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ATTACHMENT A

Settlement Agreement

SETTLEMENT AGREEMENT

The Consumer Protection and Safety Division (CPSD) of the California Public Utilities Commission (Commission), and Telco Connection, LLC, Inc. and its predecessors, successors, affiliates, and assigns (Telco or Respondents) hereby agree upon the following terms for the settlement (Settlement Agreement) of CPSD's Protest of Telco's Application for Registration as an Interexchange Carrier Telephone Corporation Pursuant to Provisions of Public Utilities Code Section 1013.

I. JOINT STATEMENT OF FACTS

The Parties submit the following joint statement as the basis for the Settlement Agreement:

1. Telco is a California Limited Liability Company incorporated on November 12, 2010. David A. Singer is Telco's sole officer.

2. On July 23, 2012, Telco used the streamlined registration process provided for in Decision (D.) 10-09-017 and filed Application (A.) 12-07-015 (Application) requesting authority to operate in California as a switchless voice and data interexchange carrier. According to the Application, David A. Singer was the founder and Chief Executive Officer (CEO) of Advanced Tel, Inc. dba ATI (ATI), from March, 1991, to August, 2009.

3. ATI is a California company incorporated on August 17, 1995.¹ ATI has been a registered telephone carrier in California since January 3, 2002.² On March 31, 2006, Mr. Singer

¹ *Application of Telco Connection, LLC for Registration as an Interexchange Carrier Telephone Corporation Pursuant to the Provisions of Public Utilities Code Section 1013, A.12-07-015, at p. 4; see also, California Secretary of State website, <http://kepler.sos.ca.gov/>.*

² *In the Matter of the Application of Advanced Tel, Inc. dba ATI, a California Corporation, for a Certificate of Public Convenience and Necessity to Provide InterLATA and IntraLATA*

transferred one hundred percent ownership interest in ATI to InterMetro Communications, Inc. (InterMetro), at which time ATI became a wholly-owned subsidiary of InterMetro.³

4. In filling out the Application form, “Application for Registration License,” Telco, through Mr. Singer, responded “True” to question 8 affirming “[n]either applicant, any of its affiliates, officers, directors, partners, agents, or owners ... (e) had a telecommunications license or operating authority denied, suspended, revoked... (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries....”

5. On August 23, 2012, CPSD filed a Protest to Telco’s Application, alleging a violation of Rule 1.1 of the Commission’s Rules of Practice and Procedure (Rules). Contrary to Telco’s assertion, CPSD found evidence that during the time Mr. Singer held an officer position, ATI did have telecommunications licenses revoked and was found to have violated rules pertaining to public utilities. Therefore, CPSD contended that Applicant’s response to question 8 in its Application constitutes a false statement in violation of Rule 1.1. In its Protest, CPSD also questioned the fitness of Telco’s sole officer, Mr. Singer, based on his past regulatory history with ATI.

6. Subsequent to CPSD’s Protest, Mr. Singer met with CPSD’s representatives. At the meetings, Mr. Singer stated that Telco had no intention of misleading the Commission, and expressed his regrets for the oversights in the Application. Mr. Singer explained that although he still retained an officer title once he sold ATI to InterMetro, he had no control over the financial

(footnote continued from previous page)

Telecommunications Service in California as a Switchless Reseller, Decision (D.) 02-01-012. Corporate Identification No. U-6616-C.

³ *In the Matter of InterMetro Communications, Inc.*, May 4, 2012, 2012 FCC LEXIS 1940, para. 6.

decisions of the company. He stated that Telco is a new company with limited capital, reserved to commence the business stated in the Application and has no extra funds to pay a penalty. He apologized for not disclosing the regulatory histories CPSD uncovered and expressed willingness to address CPSD's concerns.

II. AGREEMENT

7. Acknowledgement. Telco acknowledges that under the Commission's Rules of Practice and Procedure, any person who transacts business with the Commission agrees to not "...mislead the Commission or its staff by an artifice or false statement of fact or law" and that Telco failed to properly and fully advise the Commission of the issues stated above. Telco states that it will fully meet its regulatory and legal obligations and its responsibilities to its customers and members of the public in California. Telco agrees that any future application made by Telco, its current owners, directors, and/or officers will reference this settlement.

8. Penalty Payment. In order to resolve the issues raised by CPSD in its Protest, Telco will pay a total of \$6,500 to the State of California's General Fund. Such amount shall be paid in three installments, with the first installment of \$2,500 to be paid within 30 days after the date of the Commission's approval of this Agreement, and the second and third installments of \$2,000 each to be paid within 60 days and 90 days respectively after the date of the first installment. The memo area of the check shall indicate the Decision number approving this settlement, and shall include the words "for remittance to the State General Fund." The check shall be made payable to the California Public Utilities Commission and sent to the following address: CPUC Fiscal Office, 505 Van Ness Avenue, San Francisco, CA 94102, Attn: Beverly Sligh or Elsa Cerezo.

9. Other Terms and Conditions of Settlement. In order to resolve the issues raised by CPSD in its Protest, Telco agreed to file an amended Application setting forth the relevant regulatory history. Telco filed an amendment to its Application on November 26, 2012.

III. GENERAL PROVISIONS

10. Scope and Effect of Agreement. This Agreement represents a full and final resolution of CPSD's Protest, and the matters giving rise thereto. If the Commission does not approve this Agreement in full, it shall have no force and effect.

11. Successors. This Agreement and all covenants set forth herein shall be binding upon and shall inure to the benefit of the respective Parties hereto, their successors, heirs, assigns, partners, representatives, executors, administrators, subsidiary companies, divisions, units, agents, attorneys, officers, and directors.

12. Knowing and Voluntary Execution. The Parties acknowledge each has read this Agreement, that each fully understands the rights, duties and privileges created hereunder, and that each enters this Agreement freely and voluntarily. Each Party further acknowledges that it has had the opportunity to consult with counsel and discuss the provisions hereof and the consequences of signing this Agreement, and that they have not relied and do not rely upon any statement, promise or representation by any other party or its counsel, whether oral or written, except as specifically set forth in this Agreement.

13. Authority to Execute Agreement. The undersigned acknowledge and covenant that they have been duly authorized to execute this Agreement on behalf of their respective principals and that such execution is made within the course and scope of their respective agency or employment.

14. Entire Agreement. The Parties expressly acknowledge that the consideration recited in this Agreement is the sole and only consideration of this Agreement, and that no representations, promises, or inducements have been made by the Parties or any director, officer, employee, or agent thereof other than as set forth expressly in this Agreement.

15. Choice of Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California and the rules, regulations and General Orders of the California Public Utilities Commission.

16. Execution in Counterparts. This Agreement may be executed by any of the Parties in counterparts with the same effect as if all Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Agreement. An electronic signature or signature transmitted by facsimile shall be regarded as an original signature.

TELCO CONNECTION, LLC.

Dated: December 3, 2012

/s/ DAVID SINGER

David A. Singer, President
Telco Connection, LLC
31821 Via Perdiz
Coto de Caza, CA 92679

CONSUMER PROTECTION AND SAFETY DIVISION

Dated: December 3, 2012

/s/ EMORY J. HAGAN

Brigadier General (CA) Emory J. Hagan, III
Director of Consumers Protection and
Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dated: December 3, 2012

/s/ KIMBERLY J. LIPPI

Kimberly J. Lippi
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