

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298**FILED**  
7-19-16  
11:37 AM

July 19, 2016

Agenda ID #15031  
Ratesetting

## TO PARTIES OF RECORD IN APPLICATION 14-12-012:

This is the proposed decision of Administrative Law Judge Dorothy J. Duda. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's August 18, 2016 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ KAREN V. CLOPTON  
Karen V. Clopton, Chief  
Administrative Law Judge

KVC:lil

Attachment

Decision PROPOSED DECISION OF ALJ DUDA (Mailed 7/19/2016)

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Quality Speaks LLC dba Broadvoice for a Certificate of Public Convenience And Necessity to Provide Limited Facilities-Based and Resold Local Exchange Service in AT&T California, Verizon California, Citizens Telecommunications Company of California, Citizens Telecommunications Company of the Southwest, Frontier Communications of the Southwest, Inc., and Frontier Communications West Coast, Inc. Local Exchange Areas, and IntraLATA and InterLATA Interexchange Telephone Service Statewide.

Application 14-12-012  
(Filed December 17, 2014)

**DECISION DENYING QUALITY SPEAKS LLC DBA BROADVOICE A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND REQUIRING PAYMENT OF PAST DUE PUBLIC PURPOSE PROGRAM SURCHARGES AND ASSOCIATED INTEREST PENALTY**

**Summary**

Because Quality Speaks LLC dba Broadvoice did not comply with the March 9, 2016 Administrative Law Judge’s Ruling to file a declaration, we adopt the Settlement Agreement between Quality Speaks LLC dba Broadvoice and the Safety and Enforcement Division to ensure that Quality Speaks LLC dba Broadvoice pays past due public purpose program surcharges but deny Quality Speaks LLC dba Broadvoice a certificate of public convenience and necessity to

provide resold and limited facilities-based local exchange telecommunications services in the territories of Pacific Bell Telephone Company d/b/a AT&T California, Verizon California Inc., Citizens Telecommunications Company of California, Inc. d/b/a Frontier Communications of California, and SureWest Telephone.

This proceeding is closed.

### **1. Background**

On December 17, 2014, Quality Speaks LLC dba Broadvoice (Quality), a limited liability corporation in California filed an application for a certificate of public convenience and necessity (CPCN) to provide resold and limited facilities-based telecommunications services in the service territories of Pacific Bell Telephone Company d/b/a AT&T California (AT&T), Verizon California Inc. (Verizon), Citizens Telecommunications Company of California, Inc. d/b/a Frontier Communications of California (Citizens), and SureWest Telephone<sup>1</sup> (SureWest) and interexchange telephone service statewide.

Quality proposes to provide local exchange and interexchange services to business and residential customers via local and interexchange service, as well as switched access service, long distance resale, advanced services and high speed digital service.

Quality's principal place of business is located at 20847 Sherman Way, Winnetka, CA 91306.

The Commission's Safety and Enforcement Division (SED) filed a protest on January 20, 2015. SED asserts that Quality violated Rule 1.1 of the

---

<sup>1</sup> As of April 1, 2016, Verizon's operations in California have been acquired and are now operated by Frontier Communications, Inc. (Frontier) pursuant to D.15-12-005.

Commission's Rules of Practice and Procedure by omitting information regarding its regulatory history. Additionally, SED asserts that Quality also violated Pub. Util. Code § 285, which requires Voice over Internet Protocol (VoIP) providers to register with the Commission in order to report and remit Universal Service Fund Surcharges. SED requested the Commission set an evidentiary hearing to consider the evidence and the imposition of a penalty before making a final decision on the Application.

On April 6, 2015, Quality filed a Motion for Withdrawal of its Application.

By Notice of Prehearing Conference (PHC) dated April 9, 2015, a PHC was set for April 22, 2015.

On April 21, 2015, SED filed a Response opposing Quality's Motion.

On April 22, 2015, a PHC was held to determine the parties, positions of the parties, issues, and other procedural matters. Quality did not attend the PHC. Quality's Motion to Withdraw Application 14-12-012 was denied at the PHC.

The Assigned Commissioner's Ruling and Scoping Memo was issued June 4, 2015.

On June 10, 2015, Quality filed its Opening Brief.

On June 19, 2015, SED filed a Motion for an Order Compelling Production of Information and Documents pursuant to staff data requests.

On July 10, 2015, an E-mail Ruling granted SED's request for a three-week extension to file its Opening Brief. The request was made to allow SED and Quality to engage in settlement negotiations.

A Joint Motion for approval of Settlement Agreement was filed July 31, 2015.

On November 13, 2015, an E-mail Ruling directed Quality to provide financial information to satisfy the requirements for available capital as required by Decision (D.) 95-12-056, Appendix C.

Quality responded to the E-mail Ruling on November 17, 2015 fulfilling the requirement.

On March 9, 2016, an E-mail Ruling directed Quality to file a declaration under penalty of perjury and in compliance with Section 2015.5 of the California Code of Civil Procedure stating that:

- a) Quality Speaks LLC dba Broadvoice is a common carrier as defined in Section 153 of the Federal Telecommunications Act of 1996 (Act) and is eligible to interconnect with the public switched telephone network pursuant to Sections 251 and 252 of the Act; and
- b) If granted a CPCN, Quality Speaks LLC dba Broadvoice will operate as a telephone corporation as defined in Section 234(a) of the California Public Utilities Code (Code) and obey the Code, and all of the Commission's rules, decisions and orders applicable to telephone corporations.

The declaration was to be filed no later than March 18, 2016. No declaration was filed.

## **2. Jurisdiction**

Pub. Util. Code § 216(a) defines the term "public utility" to include a "telephone corporation," which in turn is defined in Pub. Util. Code § 234(a) as "every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state."

Quality proposes to provide local exchange, interexchange service, and switched access service. Quality's proposed services make it a telephone corporation and a public utility subject to our jurisdiction.

additional authority, and submit to any necessary CEQA review.

**3. Financial Qualifications**

To be granted a CPCN, an applicant for authority to provide limited facilities-based and resold local exchange and interexchange services must demonstrate that it has a minimum of \$100,000 cash or cash equivalent to meet the firm's start-up expenses.<sup>2</sup> An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers and/or interexchange carriers in order to provide the proposed service.<sup>3</sup> In the application, Quality provided supporting documentation that \$100,000 plus an amount equal to the deposit required by AT&T, Verizon, Citizens, and SureWest would be available to Quality for one year following certification. Since Quality has provided documentation that it possesses a minimum of \$100,000 that is reasonably liquid and available, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement.

Quality proposed to initially interconnect with AT&T, Verizon, Citizens, and SureWest. As stated above, Quality has provided documentation that it has the funds available for the deposit required by AT&T, Verizon, Citizens, and SureWest.

Therefore, no additional resources are required at this time to cover deposits.

---

<sup>2</sup> The financial requirement for Competitive Local Exchange Carriers is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

<sup>3</sup> The requirement for Competitive Local Carrier applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying Local Exchange Carriers and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

**4. Technical Qualifications**

To be granted a CPCN for authority to provide local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.<sup>4</sup>

Quality acknowledges that its application failed to disclose its full regulatory history, specifically, that its CEO, Jim Murphy (Murphy), had previously been the CEO of another company, Rampage Cellular, which lost its competitive carrier authority in 2004 under Resolution T-16875. Quality states that it failed to make this disclosure because Murphy sold Rampage Cellular in 1999 and therefore he was unaware that the Commission had revoked Rampage Cellular's authority. As such, in order to resolve Quality's Rule 1.1 violation, Quality must submit a notarized affidavit within 30 calendar days of the date of the Commission's approval of the Settlement Agreement attesting to the fact that Murphy sold Rampage Cellular in 1999. Aside from Murphy, Quality verified that no one associated with or employed by Quality as an affiliate, officer, director, partner, or owner of more than 10 percent of Quality was previously associated with a telecommunications carrier that filed for bankruptcy, was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order, or has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

---

<sup>4</sup> D.95-12-056 at Appendix C, Rule 4.A.

Given the Settlement Agreement's provision for submittal of an affidavit regarding Murphy, we find that Quality is in compliance with the requirements of D.95-12-056.

**5. Tariffs**

Commission staff reviewed Quality's draft tariffs for compliance with Commission rules and regulations. Quality has no deficiencies in its draft tariffs.

**6. Map of Service Territory**

To be granted a CPCN for authority to provide local exchange service, an applicant must provide a map of the service territories it proposes to serve.<sup>5</sup> In its Response, Quality provided a map of the location of its proposed service territory, in compliance with this requirement.

**7. Expected Customer Base**

Quality provided its estimated customer base for the first and fifth years of operation in Exhibit F of its application. Therefore, Quality has complied with this requirement.

**8. Settlement Agreement**

On July 31, 2015, Quality and SED (Parties) filed a motion for approval of a Settlement Agreement. The Parties jointly agreed to a set of facts that formed the basis for entering into the Settlement Agreement attached as Attachment A of this decision.

The Settlement Agreement resolves all issues in SED's protest and investigation. Quality acknowledges that Pub. Util. Code § 285 requires VoIP providers to submit surcharges and that Quality failed to do so from 2012 to

---

<sup>5</sup> D.95-12-056 at Appendix C, Rule 4.E.

January 2015. Quality states that it will fully meet its regulatory and legal obligations in the future. Quality also acknowledges that it failed to disclose its full regulatory history, specifically, that its CEO, Jim Murphy, had previously been the CEO of another company, Rampage Cellular, which lost its competitive carrier authority in 2004 under Resolution T-16875. It failed to make this disclosure because Murphy sold Rampage Cellular in 1999 and therefore he was unaware that the Commission had revoked Rampage Cellular's authority.

In order to resolve the legal issues raised in the SED Protest, the Settlement Agreement dictates that Quality shall pay unpaid state-mandated public purpose program surcharges and the associated interest penalty in the sum of \$40,866.16, as detailed below. According to the Settlement, Quality shall pay unpaid surcharges in the amount of \$34,902.57 and \$5,983.59 in interest penalty for the 37-month period that it failed to make these payments.

Additionally, in order to resolve Quality's violation of Rule 1.1, it must submit a notarized affidavit within 30 calendar days from the date of the Commission's approval of the Settlement Agreement attesting to the fact that Murphy sold Rampage Cellular in 1999.

## **9. Discussion**

The record in this proceeding consists principally of the Application, SED's protest, and the proposed Settlement Agreement. The Settlement provides a clear description of the facts at issue in this application. As a sponsor of the Settlement, Quality acknowledges that it failed to disclose regulatory actions to the Commission regarding Rampage Cellular. Additionally, Quality acknowledges that it failed to remit surcharges from 2012 to January 2015

(a 37-month period), as required under Pub. Util. Code § 285.<sup>6</sup> The Settlement also commits Quality to fully meet its regulatory and legal obligations in the future.

Approving the Settlement Agreement holds Quality accountable for the consequences of its prior violations of Commission rules by assessing unpaid state-mandated public purpose surcharges and the associated interest penalty payments. In assessing the reasonableness of the proposed \$40,886.15 in unpaid state-mandated public purpose surcharges and associated interest penalty payment required by the Settlement, we look to the criteria in D.98-12-075, Attachment B, which provided guidance in similar cases. We consider: (1) the severity of the economic or physical harm resulting from the violation; (2) the utility's conduct to prevent, detect, disclose, and rectify the violation; (3) the utility's financial resources; (4) the public interest involved; (5) the totality of the circumstances; and (6) Commission precedents.

Based on these criteria, we conclude that the \$40,886.15 in unpaid state-mandated public purpose program surcharges and associated interest penalty payment are reasonable.

The Settlement Agreement does not contravene any statutory provisions or prior Commission decisions, and it provides sufficient information for the Commission to discharge future regulatory obligations with respect to the parties and their interests and obligations. The Settlement Agreement does not constitute a precedent regarding any principle or issue in this proceeding or any future proceeding. Quality affirms that it will fully meet its regulatory and legal

---

<sup>6</sup> As of February 3, 2015, Quality has registered with the Commission and remits surcharges.

obligations and its responsibilities to its customers and members of the public in California in the future. Approval of the Settlement Agreement is consistent with the Commission's policy of supporting resolution of disputed matters through settlement, and avoids the time, expense, and uncertainty of evidentiary hearings and further litigation. The benefits of approving this Settlement, including Quality's payment of unpaid state-mandated public purpose program surcharges and the associated interest penalty to the Commission, is a reasonable resolution in comparison to continued litigation and the associated costs.

We thus find the Settlement Agreement is reasonable in light of the record, consistent with the law, and in the public interest.

#### **10. Conclusion**

The Commission has historically favored settlements as a means of resolving contested issues where the settlement is reasonable in light of the whole record, consistent with the law, and in the public interest. We find the Settlement Agreement to be (1) reasonable in light of the record; (2) consistent with the law; and (3) in the public interest. The record of this proceeding consists principally of the Application, the Protest of SED, and the Joint Motion to approve the Settlement Agreement. We find that the record is adequate to enable us to determine that the Settlement meets our standards for approval of settlements. Therefore the Settlement Agreement is approved.

However, in this instance, Quality has failed to provide the required declaration that it will operate under our rules. Had it done so, then we would have relied on the Settlement Agreement as the basis for granting Quality a CPCN to provide limited facilities-based and resold local exchange and interexchange service in California, conditioned on its compliance with the terms of the Settlement Agreement. We would do so because, except with respect to its

failure to file the required declaration, we conclude that the application conforms to our rules for certification as a competitive local exchange and interexchange carrier. Therefore, while we adopt the Settlement Agreement in order to ensure that Quality remits past due surcharges and commits to meeting its regulatory responsibilities with respect to surcharges, we cannot approve the request for a CPCN at this time.

**11. Categorization and Need for Hearings**

In Resolution ALJ 176-3349, dated January 15, 2015, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. On January 20, 2015, the SED filed a protest to the application. Given the Settlement between Quality and SED, a hearing is not necessary to change the preliminary determinations.

**12. Comments on Proposed Decision**

The proposed decision of Administrative Law Judge (ALJ) Duda in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on \_\_\_\_, and reply comments were filed on \_\_\_\_ by \_\_\_\_.

**13. Assignment of Proceeding**

Liane M. Randolph is the assigned Commissioner and Dorothy Duda is the assigned ALJ.

**Findings of Fact**

1. Notice of the application appeared on the Daily Calendar on December 19, 2014. SED filed a protest January 20, 2015.

2. Quality is a telephone corporation and a public utility as defined in Pub. Util. Code §§ 234(a) and 216(a).
3. Quality acknowledges failure to disclose regulatory actions to the Commission regarding Rampage Cellular.
4. Quality acknowledges that it failed to remit surcharges from 2012 to January 2015, as required under Pub. Util. Code § 285.
5. Quality and the SED, the only parties in this proceeding, negotiated and reached settlement of contested issues. A Joint Motion for approval of a Settlement Agreement was filed on July 31, 2015.
6. The Settlement Agreement between Quality and SED is: (1) reasonable in light of the record; (2) consistent with the law; and (3) in the public interest. The Settlement Agreement conveys sufficient information to permit the Commission to discharge its future regulatory obligations with respect to the parties and their interests.
7. Quality has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
8. Quality has sufficient additional cash or cash equivalent to cover deposits that may be required by other telecommunications carriers in order to provide the proposed service.
9. Quality management possesses sufficient experience, knowledge, and technical expertise to provide local exchange and interexchange services to the public.
10. Quality acknowledges that it failed to disclose its full regulatory history, specifically, that its CEO, Jim Murphy, had previously been the CEO of another company, Rampage Cellular, which lost its competitive carrier authority in 2004 under Resolution T-16875. It failed to make this disclosure because Murphy sold

Rampage Cellular in 1999 and therefore he was unaware that the Commission had revoked Rampage Cellular's authority.

11. To resolve Quality's Rule 1.1 violation, Quality must submit a notarized affidavit within 30 calendar days of the date of the Commission's approval of the Settlement Agreement attesting to the fact that Murphy sold Rampage Cellular in 1999.

12. Aside from Murphy, no one associated with or employed by Quality as an affiliate, officer, director, partner, or owner of more than 10 percent of Quality was: previously associated with a telecommunications carrier that filed for bankruptcy; was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order; or was previously associated with any telecommunication carrier that has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

13. Quality's draft tariffs comply with the Commission's requirements.

14. Quality provided a map of the location of its proposed service territory.

15. Quality provided an estimate of its customer base for the first and fifth year of operation.

16. Quality owes past state-mandated public purpose program surcharges and the associated interest penalty to the Commission in the amount of \$40,866.15.

17. Quality did not file the declaration required by the March 9, 2016 E-mail Ruling.

18. A hearing is not required.

**Conclusions of Law**

1. Quality should not be granted a CPCN to provide resold and limited facilities-based local exchange telecommunications service in the service territories of AT&T, Verizon, Citizens, and SureWest and interexchange service in California, for failure to file the required declaration.
2. The Settlement Agreement should be approved.
3. Quality should be required to pay a total of \$34,902.57 in past due surcharges and \$5,983.59 in interest penalty to Commission.

**O R D E R****IT IS ORDERED** that:

1. A certificate of public convenience and necessity is not granted to Quality Speaks LLC dba Broadvoice to provide resold and limited facilities-based local exchange telecommunications services in the territories of Pacific Bell Telephone Company d/b/a AT&T California, Verizon California Inc., Citizens Telecommunications Company of California, Inc. d/b/a Frontier Communications of California, and SureWest Telephone, and interexchange service in California.
2. The July 31, 2015 Joint Motion by Quality Speaks LLC dba Broadvoice and the Commission's Safety and Enforcement Division, for Commission Adoption of Settlement Agreement, is granted and the Settlement Agreement, Attachment A to this decision, is approved.
3. Pursuant to the terms of the Settlement Agreement, as set forth in Attachment A, Quality Speaks LLC dba Broadvoice shall pay retroactive state-mandated public purpose program surcharges and the associated interest penalty in the sum of \$40,866.16 no later than 30 calendar days from the effective

date of this decision. Payment shall be made payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. The check or money order shall include the statement "For deposit to the Commission program budgets per Decision \_\_\_\_\_."

4. Within 30 days of the effective date of this decision, Quality Speaks LLC dba Broadvoice shall submit to the Director of the Communications Division a notarized affidavit attesting to the fact that Jim Murphy sold Rampage Cellular in 1999.

5. Application 14-12-012 is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

**ATTACHMENT A**

**SETTLEMENT AGREEMENT**

**SETTLEMENT AGREEMENT**

In order to avoid the costs and risks of further litigation and to expeditiously resolve this matter, the Safety and Enforcement Division of the California Public Utilities Commission (“SED”), and Quality Speaks LLC dba Broadvoice and its predecessors, successors, affiliates, and assigns ("Quality Speaks" or "Applicant") hereby agree upon the following terms for the settlement ("Settlement") of SED's Protest of Quality Speaks' Application for a Certificate of Public Convenience and Necessity (“CPCN”) to Provide Limited Facilities Based and Resold Local Exchange Service, A.14-12-012 ("Application").

**JOINT FACTUAL STATEMENT**

1. Quality Speaks dba Broadvoice is a limited liability company operating and existing under the laws of the State of California, registered with the State on December 17, 2010. Quality Speaks offers voice over Internet-protocol (“VoIP”) services to residential and business customers.
2. Quality Speaks acknowledges that it began providing VoIP services in January 2012.
3. Jim Murphy is the CEO of Quality Speaks and was, in the past, the CEO of Rampage Cellular.
4. In 1999, Jim Murphy sold Rampage Cellular.
5. In 2004, the Commission revoked Rampage Cellular’s competitive carrier authority under Resolution T-16875 for failure to file annual reports and remit surcharges.
6. On December 17, 2014, Quality Speaks, dba Broadvoice, filed its Application for a CPCN pursuant to Rule 2.6 of the Commission’s Rules of Practice and Procedure in order to provide limited facilities based and resold local exchange and interexchange telecommunications services in California. It did not include information regarding Rampage Cellular in its regulatory history.

7. In reviewing the Application, SED uncovered evidence indicating that Quality Speaks violated Rule 1.1 by omitting information regarding Rampage Cellular in its regulatory history. Additionally, Quality Speaks violated PU Code section 285, which requires VoIP providers to collect and remit surcharges to support the CPUC's enumerated public purpose programs.<sup>3</sup> Based on these concerns, SED submitted its Protest to the Application on January 20, 2015.

### **AGREEMENT**

8. Acknowledgement. Quality Speaks acknowledges that PU Code section 285 requires VoIP providers to submit surcharges and that Quality Speaks failed to do so from 2012 to January 2015. Quality Speaks states that it will fully meet its regulatory and legal obligations in the future. Quality Speaks also acknowledges that it failed to disclose its full regulatory history, specifically, that its CEO, Jim Murphy, had previously been the CEO of another company, Rampage Cellular, which lost its competitive carrier authority in 2004 under Resolution T-16875. It failed to make this disclosure because Mr. Murphy sold Rampage Cellular in 1999 and therefore he was unaware that the Commission had revoked Rampage Cellular's authority.

---

<sup>3</sup>Section 285 reads in relevant part as follows:

The Commission shall require interconnected VoIP service providers to collect and remit surcharges on their California intrastate revenues in support of the following public purpose program funds:

(1) California High-Cost Fund-A Administrative Committee Fund under Section 275.

(2) California High-Cost Fund-B Administrative Committee Fund under Section 276.

(3) Universal Lifeline Telephone Service Trust Administrative Committee Fund under Section 277.

(4) Deaf and Disabled Telecommunications Program Administrative Committee Fund under Section 278.

(5) California Teleconnect Fund Administrative Committee Fund under Section 280.

(6) California Advanced Services fund under Section 281.

9. Surcharge and Penalty Payment. In order to resolve the legal issues raised by SED in its Protest, Quality Speaks shall pay retroactive state-mandated public purpose program surcharges and the associated interest penalty in the sum of \$40,886.16 as detailed below. In consultation with Communications Division staff, SED directs Quality Speaks to pay retroactive surcharges in the amount of \$34,902.57 within 30 days of the issuance of this decision. Payment shall be made payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. The check or money order shall include a reference to the decision number incorporating this settlement. Additionally, Quality Speaks shall pay \$5,983.59 in interest penalty for the retroactive state-mandated public purpose program surcharge remittances. Payment shall be made within 30 days of the issuance of this decision. Payment shall be made payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. The check or money order shall include a reference to the decision number incorporating this settlement.

10. Affidavit. In order to resolve Quality Speaks' violation of Rule 1.1, it must submit a notarized affidavit attesting to the fact that Mr. Murphy sold Rampage Cellular in 1999 within 30 calendar days of the date of the Commission's approval of this Agreement.

### **GENERAL PROVISIONS**

11. Scope and Effect of Agreement. This Agreement represents a full and final resolution of SED's Protest, and the matters giving rise thereto. The parties understand that this Settlement Agreement is subject to approval by the Commission. As soon as practicable after the Parties have signed the Settlement Agreement, a Motion for Commission Approval and Adoption of the Settlement Agreement will be filed. The Parties agree to support the Settlement Agreement, recommend that the Commission approve it in its entirety without change and use their best efforts to secure Commission approval of it in its entirety without modification. The Parties agree that, if the Commission fails to adopt the Settlement Agreement in its entirety without material

change, the Parties shall convene a settlement conference within 15 days thereof to discuss whether they can resolve any issues raised by the Commission's actions. If the Parties cannot mutually agree to resolve the issues raised by the Commission's actions, the Settlement Agreement shall be rescinded and the Parties shall be released from their obligation to support this Settlement Agreement. Thereafter, the Parties may pursue any action they deem appropriate, but agree to cooperate to establish a procedural schedule for the remainder of the proceeding.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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. A signature transmitted by facsimile shall be regarded as an original signature.

**QUALITY SPEAKS, LLC.**

Dated: July 31, 2015

/s/ KRISTOPHER TWOMEY  
KRISTOPHER TWOMEY

Attorneys for Quality Speaks, LLC  
1725 I Street, NW Suite 300  
Washington, D.C. 20006

**SAFETY AND ENFORCEMENT DIVISION**

Dated: July 31, 2015

/s/ RUDY SASTRA  
RUDY SASTRA

Analyst for the Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Dated: July 31, 2015

/s/ JEFFREY KASMAR  
JEFFREY KASMAR

Supervisor for the Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Dated: July 31, 2015

/s/ CANDACE CHOE  
CANDACE CHOE

Attorney for Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**(END OF ATTACHMENT A)**