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TELECOM CERTIFICATION & FILING, INC.
485 MADISON AVENUE
NEW YORK, NEW YORK 10022-5803
TEL (212) 546-9090
FAX (212) 753-8101
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RECEIVED

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AZ CORP COMMISSION
DOCKET CONTROL

October 10, 2001

VIA FEDERAL EXPRESS

Arizona Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

Re: Telegenius, Inc. - Docket No. T-04029A-01-0515

Dear Sir or Madam:

On behalf of the above-referenced applicant, enclosed herewith please find one original and ten (10) copies of Telegenius, Inc.'s Response to Staff's First Set of Data Request.

At your earliest convenience, please date stamp and return the copy of this cover letter to the undersigned in the enclosed postage prepaid self-addressed envelope.

Should you require any additional information, please contact the undersigned at your convenience.

Sincerely,

Alice Rodriguez
Project Manager

Enc.

2112-11/46938

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Arizona Corporation Commission

DOCKETED

OCT 11 2001

DOCKETED BY

Telegenius, Inc.
Docket No. T-04029A-01-0515

1. Please list the states in which you have been approved to offer services similar to those you intend to resell in Arizona.

Colorado, Massachusetts, Michigan, Montana, North Carolina, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin.

2. Please indicate if your customer will be able to access alternative toll service providers or reseller via 1+101XXXX access, if your system becomes non-operational.

Yes.

3. Please provide financial information as Attachment "D".
Please provide us with a copy of your Company's balance sheet in Attachment "D".
Please provide us with a copy of your Company's income statement in Attachment "D".
Please provide us with a copy of your Company's audit report (if audited) in Attachment "D".
Please provide all related notes to these financial statements for the two most recent years that your Company has been in business in Attachment "D".

See Attachment "D"

4. Please provide retained earnings account information on the balance sheet or on a separate sheet in Attachment "D".

See Attachment "D"

5. Please indicate if your Company is a subsidiary. **No.**
If "yes", please provide a copy of your Parent Company's financial statements, in addition to your Company's financial statements, in Attachment "D".

6. Please indicate if your company intends to rely on financial resources of its Parent Company. **No.**
If yes, please provide a written statement from the Parent Company attesting that it will provide complete financial backing if your Company experiences a net loss or business failure. The statement should also affirm that it will guarantee re-payment of customers' advances, prepayments, or deposits held by your Company if, for some reason, your Company cannot provide service or repay the deposits.

7. Please list the states in which you have applied for authority to offer telecommunication services.
Please indicate the services you applied for in each state.

Alabama	Arizona	Arkansas	California	Connecticut
Delaware	Florida	Georgia	Hawaii	Idaho
Illinois	Indiana	Iowa	Kentucky	Maine
Maryland	Minnesota	Mississippi	Missouri	Nebraska
New Jersey	New Mexico	New York	North Dakota	Ohio
Oklahoma	South Carolina	Rhode Island	South Carolina	South Dakota
Tennessee	Washington	Wyoming		

Applicant has applied for resold interexchange telecommunications authority in each of the above mentioned states. In no instance has an application been denied or rejected.

8. Please list and give a detailed explanation of complaints you have received (if any) regarding telecommunications services offered in other states. **None.**
Please state what actions were taken to remedy these complaints and to prevent them from occurring again. **N/A**
9. Please state the proposed fee that will be charged for returned checks. **\$25.00**
10. Please clarify and indicate or reference by page number(s) your Company's deposit policy. (**Note:** Pursuant to A.A.C. R14-2-503 (B), the amount of a deposit required by the utility shall not exceed 2 times that residential customer's estimated average monthly bill or the average monthly bill for the customer class for that customer which ever is greater. Nonresidential customer deposits shall not exceed 2 ½ times that customer's estimated maximum monthly bill. The term "deposit" refers to all deposits, advance payments, and prepayments).
- In Applicant's A.C.C. TARIFF NO. 1, Original Sheet 15, Section 2.22 - Deposit: It states, "The Company requires a deposit from the Customer. Deposits may vary, but are usually based on one week of usage."**
11. Please submit copies of affidavits or publication that the Company has, as required, published legal notice of the application in all counties where services will be provided. Make sure you complete and submit the "Sample Proof of Publication" form as instructed in the "Sample Legal Notice" documentation.

See Attached.

12. Based on the review of the financial information submitted, Staff has determined that the Applicant lacks sufficient financial resources. Therefore, the applicant must do one of the following:

1. Staff recommends that the Applicant procure a performance bond equal to \$10,000. The minimum bond amount of \$10,000 should be increased if at any time it would be insufficient to cover prepayments or deposits collected from the Applicant's customers. Staff further recommends that proof of the above mentioned performance bond be docketed within 90 days of the effective date of an order in this matter or 30 days prior to the provision of service, whichever comes first. If Applicant is currently providing service, then please docket the performance bond within **71 days** of the date of this letter.

OR

2. The Applicant must file a letter stating that it does not currently, and will not in the future, charge its customers for any prepayments, advances, or deposits. If the Applicant is currently collecting prepayments, advances, or deposits, the Applicant must refund those charges to customers to avoid maintaining the above mentioned performance bond. If in the future, the Applicant desires to charge prepayments, advances, or deposits, it must file information with the Commission that demonstrates the Applicant's financial viability. Staff will review the information and forward its recommendation to the Commission for a Decision.

ATTACHMENT D

Telegenius, Inc.
Profit & Loss Statement
August 31, 2001

Income		
Sales	310,371.90	
Sales Discounts	(128,292.13)	
Shipping & Handling	<u>11.98</u>	182,091.75
Total Income		
Cost of Goods Sold		
COGS Printing	(162,120.86)	
COGS Freight	(8,587.67)	
Total COGS	<u>(60.73)</u>	(170,769.26)
GROSS PROFIT		11,322.49
Expenses		
Advertising	345.28	
Bank Service Charges	59.87	
Customer Credit Checks	10.97	
Dues & Subscriptions	15.68	
Equipment Rental	427.49	
Marketing	569.93	
Office Expense	847.83	
Salaries	3,199.14	
Professional Fees	1,709.15	
Rent	428.45	
Travel & Entertainment	<u>327.28</u>	
Total Expenses		<u>7,941.07</u>
NET PROFIT		<u>3,381.42</u>

Telegenius, Inc.
Balance Sheet
As of August 31, 2001

ASSETS

Bank Accounts		
Bank of America	1,000.00	
Main Account	91,045.04	
Omni Account	486.50	
Total Bank Accounts	<u> </u>	92,531.54
Accounts Receivable		34,936.08
Total Current Assets		
Fixed Assets		
Furniture & Fixtures	1,552.58	
Machinery & Equipment	298.40	
Total Fixed Assets	<u> </u>	<u>1,850.98</u>

TOTAL ASSETS

129,318.60

LIABILITIES & EQUITY

Liabilities		
Current Liabilities		
Accounts Payable	9,520.00	
Payroll Liabilities	(36.24)	
Long Term Liabilities		
Customer Deposits	53,600.00	
Development Loan	(99,000.00)	
Total Liabilities	<u> </u>	(35,916.24)
Equity		
Open Bal Equity	1,000.00	
Retained Earnings	(93.50)	
Net Income	164,328.34	
Total Equity	<u> </u>	<u>165,234.84</u>

TOTAL LIABILITIES & EQUITY

129,318.60

THE ARIZONA REPUBLIC

NOTICE OF APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE COMPETITIVE RESOLD INTEREXCHANGE TELECOMMUNICATIONS SERVICES BY TELEGENIUS, INC.

Telegenius, Inc. ("Applicant") has filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold interexchange telecommunications services in the State of Arizona. Applicant will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. A.R.S. § 40-282 provides that the Commission may act on an application for a Certificate to provide resold telecommunications services without a hearing, or with a hearing, if one is requested by any party. Applicant or any other party must request a hearing within twenty (20) days of the date of this notice, or the Commission will rule on the application without a hearing.

The application, report of the Commission's Utilities Division Staff, and any written exceptions to the Staff Report prepared by the Applicant are available for inspection during regular business hours at the offices of the Commission located at 1200 West Washington Street, Phoenix, Arizona 85007, and at Applicant, 2901 Ridge Lake Drive, Suite 212, Metairie, LA 70002.

Under appropriate circumstances, interested parties may intervene in the proceedings and participate as a party. Intervention shall be in accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed on or within twenty (20) days of the date of this notice. You may have the right to intervene in the proceedings, or you may make a statement for the record. If you have any comments, mail them to:

The Arizona Corporation Commission
Attention Docket Control
re: Telegenius, Inc.
T-04029A-01-0515
1200 West Washington Street
Phoenix, Arizona 85007

All Comments should be received within twenty (20) days of the date of this notice.

If you have any questions about this application or have any objections to its approval, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request reasonable accommodations such as sign language interpreter, as well as request this document in an alternative format, by contacting Shelly Hood, ADA Coordinator, voice phone number (602) 542-3931, E-Mail shood@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.
01698-September 28, 2001

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

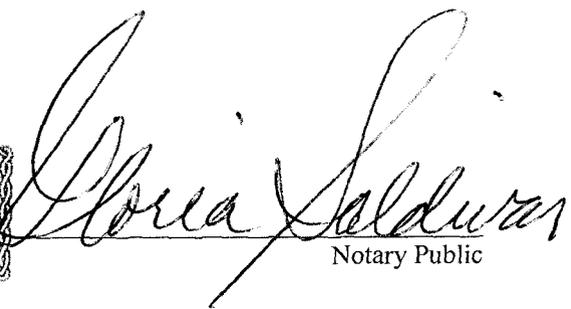
TOM BIANCO, being first duly sworn, upon oath deposes and says: That he is the legal advertising manager of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic

September 28, 2001



Sworn to before me this
1ST day of
October A.D. 2001


Notary Public