

ORIGINAL



0000017386

Date: March 11, 2005

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The J. Richard Company LLC, dba Live Wire Phone Company
4607 E Molly LN
Cave Creek AZ 85331

Arizona Corporation Commission
DOCKETED

MAR 11 2005

The Arizona Corporation Commission
Utilities Division
1200 W Washington St
Phoenix AZ 85009

T-04257A-04-0335

DOCKETED BY 

Re: MOTION FOR ALTERNATIVE

To Whom It May Concern:

In regards to our bond requirements, Live Wire would request the Commission to consider an alternative arrangement: Irrevocable Letter of Credit.

Since our company is new and we have no customers, the bond requirements are burdensome. Every bonding agency contacted is requiring us to deposit the full amount of \$135,000.00. Also, they are adding an additional 10%, \$13,500.00, for an annual premium. We realize this pricing reflects the current market conditions and are capable and willing to do this, if needed.

On the other hand, The Irrevocable Letter of Credit from Bank of America also requires us to place on deposit \$135,000.00, naming the Arizona Corporation Commission, Utilities Division, as Beneficiary. We earn 2% and have an annual charge of 2%. The math is simple. Currently, the bond cost \$13,500.00 more per year.

We understand and agree with the decision set forth from the Commission to protect the consumer. Knowing that the two instruments, bond and irrevocable letter of credit, function to preserve and protect of the consumer equally, we kindly ask the Commission to permit us to use the irrevocable letter of credit.

Respectfully,

James R Beaver
Executive Vice President

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 MAR 11 11:13

RECEIVED

DATE: MARCH 10, 2005

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3073894

BENEFICIARY
THE ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION
1200 W. WASHINGTON ST.
PHOENIX, AZ 85009

APPLICANT
THE J RICHARD COMPANY, LLC
DBA LIVEWIRE PHONE, PMB 465
21001 N, TATUM BLVD. STE 78-1630
PHOENIX, AZ 85050

AMOUNT
NOT EXCEEDING USD 135,000.00
NOT EXCEEDING ONE HUNDRED THIRTY
FIVE THOUSAND AND 00/100'S US
DOLLARS

EXPIRATION
FEBRUARY 25, 2006 AT OUR COUNTERS

WE HEREBY ESTABLISH IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 3073894 WHICH IS AVAILABLE WITH BANK OF AMERICA N.A. BY PAYMENT AGAINST PRESENTATION OF THE ORIGINAL OF THIS LETTER OF CREDIT AND YOUR DRAFTS AT SIGHT DRAWN ON BANK OF AMERICA N.A., ACCOMPANIED BY THE DOCUMENTS DETAILED BELOW:

BENEFICIARY'S SIGNED STATEMENT CERTIFYING THAT THE APPLICANT FAILED TO PROVIDE TELECOMMUNICATIONS SERVICES UNDER THAT CERTAIN CONTRACT BY AND BETWEEN THE APPLICANT AND THE BENEFICIARY AND PAYMENT IS NOW DUE AND PAYABLE.

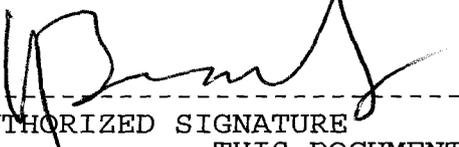
WE HEREBY ENGAGE WITH THE BENEFICIARY THAT ALL DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE DULY HONORED BY US UPON PRESENTATION AT OUR OFFICE LOCATED AT 333 SOUTH BEAUDRY AVENUE, M/C CA9-703-19-23, 19TH FLOOR, LOS ANGELES CA 90017, ATTENTION : STANDBY LETTER OF CREDIT DEPARTMENT ON OR BEFORE THE EXPIRATION DATE.

THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998, ICC PUBLICATION NO. 590.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 213-345-0051.

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THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 3073894



AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 2 PAGE(S).

LAWRENCE BANALES

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