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BEFORE THE ARIZONA CORPORATION COMMISSION 3: 08

MARC SPITZER,
Chairman

JIM IRVIN,
Commissioner

WILLIAM MUNDELL,
Commissioner

JEFF HATCH-MILLER,
Commissioner

MIKE GLEASON,
Commissioner

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
DOCKETED

MAY 22 2003

DOCKETED BY *CM*

UTILITIES DIVISION STAFF,
Complainant,

vs.

LIVEWIRENET OF ARIZONA, LLC; THE
PHONE COMPANY MANAGEMENT
GROUP, LLC; THE PHONE COMPANY
OF ARIZONA JOINT VENTURE d/b/a
THE PHONE COMPANY OF ARIZONA;
ON SYSTEMS TECHNOLOGY, LLC, and
its principles, TIM WETHERALD, FRANK
TRICAMO and DAVID STAFFORD; THE
PHONE COMPANY OF ARIZONA, LLP
and its members,

Respondents.

Docket No. T-03889A-02-0796
T-04125A-02-0796

**DMJ COMMUNICATIONS'
RESPONSE TO MAY 15, 2003
PROCEDURAL ORDER**

IN THEMATTER OF THE PHONE
COMPANY OF ARIZONA JOINT
VENTURE d/b/a THE PHONE COMPANY
OF ARIZONA'S APPLICATION FOR
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE INTRASTATE
TELECOMMUNICATIONS SERVICE AS
A LOCAL AND LONG DISTANCE
RESELLER AND ALTERNATIVE
OPERATOR SERVICE.

Docket No. T-04125A-02-0577

1
2 IN THE MATTER OF THE APPLICATION)
3 OF THE PHONE COMPANY)
4 MANAGEMENT GROUP, LLC f/k/a)
5 LIVEWIRENET OF ARIZONA, LLC TO)
6 DISCONTINUE LOCAL EXCHANGE)
7 SERVICE.)

Docket No. T-03889A-02-0578

8
9 IN THE MATTER OF THE APPLICATION)
10 OF THE PHONE COMPANY)
11 MANAGEMENT GROUP, LLC FOR)
12 CANCELLATION OF FACILITIES)
13 BASED AND RESOLD LOCAL)
14 EXCHANGE SERVICES.)

Docket No. T-03889A-03-0152

15
16 IN THE MATTER OF THE APPLICATION)
17 OF THE PHONE COMPANY)
18 MANAGEMENT GROUP, LLC d/b/a THE)
19 PHONE COMPANY FOR THE)
20 CANCELLATION OF ITS CERTIFICATE)
21 OF CONVENIENCE AND NECESSITY.)

Docket No. T-03889A-03-0202

22
23 The Administrative Law Judge's May 15, 2003 Procedural Order requests
24 that DMJ Communications ("DMJ") file certain information by May 22, 2003. In
25 response, DMJ is providing the following:

26 1. Notice:

Attached as Exhibit 1 is a copy of the Notice sent to PCMG's former
customers.

1
2 2. Past and Present Partners, Members, Officers, Board Members and
3 Shareholders

4
5 Attached as Exhibit 2 is an April 9, 2003 letter to Mr. Gary Horton of the
6 Arizona Corporation Commission Utilities Division Legal Staff providing information on
7 current officers and directors. DMJ is wholly owned by PalomaNet, a privately held
8 company. A confidential list of PalomaNet shareholders is being filed under seal with
9 Judge Dion's copy of this notice. DMJ was purchased by PalomaNet in April, 2000. Prior
10 to being acquired by PalomaNet, DMJ was owned by Don Slusher. The board members
11 and shareholders were: David Slusher, Mark Slusher, Don Slusher and Clyde Pittman.
12 Additional shareholders were David Larsen, Julie Hooper, Lisa Delgado, Teresa Hare, Jay
13 and Glenda Bowman, Barbara O'Neal and Walter Wilson.
14
15

16 3. Past or Present Relationships with Leon Switchkow, Telecom
17 Advisory Services, Inc. and/or Mile High Telecom.

18 There is no common membership, corporate structure or contractual
19 relationships with these parties. DMJ did have a contractual relationship with USURF to
20 provide service to the Colorado customers of Mile High Telecom while USURF was in the
21 process of purchasing those customers. As part of this arrangement, Mile High was to pay
22 DMJ, but DMJ never received any payments from Mile High. To DMJ's knowledge, Mile
23 High had no involvement with USURF's purchase of PCMG's Arizona customers.
24
25
26

1 3. Arizona CC&N and Bond:

2 DMJ's Arizona CC&N is still valid and DMJ currently maintains a
3 performance bond in the amount of \$10,000.
4

5 4. Colorado Proceeding:

6 DMJ's CC&N in Colorado was canceled due to the late filing of an annual
7 report in February, 2003. DMJ had not had a complaint filed with the Colorado PUC or
8 Office of Consumer Counsel ("OCC.") until prior to its brief, indirect association with Mile
9 High described above. The Colorado OCC filed a complaint initiating an investigation of
10 slamming claims against DMJ. DMJ has retained Colorado counsel and is contesting those
11 slamming accusations.
12

13 RESPECTFULLY SUBMITTED this 22nd day of May, 2003.
14

15 LEWIS AND ROCA LLP

16
17 

18 Thomas H. Campbell
19 Michael T. Hallam
20 40 N. Central Avenue
21 Phoenix, Arizona 85004

22 ORIGINAL and twenty-one (21) copies
23 of the foregoing filed this 22nd day of May,
24 2003, with:

25 Arizona Corporation Commission
26 Utilities Division - Docket Control
 1200 W. Washington Street
 Phoenix, Arizona 85007

LEWIS
AND
ROCA
LLP
LAWYERS

1 COPY of the foregoing hand-delivered
2 this 22nd day of May, 2003, to:

3 Philip J. Dion, III
4 Hearing Division
5 Arizona Corporation Commission
6 1200 W. Washington Street
7 Phoenix, Arizona 85007

8 Ernest Johnson, Director
9 Utilities Division
10 Arizona Corporation Commission
11 1200 W. Washington Street
12 Phoenix, Arizona 85007

13 Christopher Kempley, Chief Counsel
14 Legal Division
15 Arizona Corporation Commission
16 1200 W. Washington Street
17 Phoenix, Arizona 85007

18 COPY of the foregoing mailed this
19 22nd day of May, 2003, to:

20 Timothy Berg
21 Theresa Dwyer
22 Fennemore Craig
23 3003 N. Central Avenue
24 Suite 2600
25 Phoenix, Arizona 85012

26 Jeffrey W. Crockett
27 Snell & Wilmer, LLP
28 One Arizona Center
29 400 E. Van Buren Street
30 Phoenix, Arizona 85004

31 Marty Harper
32 Shughart Thomson Kilroy Goodwin Raup
33 3636 N. Central Ave., Suite 1200
34 Phoenix, Arizona 85012

LEWIS
AND
ROCA
LLP

LAWYERS

1 Mark Brown
2 Qwest Corporation
3 3033 N. Third Street
4 Suite 1009
5 Phoenix, Arizona 85012

6 David Stafford Johnson
7 740 Gilpin Street
8 Denver, Colorado 80218

9 Michael L. Glaser
10 1050 17th Street
11 Suite 2300
12 Denver, Colorado 80202

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DMJ Communications, Inc.

Post Office Box 12690, Odessa, TX 79768

Telephone: 800-583-9814

March 12, 2003

IMPORTANT ANNOUNCEMENT & NOTIFICATION

Dear Phone Company of Arizona customer,

On March 12, 2003 the customer base of the Phone Company of Arizona was sold to DMJ Communications, Inc. ("DMJ"). This transfer will become effective after ninety (90) days of the date of this letter. Once this transfer takes place you will no longer be a customer of The Phone Company of Arizona, but will be the customer of DMJ. The Phone Company of Arizona will no longer offer telecommunications and Internet services after this transfer becomes effective.

DMJ will adopt the same rates as The Phone Company of Arizona, with additional terms and conditions that will give you the option of choosing DMJ's innovative prepaid telecommunications services. Any information regarding subsequent changes by DMJ affecting the rates, terms and conditions of your account will be given to you by direct mail or billing insert.

There will be no expense to your account as a result of this change of carrier, including any Primary Interexchange Change Charges or other applicable carrier change charges.

You have the right to select another alternative carrier or carriers for your Local exchange, Intrastate Long Distance and Interexchange long distance services. You may also choose another Internet Service Provider if you wish.

All customers receiving this Notice, even those with preferred carrier freezes, involved in this transfer, will be transferred to DMJ. This transfer will become final unless subscribers select a different carrier within 90 days of this Notice. In addition to Qwest Corporation, a list of alternative carriers can be found at the following Arizona Corporation Commission web pages:

http://www.cc.state.az.us/utility/utility_list/CLEC_list.pdf

http://www.cc.state.az.us/utility/utility_list/RLEC_list.pdf.

At the time of transfer, all existing preferred carrier freezes on the services involved in this transfer will be lifted and you must contact DMJ to arrange a new freeze.

DMJ will be responsible for handling any customer complaints filed, or otherwise raised, prior to or during the transfer against The Phone Company of Arizona.

If you have any questions regarding this matter please contact DMJ at their toll free number **1 - 800 - 583 - 9814.**

DMJ Communications, Inc.



PalomaNet International, Inc.

1401 Colony Drive, Irving, TX 75061

Phone: (972) 253-5015...Fax: (972) 253-5074

jhoward@palomanet.net

April 9, 2003

Transmitted by Fax to: 602-542-4870

Gary Horton
Arizona Corporation Commission

Dear Mr. Horton,

This letter is to confirm to you in writing that neither DMJ Communications, Inc. ("DMJ") our subsidiary operating company nor PalomaNet International, Inc. ("PalomaNet") has any investors from the group referred to in Docket T-03889A-03-9152 or Docket T-038894A-02-0796.

The Directors of PalomaNet are Clyde H. Pittman, Jr., Joyce Howard and David Slusher.

The Officers of PalomaNet are Clyde H. Pittman, Jr., President & CEO, Joyce Howard, Executive Vice President Operations, Treasurer and Secretary.

A list of the owners of PalomaNet is attached as Addendum A to this letter.

DMJ is a wholly owned subsidiary of PalomaNet.

The Directors of DMJ are Clyde H. Pittman, Jr., Joyce Howard and David Slusher.

The officers of DMJ are Clyde H. Pittman, Jr. President and CEO, Joyce Howard, Executive Vice President Operations and David Slusher, Vice President.

Mr. Doug McKinnon with USURF Communications, Inc. ("USURF") has a personal emergency and has asked me to make his confirmation to you that USURF is a public company with 1700 plus owners. A list of the investors is available from Securities Transfer Corporation. To the best of his knowledge none of the people associated with the above Dockets have purchased stock in USURF. No USURF stock has been awarded to individuals associated with the entities or with the entities listed in the above Dockets.

The Directors of USURF are Douglas O. McKinnon, David Laughlin, Ross Brovoda and Dick Wilson.

The Officers of USURF are Douglas O. McKinnon, President and CEO, Chris Brenner, Vice President and CFO and Ken Upcraft, Executive Vice President.

Should you need additional information, do not hesitate to let me know.

Regards,

PalomaNet International, Inc.

Joyce Howard
Executive Vice President