

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**05-13-10
12:07 PM

May 13, 2010

Agenda ID #9478
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 10-01-004

This is the proposed decision of Administrative Law Judge (ALJ) Katherine MacDonald. It will not appear on the Commission's agenda sooner than 30 days from the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision as provided in Article 14 of the Commission's Rules of Practice and Procedure (Rules), accessible on the Commission's website at www.cpuc.ca.gov. Pursuant to Rule 14.3, opening comments shall not exceed 15 pages.

Comments must be filed pursuant to Rule 1.13 either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to ALJ MacDonald at kk3@cpuc.ca.gov and the assigned Commissioner. The current service list for this proceeding is available on the Commission's website at www.cpuc.ca.gov.

/s/ CHARLOTTE TERKEURST for
Karen V. Clopton, Chief
Administrative Law Judge

KVC:hkr

Attachment

Decision PROPOSED DECISION OF ALJ MacDONALD (Mailed 5/13/2010)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Talton Communications, Inc. for Registration as an Interexchange Carrier Telephone Corporation Pursuant to the Provisions of Public Utilities Code Section 1013.

Application 10-01-004
(Filed January 8, 2010)

**DECISION ADOPTING SETTLEMENT AGREEMENT
AND GRANTING APPLICATION FOR REGISTRATION**

Summary

This decision adopts the proposed Settlement Agreement¹ (Settlement Agreement) attached hereto as Attachment E and grants a registration Certificate of Public Convenience and Necessity to Talton Communications, Inc. to provide services in California as a non-dominant interexchange carrier. Among other things, the Settlement Agreement requires Applicant to pay a penalty of \$11,000 to the General Fund and to file any and all reports on a timely basis going forward. This proceeding is closed.

1. Background

The United States Department of Homeland Security (Homeland Security) awarded a contract to Talton Communications, Inc. (Applicant) to provide

¹ The Settlement Agreement resolves the issues set forth in the only remaining protest filed in this proceeding as well as other issues discovered by the parties during the course of this proceeding.

Detainee Telephone Service at Immigration & Customs Enforcement and other detention facilities in May 2009. Applicant began operating in these facilities in November 2009.

On January 8, 2010, Applicant filed an application pursuant to Pub. Util. Code² § 1013 and the registration process adopted in Decision (D.) 97-06-107 and related decisions for registration as an interexchange carrier and authority to do business as a switchless reseller of long-distance service in California. Applicant is qualified to use the registration process and has complied with the filing requirements for a registration application.

On January 26, 2010, Public Communications Services, Inc. (PCS) filed comments asking the Commission to take into consideration Applicant's disregard for complying with California's statutes and administrative rules, which Applicant demonstrated by its failure to seek authorization to provide service, when reviewing the Application.³ On January 28, 2010, Evercom Systems, Inc. (Evercom) and T-Netix Telecommunications, Inc. (both wholly owned subsidiaries of Securus Technologies, Inc.) filed joint comments which echoed the concerns raised by PCS.

On February 10, 2010, the Commission's Consumer Protection and Safety Division (CPSD) filed a protest to the Application based on concerns that Applicant had (1) been unlawfully operating in California as a telephone corporation without a license for 13 months, (2) failed to meet the

² Unless otherwise indicated, all references to Code sections in this decision refer to the California Public Utilities Code and references to Rule or Rules refer to the Commission's Rules of Practice and Procedure.

³ PCS is a subcontractor to Evercom.

\$25,000 financial requirement to operate as a switchless reseller in California, and (3) failed to make all required disclosures to the Commission on the Commission's short form application, in violation of Rule 1.1 by failing to disclose two of its officers and that one officer was affiliated with a company sanctioned by this Commission.⁴

On February 19, 2010, the assigned Administrative Law Judge (ALJ) issued an *Administrative Law Judge's Ruling Requiring Applicant to File a Response with Additional Information Within 10 Days to Avoid Dismissal of Application* (Ruling). The Ruling required Applicant to respond to CPSD's protest and to provide additional information necessary to determine whether Applicant met the minimum requirements to operate as a switchless reseller in California. Applicant provided the requested information on February 24, 2010.

On April 12, 2010, CPSD and Applicant filed a joint motion (Motion) for adoption of the Settlement Agreement. The Motion and the Settlement Agreement provide that Applicant has provided satisfactory explanations concerning CPSD's protest and the terms of the Settlement Agreement satisfactorily address all of CPSD's concerns – and therefore, CPSD no longer has concerns regarding Applicant's fitness to provide service in California. The Motion requests the Commission's adoption of the Settlement Agreement and issuance of a registration Certificate of Public Convenience and Necessity

⁴ In D.04-05-049, *In the Matter of the Application of Evercom Systems, Inc. for a Certificate of Public Convenience and Necessity to Provide Switchless Resale of Interexchange Telecommunications Service within the State of California*, the Commission determined that Evercom was operating in violation of § 885.

(CPCN) to Applicant to provide services in California as a non-dominant interexchange carrier.

Other than CPSD's protest which would be resolved once the Settlement Agreement is adopted by this decision, no other opposition to the Application remains.⁵

2. Settlement Agreement

The Settlement Agreement addresses the issues raised by CPSD's protest. For Applicant's unlawful operation in California (without the required CPCN pursuant to §§ 1001 *et seq.*), the Settlement Agreement contains Applicant's acknowledgement of those unlawful acts and requires Applicant's payment of an \$11,000 fine to the California General Fund. The Settlement Agreement also addresses Applicant's non-disclosure on the short form application, including the related Rule 1.1 violation raised in the CPSD's protest. Applicant showed that it had sufficient assets to meet the \$25,000 financial requirement to operate as a switchless reseller in California and that it properly disclosed its officers. Applicant explained that none of Applicant's officers were affiliated with Evercom at the time Evercom was found to be operating in violation of § 885. As discussed herein, while these concerns raise questions as to Applicant's overall fitness to provide services in California as a non-dominant interexchange carrier and to comply with all of the regulatory mandates, the Settlement Agreement satisfactorily resolves those concerns.

⁵ On March 29, 2010, Securus Technologies, Inc. (parent company of Evercom Systems, Inc. and T-Netix Telecommunications, Inc.) informed the assigned ALJ that it no longer intended to participate in these proceedings.

3. Discussion

Rule 12.1(d) provides that, before approving a settlement, the Commission must determine that the settlement is reasonable in light of the whole record, consistent with the law, and in the public interest. We find that the Settlement Agreement fully satisfies these requirements and therefore should be approved.

A proposed settlement is reasonable if it saves the Commission significant expenses and use of its resources, when compared to the risk, expense, complexity, and likely duration of further proceedings. *In re Southern California Gas Co.* (1999) D.00-09-034 at p. 29, 2000 Cal. PUC LEXIS 694. Generally, the parties' evaluation should carry material weight in the Commission's review of a settlement. *See Id.* at 31.

The Settlement Agreement at issue here also includes imposition of a penalty. In determining the appropriate penalty, the parties took into consideration the criteria used by the Commission. Specifically, the parties weighed the two general factors used by the Commission in setting fines: (1) severity of the offense and (2) conduct of the utility.⁶

Here, CPSD indicates that it is completely satisfied that the Settlement Agreement fully resolves all of the concerns raised in its protest and further argues that the Settlement Agreement adoption would be in the public interest. We agree. The Settlement Agreement does the following:

1. It shows unequivocal acknowledgement of CPSD's concerns by Applicant, the history of cooperation by Applicant in addressing the issues raised by CPSD during the course of this proceeding,

⁶ *Rulemaking to Establish Rules For Enforcement of the Standards of Conduct Governing Relationships Between Energy Utilities and Their Affiliates Adopted By the Commission In Decision 97-12-088*, (1998) D.98-12-075 at p. 71, 1998 Cal. PUC LEXIS 1016.

- and Applicant's commitment to comply with all regulatory matters going forward;
2. The terms and conditions it imposes upon Applicant allow Applicant to continue to serve its customers. It provides the Commission with necessary assurances that in the future, Applicant will comply with its regulatory obligations. It imposes an \$11,000 penalty for the unlawful operations to date which will provide sufficient deterrence to Applicant from engaging in future violations for which further penalties will be imposed by the Commission;
 3. It requires Applicant to timely file any and all reports required by the Commission;
 4. It upholds, preserves, and defends the integrity of the Commission's licensing process, reflected in the short Form of Application for Registration, by imposing a penalty for violations; and
 5. It saves the Commission the further expense and commitment of resources involved in possible hearings of the questions of the violations set forth in CPSD's protest and the degree of culpability associated with same.

As a result of the Settlement Agreement, the Commission finds that the public will benefit because Applicant has taken measures to rectify a violation of law, and to protect California consumers and the integrity of the Commission's jurisdiction and process. The terms of the Settlement Agreement protect Applicant's customers and members of the public in California by ensuring that Applicant will fully meet its regulatory and legal obligations while allowing Applicant to offer the services contemplated under the contract with Homeland Security. The Settlement Agreement is consistent with existing law. Additionally, the terms of the Settlement Agreement are consistent with precedent established by other settlement agreements that the Commission has approved based on similar factual situations.

The proposed Settlement Agreement is an all-party settlement as CPSD and Applicant are the only active parties in this proceeding. The settling parties reasonably reflect the affected interests. The Parties have had sufficient opportunity to review and discuss the terms of the Settlement Agreement. All issues raised by the CPSD's protest to the Application have been resolved in the Settlement Agreement. Applicant does not intend to provide "basic service" as defined by D.96-10-066, but intends to provide services on a detariffed basis to the extent permitted by D.07-09-019.⁷ Therefore, the Settlement Agreement is found to be reasonable and in the public interest and should be adopted. Accordingly, we adopt the Settlement Agreement and Applicant is granted a registration CPCN consistent with the terms and conditions set forth in the Settlement Agreement.

4. Comments on Proposed Decision

This decision adopts the Settlement Agreement resolving all of the issues raised by the only active protest in this proceeding. Evercom and T-Netix Telecommunications, Inc. jointly filed a protest to this Application. They were not involved in the Settlement Agreement but they have indicated through their parent company, Securus Technologies, Inc., that they no longer intend to proceed. No formal motion to withdraw was filed, however. Thus, although the Settlement Agreement we adopt here resolves the only pending protest, this decision is a contested matter, and as such, a 30-day period for public review and comment period is required.

⁷ Applicant does not offer its services to "the public" in the normal sense of the word but instead offers its services through a government contract to detainees of the United States Immigration and Customs Enforcement Division.

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with § 311 and Rule 14.3.

Comments were received from Applicant on _____.

5. Assignment of Proceeding

Timothy Alan Simon is the assigned Commissioner and Katherine Kwan MacDonald is the assigned ALJ in this proceeding.

Findings of Fact

1. Applicant is qualified to use the registration process for registration as an interexchange carrier telephone corporation pursuant to the provisions of § 1013.
2. There is currently no opposition to granting this Application, in light of the proposed all-party Settlement Agreement filed in this proceeding.
3. The proposed Settlement Agreement by and between Applicant and CPSD resolves all issues raised by CPSD's protest in this proceeding.
4. Applicant does not intend to provide "basic service" as defined by D.96-10-066, but intends to provide services on a detariffed basis to the extent permitted by D.07-09-019.
5. Public disclosure of the financial information filed under seal would place Applicant at an unfair business disadvantage.

Conclusions of Law

1. The proposed all-party Settlement Agreement filed in this proceeding, including all of its terms and conditions, is reasonable in light of the whole record and consistent with the law, and its adoption would be in the public interest.
2. The proposed all-party Settlement Agreement, attached hereto as Attachment E, should be approved and adopted.

3. Talton Communications, Inc. should be granted a registration CPCN subject to the conditions set forth in the attached Settlement Agreement and attachments.

4. Applicant's request to file its financial information under seal should be granted for two years.

O R D E R

IT IS ORDERED that:

1. The proposed all-party Settlement Agreement, attached hereto as Attachment E, is approved and adopted.

2. A registration Certificate of Public Convenience and Necessity is granted to Talton Communications, Inc. to provide interexchange services in California subject to the conditions set forth in the attachments to this decision.

3. Talton Communications, Inc. is authorized to provide service on a detariffed basis to the extent permitted by General Order 96-B, Telecommunications Industry Rules. Accordingly, Talton Communications, Inc. must post all detariffed rates, terms and conditions of service on an Internet Site pursuant to General Order 96-B, Telecommunications Industry Rule 5.2. Talton Communications, Inc. must notify affected customers, for any service not provided under tariff, of higher rates or charges, or more restrictive terms or conditions or withdrawal of service or transfer of ownership or customer base pursuant to General Order 96-B, Telecommunications Industry Rules.

4. Talton Communications, Inc. must pay a fine totaling \$11,000. As required by Section 2 of the Settlement Agreement, the first payment of \$2,750 must be made within 15 days of the effective date of this order. The remaining \$8,250 must be paid to the Commission in three equal installments of \$2,750 each. The

three installments are due three months, six months and nine months after the due date for the initial payment. Talton Communications, Inc. will be deemed in default if full payment of the penalty under Section 2 of the Settlement Agreement is not made within five days of the due date. Payment must be made by check or money order 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. Write on the face of the check or money order "For deposit to the General Fund per Decision _____."

5. The registration Certificate of Public Convenience and Necessity granted in Ordering Paragraph 2 shall not become effective until the first \$2,750 penalty payment required by Section 2 of the Settlement Agreement has been made.

6. Talton Communications, Inc. is assigned corporate identification number U-7190-C which shall be included in the caption of all filings made with this Commission.

7. All sealed information will remain sealed for a period of two years after the effective date of this order. After two years, all such information shall be made public. If Talton Communications, Inc. believes that further protection of sealed information is needed beyond two years, Talton Communications, Inc. may file a motion, no later than 30 days before the expiration of the two-year period granted by this order, stating the justification for further withholding of the sealed information from public inspection.

8. Talton Communications, Inc. must comply with the Commission's rules and regulations for non-dominant interexchange carriers set forth in Decision (D.) 93-05-010, D.90-08-032, as well as other applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities, subject to the exemptions granted in this decision.

9. Talton Communications, Inc. must comply with the requirements applicable to non-dominant interexchange carriers included in Attachment B to this decision.

10. Talton Communications, Inc. must file an annual report with the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

11. Talton Communications, Inc. must file an affiliate transaction report with the Director of the Communications Division, in compliance with Decision 93-02-019 on a calendar-year basis using the form contained in Attachment D to this decision.

12. Application 10-01-004 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

Page 1

List of deficiencies in tariff filed by Talton Communications, Inc. in A.10-01-004 to be corrected in its tariff compliance filing.

Talton Communications, Inc. will be providing services on a detariffed basis. No tariffs were filed.

(END OF ATTACHMENT A)

ATTACHMENT B

REQUIREMENTS APPLICABLE TO INTEREXCHANGE CARRIERS

1. Applicant must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.
2. Applicant is subject to the following fees, and you must remit them regularly. Per the instructions in Decision (D.) 00-10-028, the Combined California PUC Telephone Surcharge Transmittal Form must be submitted, even if the amount due is \$0.
 - a. The current 1.15% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code § 879; Resolution T-17071, dated March 1, 2007, effective April 1, 2007);
 - b. The current 0.20% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073 and Resolution T-17127, dated December 20, 2007, effective January 1, 2008);
 - c. The user fee provided in Pub. Util. Code §§ 431-435, which is 0.18% of gross intrastate revenue (Resolution M-4819), dated June 7, 2007, effective July 1, 2007;
 - d. The current 0.11% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, pp. 3-4, App. B, Rule 1.C; Resolution T-17259, dated April 8, 2010, effective May 1, 2010);
 - e. The current 0.45% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B (D.96-10-066, p. 191, App. B, Rule 6.F; D.07-12-054); Resolution T-17215, dated October 15, 2009, effective December 1, 2009;

- f. The current 0.00% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Advanced Services Fund (D.07-12-054); Resolution T-17248, dated December 17, 2009, effective January 1, 2010; and
- g. The current 0.079% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G; Resolution T-17142, dated April 24, 2008, effective June 1, 2008).

These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, you should check the joint tariff for surcharges and fees filed by Pacific Bell Telephone Company (dba AT&T California) and apply the current surcharge and fee amounts in that joint tariff on your end-user bills until further revised.

- 3. Applicant is a non-dominant interexchange carrier (NDIEC). The effectiveness of its future NDIEC tariffs is subject to the requirements of General Order (GO) 96-B and the Telecommunications Industry Rules (D.07-09-019).
- 4. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in 2 above.
- 5. Applicant must file a service area map as part of its initial tariff.
- 6. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name or telephone number changes, or at least annually.
- 7. Applicant must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

8. Applicant must notify the Director of the Communications Division in writing of the date interLATA service is first rendered to the public within five days after service begins, and again within five days after intraLATA service begins.¹

9. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.

10. In the event Applicant's books and records are required for inspection by the Commission or its staff, it must either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

11. Applicant must file an annual report with the Director of the Communications Division, in compliance with GO 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

12. Applicant must file an affiliate transactions report with the Director of the Communications Division, in compliance with D.93-02-019, on a calendar-year basis with the information contained in Attachment D to this decision.

13. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

14. Within 60 days of the effective date of this order, Applicant must comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division in writing of its compliance.

¹ California is divided into ten Local Access and Transport Areas (LATAs), each containing numerous local telephone exchanges. InterLATA describes services, revenues and functions relating to telecommunications originating within one LATA and terminating in another LATA. IntraLATA describes services, revenues and functions relating to telecommunications originating within a single LATA.

15. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fees listed in 2 above, the Communications Division shall prepare for Commission consideration a resolution that revokes Applicant's Certificate of Public Convenience and Necessity unless it has received written permission from the Communications Division to file or remit late.

16. Applicant is exempt from Rule 3.1(b) of the Commission Rules of Practice and Procedure.

17. Applicant is exempt from Pub. Util. Code §§ 816-830.

18. Applicant is exempt from the requirements of Pub. Util. Code § 851 for the transfer or encumbrance of property whenever such transfer or encumbrance serves to secure debt.

19. If Applicant decides to discontinue service or file for bankruptcy, it must immediately notify the Communications Division's Bankruptcy Coordinator.

20. Applicant must send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

(END OF ATTACHMENT B)

ATTACHMENT C
ANNUAL REPORT

An original and a machine readable, copy using Microsoft Word or compatible format must be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in Pub. Util. Code §§ 2107 and 2108.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.).

If incorporated, specify:

- a. Date of filing articles of incorporation with the Secretary of State.
- b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.
12. Cash flow statement as of December 31st of the calendar year for which information is submitted, for California operations only.

For answers to any questions concerning this report, call (415) 703-2883.

(END OF ATTACHMENT C)

ATTACHMENT D
CALENDAR YEAR AFFILIATE TRANSACTION REPORT

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the annual Affiliate Transaction Report.

- Form of organization (e.g., corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (e.g., controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership);
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart should have the controlling corporation (if any) at the top of the chart, the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart, and all secondary subsidiaries and affiliates (e.g., a subsidiary that in turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary should be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility's annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.

6. Utilities that do not have affiliated entities must file, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

(END OF ATTACHMENT D)

ATTACHMENT E
SETTLEMENT AGREEMENT

***** SERVICE LIST *****
Last Updated on 13-MAY-2010 by: JVG
A1001004 LIST

***** PARTIES *****

Thomas J. Macbride, Jr.
Attorney At Law
GOODIN MACBRIDE SQUERI RITCHIE & DAY LLP
505 SANSOME STREET, SUITE 900
SAN FRANCISCO CA 94111
(415) 392-7900
tmacbride@goodinmacbride.com
For: Talton Communications, Inc.

Richard A. Smith
SECURUS TECHNOLOGIE3S, INC.
14651 DALLAS PARKWAY, STE. 600
DALLAS TX 75254
(972) 277-0665
rasmith@securustech.net
For: E&T

Sindy J. Yun
Legal Division
RM. 4300
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-1999
sjy@cpuc.ca.gov
For: CPSD

***** STATE EMPLOYEE *****

Jeannine Elzey
Consumer Protection & Safety Division
AREA 2-D
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-2333
jme@cpuc.ca.gov

Katherine MacDonald
Administrative Law Judge Division
RM. 5103
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-1839
kk3@cpuc.ca.gov

Linda J. Woods
Consumer Protection & Safety Division
AREA 2-A
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-1177
ljw@cpuc.ca.gov

***** INFORMATION ONLY *****

Jeffrey H. Albright
LEWIS AND ROCA LLP
201 THIRD STREET NW, STE. 1950
ALBUQUERQUE NM 87102-4388
(505) 764-5435
JAlbright@LRLaw.com

Robin Norton
TECHNOLOGIES MANAGEMENT, INC.
2600 MAITLAND CENTER PARKWAY, SUITE 300
MAITLAND FL 32751
(407) 740-8575
For: Talton Communications, Inc.

(END OF SERVICE LIST)