Nothing in either Speedypin, LLC or Speedypin Prepaid's financial statements could possibly give rise to concerns over the "existence of California revenues of \$188,000+." Indeed, Speedypin Prepaid clearly and plainly explained that its financial records do not distinguish intra and interstate revenues; therefore, to indicate to ALJ Bemederfer that the Applicant submitted documents which "indicate the existence of California revenues" is the height of irresponsibility and, yes, lacks candor.

4. Annual financial statements (income statements, balance sheets) beginning from establishment of the parent company and its subsidiary – to present time. Please differentiate intrastate and interstate revenues.

See attached profit and loss statements. The Companies do not maintain financial records between intrastate and interstate revenues. Speedypin Prepaid registered with the Federal Communications Commission ("FCC" or "Commission") in 2009 as a telecommunications service provider. Attached are Speedypin Prepaid's annual and quarterly revenue reporting worksheets, Form 499-A and Form 499-Q filed to date. Because Speedypin Prepaid's annual contribution to the FCC's Universal Service Fund ("USF") is less than \$10,000, under the FCC's *de minimis* rule, Speedypin Prepaid's contribution to the Fund.

Speedypin, on the other hand, acts exclusively as a marketing agent and does "telecommunications services" as defined by the FCC or the Universal Service Administrative

Speedypin Prepaid has made no effort to conceal the fact that it is and has been operational in 2009 and that the company has, in fact, sold PINS to consumers in states where the company is authorized to provide intrastate telecommunications services, as well as those states where the company is authorized to provide interstate and international telecommunications services. What Speedypin Prepaid has also been candid about throughout this proceeding is that it is not providing unauthorized or unlicensed telecommunications services in the state of California and that it will not provide intrastate telecommunications services, for which NDIEC authorization is a pre-requisite, until such time as the CA PUC authorizes Speedypin Prepaid, LLC to do so.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of **AMENDED PROTEST OF CONSUMER PROTECTION AND SAFETY DIVISION TO THE APPLICATION OF SPEEDYPIN PREPAID, L.L.C** in **A.09-05-021** by using the following service:

E-Mail Service: sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

U.S. Mail Service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on October 26, 2009 at San Francisco, California.

/s/ ALBERT HILL
Albert Hill

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

SERVICE LIST
A.09-05-021

Larry@speedypin.com;

jsm@CommLawGroup.com;

kjb@cpuc.ca.gov;

ljw@cpuc.ca.gov;

tff@cpuc.ca.gov;

yol@cpuc.ca.gov;