



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

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Application of LV.Net LLC for Registration as an
Interexchange Carrier Telephone Corporation Pursuant
to the Provisions of Public Utilities Code Section 1013

Application 15-10-003
(Filed October 13, 2015)

**RESPONSE OF LV.NET LLC TO
ADMINISTRATIVE LAW JUDGE INQUIRY**

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Attorneys for Applicant LV.Net LLC

Dated: August 19, 2016

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OF THE STATE OF CALIFORNIA**

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TO ADMINISTRATIVE LAW JUDGE INQUIRY**

Pursuant to the August 4, 2016 Ruling of assigned Administrative Law Judge Robert W. Haga, LV.Net LLC, the Applicant, submits the information set forth below.

1. Supplemental Financial Information

The Ruling requires Applicant to: (i) submit a sworn affidavit attesting that Applicant's financial resources are unencumbered and will remain available to fund the Applicant's working capital requirements while the application is pending and for the first full year following grant of the requested operating authority; (ii) confirm the amount of deposits, if any that it will be required to provide underlying service providers in order to provide the proposed service; and (iii) provide additional documentation of financial resources in an acceptable form.

In support of its request for operating authority, Applicant submitted a performance bond in the amount of \$25,000 setting forth an undertaking meeting the financial showing required of new applicants. Specifically, in this regard, the bond demonstrates that its purpose is to enable Applicant to meet such financial showing and, therefore, assures payment in the amount of \$25,000, which would become payable in the event that Applicant fails to "meet it

payment obligations incurred in connection with [its] operations under its NDIEC registration during the first year following grant of [its] NDIEC registration.”

Providing for the availability of proceeds from such a performance bond is one of the options specifically identified by the Commission as a method for new applicants to meet the financial showing required of them. See Ruling at 4.b.i; also, see, Decision 14-11-004.

Applicant has attached as Exhibit A, a sworn declaration confirming that the proceeds of the bond are the unencumbered and will remain available, if necessary, to fund Applicant’s cash requirements throughout the first year of operations following issuance of the requested authority.

In addition, this declaration confirms that Applicant will have no need to deposit any amounts with underlying carriers in order to provide the proposed service. (Applicant operates an Internet access network. The services that it proposes to provide under the requested authority will utilize the same facilities that Applicant uses to provide its Internet access services.)

Because no deposits will be required, Applicant’s existing financial showing in the amount of \$25,000 meets the Commission’s requirements and no further showing should be required.

2. Sworn Statement of Marty Mizrahi

The Ruling notes that the “Commission’s investigation indicates that Marty Mizrahi may be the subject of a criminal filing and at least one tax lien.”

Applicant confirms that Mr. Mizrahi was the subject of a criminal complaint in Nevada District Court Case No. 09CRH001701-0000, filed on August 31, 2009. In that case, Mr. Mizrahi was convicted of disorderly conduct based on a negotiated plea. In his late teens,

Mr. Mizrahi was convicted of two property crimes that have now been expunged. In addition, over the years Mr. Mizrahi has been convicted of a few speeding and other non-serious traffic violations.

Public records show that two tax liens were filed against Mr. Mizrahi. The records show that one of those liens was filed in error and has been released, and that the other lien was released a number of years ago.

A sworn statement of Marty Mizrahi is attached as Exhibit B. This statement has no exceptions other than those set forth above.

3. Sworn Statement of Ronald Cook

The Ruling notes that the “Commission’s investigation indicates that Mr. Ronald Cook may have been involved in a legal recovery judgment.” Applicant acknowledges the recording of a default judgment issued by the District Court for Gloucester County, New Jersey, in the amount of \$8,000 against a Ronald Cook. However, Applicant’s Chief Financial Officer, Ronald Cook, has no contacts with the State of New Jersey, has never been served with document instituting a lawsuit against him in that state, and has no knowledge of the purported judgment. Accordingly, Applicant attributes the recording to a case of mistaken identity.

A sworn statement of Ronald Cook is attached as Exhibit C. This statement has no exceptions.

4. List of Officers

The Ruling notes that Applicant’s Chief Operating Officer, Hal Winstead, has died. Mr. Winstead’s position is unfilled and Applicant’s members, officers, and other personnel authorized to conduct Applicant’s business have not otherwise changed. Applicant has attached as Exhibit D, a current list of such persons.

Respectfully submitted August 19, 2016 at San Francisco, California.

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By /s/ John L. Clark

John L. Clark

Attorneys for Applicant LV.Net LLC

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EXHIBIT A

FINANCIAL CERTIFICATION

I, Marty Mizrahi, a member and President and Chief Executive Officer of LV.Net LLC, certify that:

1. The performance bond, attached as Exhibit 6 to the LV.Net's application, and the proceeds therefrom, are unencumbered and will remain available to fund LV.Net's working capital requirements while the application is pending and for the first full year following grant of the requested operating authority on the terms set forth on the bond.

2. LV.Net will not be required to pay deposits to any local exchange carriers or interexchange carriers to carry out its proposed operation.

I affirm and declare under penalty of perjury under the laws of the State of California, including Rule 1.1 of the California Public Utilities Commission's Rules of Practice and Procedure, that the foregoing is true and correct.

Dated: 8-17-16


Marty Mizrahi

EXHIBIT B

SWORN STATEMENT OF MARTY MIZRAHI

I, Marty Mizrahi, a member and President and Chief Executive Officer of LV.Net LLC, affirm that, except as set forth in the attached Statement of Exceptions, I have not (a) held an ownership or management position with a company that filed for bankruptcy; (b) been personally found liable, or held an ownership or management position with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been to my knowledge the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held an ownership or management position with a company that has entered into settlement, of criminal or civil claims involving violations of sections 17000 et seq., 17200 et seq., or 17500 et seq. of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.

To the best of my knowledge, I am not being or have been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

I affirm and declare under penalty of perjury under the laws of the State of California, including Rule 1.1 of the California Public Utilities Commission's Rules of Practice and Procedure, that the foregoing is true and correct.

Dated: 8-17-16



Marty Mizrahi

STATEMENT OF EXCEPTIONS TO SWORN STATEMENT OF MARTY MIZRAHI

Although not actually falling within the scope of the foregoing statements, out of caution the following "exceptions" are noted:

I was the subject of a criminal complaint in Nevada District Court Case No. 09CRH001701-0000, filed on August 31, 2009. In that case, I was convicted of disorderly conduct based on a negotiated plea. In my late teens, I was convicted of two property crimes that have now been expunged. In addition, over the years I have been convicted of a few speeding and other non-serious traffic violations.

EXHIBIT C

SWORN STATEMENT OF RONALD V. COOK

I, Ronald V. Cook, a member and Chief Financial Officer of LV.Net LLC, affirm that I have not (a) held an ownership or management position with a company that filed for bankruptcy; (b) been personally found liable, or held an ownership or management position with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been to my knowledge the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held an ownership or management position with a company that has entered into settlement, of criminal or civil claims involving violations of sections 17000 et seq., 17200 et seq., or 17500 et seq. of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.

To the best of my knowledge, I am not being or have been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

I affirm and declare under penalty of perjury under the laws of the State of California, including Rule 1.1 of the California Public Utilities Commission's Rules of Practice and Procedure, that the foregoing is true and correct.

Dated: _____

8-17-16



Ronald V. Cook

EXHIBIT D

APPLICANT'S MEMBERS AND OFFICERS

Marty Mizrahi
Member, President and Chief Executive Officer
2595 Fremont Street
Las Vegas, Nevada 89104
(702) 900-0000

Ronald Cook, CPA
Member, Chief Financial Officer
2595 Fremont Street
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