

ORIGINAL



0000066519

ValuTel Communications, Inc.
13809 N Highway 183, Suite 705
Austin, Texas 78750-1246

RECEIVED

28DR

2007 FEB -6 1 P 4: 12

January 29, 2007

AZ CORP COMMISSION
DOCUMENT CONTROL

State of Arizona Corporation Commission
C/O Annual Reports – Corporations Div.
1300 West Washington
Phoenix, AZ 85007-2929

Arizona Corporation Commission
DOCKETED

FEB 06 2007

Re: Docket T-04312A-05-0295
F-1174221-9 Corporation Annual Report.

ORIGIANL

DOCKETED BY	
KK	

Dear Sirs,

ValuTel Communications, Inc. is submitting the following;

1. State of Arizona Corporation Commission Corporation Annual Report & Certificate of Disclosure, which has been completed by ValuTel Communications, Inc.
2. Arizona Corporation Staff's Letter of Insufficiency and Second Set of Data Requests to ValuTel Communications, Inc. Docket No. T-04312A-05-0295, dated December 12, 2006.
3. ValuTel Communications, Inc. December 19, 2006 response to Staffs Letter of Insufficiency Dated December 12, 2006.
4. ValuTel Communications, Inc. has attached a ValuTel Summary Balance Sheet and a ValuTel Profit & Loss for year 2006 as requested by Staff.

ValuTel Communications, Inc. is submitting an Original and 13 copies of the Corporation Annual report.

ValuTel Communications, Inc. is waiting for a Certificate of Good Standing From the Arizona Secretary of State and upon receipt it will be forwarded.

ValuTel submitted the annual filing fee with check number 5396 in the amount of \$45.00 on January 17, 2007.

Sincerely,

Melvin Reams
President

*original to IPS-
copies to docket*

*yup
2/3/07*

COPY



WEB FORM COPY

STATE OF ARIZONA CORPORATION COMMISSION CORPORATION ANNUAL REPORT & CERTIFICATE OF DISCLOSURE



DUE ON OR BEFORE 02/11/2007

FY06-07

FILING FEE \$45.00

The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§10-121.A. & 10-3121.A. YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation. See instructions on page 4 for proper format.

1. F-1174221-9 VALUTEL COMMUNICATIONS, INC. 9801 ANDERSON MILL RD #209 AUSTIN, TX 78750

13809 N. Highway 183, Suite 705 JAN 5 1 2007

RECEIVED

ARIZONA CORP. COMMISSION CORPORATIONS DIVISION

* DELINQUENT ANNUAL REPORT 10/24/2006; CONTACT THE COMMISSION AT 602-542-3285!

Business Phone: (Business phone is optional.) 1-512-249-7787

State of Domicile: TEXAS

Type of Corporation: BUSINESS

RECEIVED

2. Statutory Agent: C T CORPORATION SYSTEM Mailing Address: 2394 E CAMELBACK RD City, State, Zip: PHOENIX, AZ 85016

Physical Address, If Different. Physical Address: City, State, Zip:

JAN 17 2007

ARIZONA CORP COMMISSION CORPORATIONS DIVISION

ACC USE ONLY Fee \$ Penalty \$ Reinstatement \$ Expedite \$ Resubmit \$

Use this box only if appointing a new Statutory Agent

If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below.

I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.

Signature of new Statutory Agent

Printed Name of new Statutory Agent

3. Secondary Address:

(Foreign Corporations are REQUIRED to complete this section).

% C T CORPORATION SYSTEM 2394 E CAMELBACK RD PHOENIX, AZ 85016

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

- 1. Accounting 2. Advertising 3. Aerospace 4. Agriculture 5. Architecture 6. Banking/Finance 7. Barbers/Cosmetology 8. Construction 9. Contractor 10. Credit/Collection 11. Education 12. Engineering 13. Entertainment 14. General Consulting 15. Health Care 16. Hotel/Motel 17. Import/Export 18. Insurance 19. Legal Services 20. Manufacturing 21. Mining 22. News Media 23. Pharmaceutical 24. Publishing/Printing 25. Ranching/Livestock 26. Real Estate 27. Restaurant/Bar 28. Retail Sales 29. Science/Research 30. Sports/Sporting Events 31. Technology(Computers) 32. Technology(General) 33. Television/Radio 34. Tourism/Convention Services 35. Transportation 36. Utilities 37. Veterinary Medicine/Animal Care 38. Other

NON-PROFIT CORPORATIONS

- 1. Charitable 2. Benevolent 3. Educational 4. Civic 5. Political 6. Religious 7. Social 8. Literary 9. Cultural 10. Athletic 11. Science/Research 12. Hospital/Health Care 13. Agricultural 14. Animal Husbandry 15. Homeowner's Association 16. Professional, commercial industrial or trade association 17. Other

5. CAPITALIZATION: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. PLEASE PRINT OR TYPE CLEARLY.

5a. Please examine the corporation's original Articles of Incorporation for the amount of **shares authorized**.

Number of Shares/Certificates Authorized	Class	Series Within Class (if any)
1,000	Common	

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued**.

Number of Shares/Certificates Issued	Class	Series Within Class (if any)
200	Common	

6. SHAREHOLDERS: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation. PLEASE PRINT OR TYPE CLEARLY.

Name: Tim Keefer Name: _____

NONE

Name: Melvin Reams Name: _____

7. OFFICERS PLEASE PRINT OR TYPE CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: Tim Keefer Name: _____

Title: Chief Executive Officer Title: _____

Address: 10309 Chestnut Ridge
Austin, TX 78726 Address: _____

Date taking office: 7-13-2001 Date taking office: _____

Name: Melvin Reams Name: _____

Title: President Title: _____

Address: 12 Wilderness Way
Round Rock TX 78664 Address: _____

Date taking office: 7-13-2001 Date taking office: _____

8. DIRECTORS PLEASE PRINT OR TYPE CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: _____ Name: _____

Address: _____ Address: _____

Date taking office: _____ Date taking office: _____

Name: _____ Name: _____

Address: _____ Address: _____

Date taking office: _____ Date taking office: _____

9. FINANCIAL DISCLOSURE (A.R.S. §10-11622.A.9)

Nonprofit corporations must attach a financial statement (e.g. income/expense statement, balance sheet including assets, liabilities). All other forms of corporations are exempt from filing a financial disclosure.

9A. MEMBERS (A.R.S. § 10-11622.A.6)

Only Nonprofit Corporations must answer this question.

This corporation **DOES** **DOES NOT** have members.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-11622.A.7)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and/or person controlling or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been: [Underlined portion pertains to business corporations only]

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:
 - (a) fraud or registration provisions of the securities laws of that jurisdiction, or
 - (b) the consumer fraud laws of that jurisdiction, or
 - (c) the antitrust or restraint of trade laws of that jurisdiction?

One box must be marked: YES NO

If "YES", the following information must be submitted as an attachment to this report for each person subject to one or more of the actions stated in Items 1. through 3. above.

- | | |
|---|---|
| 1. Full name and prior names used. | 5. Date and location of birth. |
| 2. Full birth name. | 6. Social Security Number |
| 3. Present home address. | 7. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case. |
| 4. Prior addresses (for immediate preceding 7 year period). | |

11. STATEMENT OF BANKRUPTCY, RECEIVERSHIP or CHARTER REVOCATION (A.R.S. §§10-202.D.2, 10-3202.D.2, 10-1623 & 10-11623)

A) Has the corporation filed a petition for bankruptcy or appointed a receiver? One box must be marked: YES NO

B) Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity OR held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any other corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

[Underlined portion pertains to business corporations only] One box must be marked: YES NO

If "YES" to A and/or B, the following information must be submitted as an attachment to this report for each person subject to the statement above.

1. The names and addresses of each corporation and the person or persons involved. (e.g. officer, director, trustee or major stockholder)
2. The state in which each corporation was a) incorporated b) transacted business.
3. The dates of corporate operation.
4. If any involved person (listed in #1) has been involved in any other bankruptcy proceeding within the past year, the name and address of each corporation.
5. Date, Case number and Court where the bankruptcy was filed or receiver appointed.
6. Name and address of court appointed receiver.

12. SIGNATURES: Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

I declare, under penalty of law that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have been filed with the Arizona Department of Revenue. I further declare under penalty of law that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name Melvin Beams Date 1-12-07 Name _____ Date _____

Signature Melvin Beams Signature _____

Title President Title _____

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG



ARIZONA CORPORATION COMMISSION

December 12, 2006

BRIAN C. McNEIL
Executive Director
RECEIVED

2006 DEC 12 P 3:11

ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

CERTIFIED MAIL

Ms. Pat Ives
Cuddy, Kennedy, Albetta, Ives
1701 Old Pecos Trail
Santa Fe, New Mexico 87502

RE: STAFF'S LETTER OF INSUFFICIENCY AND SECOND SET OF DATA REQUESTS TO VALUTEL COMMUNICATIONS, INC. DOCKET NO. T-04312A-05-0295

Dear Ms. Ives:

On April 20, 2005, ValuTel Communications, Inc. ("ValuTel") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide telecommunications services in the State of Arizona. The application is not yet sufficient. This data request lists the information Staff needs to complete its analysis of your application. Please consider this as Staff's second set of data requests to ValuTel in the above-referenced matter.

For purpose of this data request set, the words "ValuTel", the "Company", "you", and "your" refer to ValuTel Communications, Inc. and any representative, including every person and/or entity acting with, under the control of, or on behalf of ValuTel Communications, Inc. For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

Please provide Docket Control with the information being requested within 10 days of the date of this letter. Please mail an original plus 13 copies to: Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, Arizona 85007. If no response is received or all deficiencies are not remedied within 30 days, Staff will recommend that the application be terminated pursuant to A.A.C. R14-2-1103(B)3 and A.A.C. R14-2-510(E)3. If the application is terminated, the Applicant cannot provide the same telecommunication services in Arizona for which it is currently applying, until such time as a new application is filed with and approved by the Commission.

STAFF'S SECOND SET OF DATA REQUESTS TO
VALUTEL COMMUNICATIONS, INC.
DOCKET NO. T-04312A-05-0295

Please make certain that each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

- 1-1. Please specify the type of service for which ValuTel is applying for a CC&N. Please refer to the section A-1 of the application.
- 1-2. In its response to question (A-18) of the application, the Applicant provided a list of the states in which it has applied for authority to provide telecommunications services. Please supplement this data by specifying the rates that the Company proposes to charge for the services that it intends to offer in the other jurisdictions. If there is a difference between the rates that the Company Proposes to charge in other jurisdictions for similar services, please identify and indicate the amount of the difference and provide an explanation for the difference in the rates in Arizona.
- 1-3. Please submit a copy of ValuTel's Certificate of Good Standing as a domestic or foreign corporation in Arizona. Refer to question (A-8-1) of the application form. The documentation submitted does not provide verification that the company is in good standing in the State of Arizona.
- 1-4. Please indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access. Refer to question (A-13) of the application form.
- 1-5. Please provide responses to question (B-4) 1-5 of the application form.
- 1-6. Please provide a response to question (D-1) of the application form.
- 1-7. Please submit a copy of ValuTel's updated financial information.
- 1-8. If Applicable, please provide a copy of ValuTel's updated proposed tariff.

12-18-08 14:46

From-The Cuddy Firm

+5059547373

T-121 P.03/04 F-658

Pat Ives

Docket No. T-04312A-05-0295

Page 2

Remember that information submitted for a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 364-0235. Thank you for your prompt response to this request.

Respectfully,



Candrea Allen
Executive Consultant I
Utilities Division

Enclosure(s)

cc: Docket Control Center

ValuTel Communications, Inc.
13809 N Highway 183, Suite 705
Austin, Texas 78750-1246

December 19, 2006

Arizona Corporation Commission
Corporations Division
1300 W. Washington
Phoenix, AZ 85007-2927

RE: Docket No. T-04312A-05-0295
Data Request for ValuTel Communications, Inc.

Dear Sirs,

In response to the letter request of December 12, 2006 ValuTel is hereby responding to Staffs data request.

Question 1-1. The type of service for which ValuTel applied for a CC&N. ValuTel applied in (A-1) for both Resold Long Distance Telecommunications Services and Resold Local Exchange Telecommunications Services.

Section (A-2). The mailing address has not change and is:

ValuTel Communications, Inc.
13809 N Highway 183, Suite 705
Austin, TX 78750-1246
1-512-249-7787
Fax, 1-512-249-7774
Email; customerservice@vcimail.com

Section (A-3). The dba is ValuTel Communications

Section (A-4). Applicant's name and address:

Melvin Reams
President
ValuTel Communications
13809 N Highway 183, Suite 705
Austin, Texas 78750-1246
1-512-249-7787
Fax; 1-512-249-7774
melvin@vcimail.com

Section (A-5). Applicant's Attorney:
Ms. Pat Ives
Cuddy, Kennedy, Albetta, Ives
1701 Old Pecos Trail
Santa Fe, New Mexico 87502
1-505-988-4476
Fax 1-505-954-7373
pives@cuddylaw.com

Section (A-6). Applicant's Complaint Contact Person:
Anne Gilpin
9301 Indian School Road NE, Suite 201
Albuquerque, NM 87112
1-505-271-9008
Fax 1-505-237-9230
Customerservice@vcimail.com

Section (A-7). Type of Entity:
"C" Corporation

Section (A-8). Attachment "A"
1. Certificate of Good standing Attached.
2. & 3. Names of Officers and Directors
Tim Keefer CEO 50% owner
Melvin Reams President 50% owner

Section (A-9) Tariff
Original Tariff filed in Docket No. T-04312A-05-0295
has not been change or revised.

Section (A-10) Geographic market, State of Arizona.

Section (A-11) N/A

Section (A-12) N/A

Section (A-13) Applicant's customers may choose to access alternative toll
service providers or resellers via 1+101XXXX access.

Section (A-14) & Section (A-15) Applicant is not posting Performance Bonds
for local service or long distance service. ValuTel bills customers
on a month to month bases.

Section (A-16) N/A Submitted for Docket T-04312A-05-0295.

Section (A-17) ValuTel is a Switchless reseller of Qwest Communications

Telecommunications services.

Section (A-18) & (A-19). ValuTel Communications currently provides Telecommunications services in New Mexico.

Section (A-20) N/A

B. Financial Information

Section (B-1) Applicant prepares Annual Financial Statements.

Section (B-2) Attachment "D" provided.

Section (B-3) N/A

Section (B-4) 1. Projected Revenues for 2007 is \$3,000.00.
2. Projected Operating Expenses \$2,500.00.
3, 4, & 5. Arizona Assets None, Reseller only, no assets.

C. Resold and/or Facilities – Based Local Exchange Telecommunications Services

Section (C-1) The Docket No. for Resale Agreement is T-01051B-06-0108 & T-04312A-06-0108

- 1-2. ValuTel Communications provides a standard local exchange service line (POTS) at the rate noted in Arizona Tariff No. 1, Original Page No. 1.
- 1-3. ValuTel Certificate of Good Standing as a domestic corporation in Arizona is Attached in (A-8-1).
- 1-4. ValuTel customers will have the choice of having 1+101XXXX access.
- 1-5. See Section (B-4).
- 1-6. (D-1) ValuTel Communications, Inc. is a reseller and is not planning at this time to install facilities in Arizona.
- 1-7. ValuTel Communications, Inc. has attached a recent Financial Statement.
- 1-8. N/A. No changes to the ValuTel Communications, Inc. Tariff planned at this time.

For additional information call me at 1-512-249-7787.

Sincerely,

A handwritten signature in cursive script that reads "Melvin Reams". The signature is fluid and connected, with a prominent loop at the end of the last name.

Melvin Reams
President
melvin@vcimail.com

1:33 PM
01/11/07
Accrual Basis

ValuTel
Summary Balance Sheet
As of December 31, 2006

	<u>Dec 31, 06</u>
ASSETS	
Current Assets	
Checking/Savings	29,878.61
Accounts Receivable	186,866.59
Other Current Assets	18.00
Total Current Assets	<u>216,763.20</u>
Fixed Assets	43,204.92
Other Assets	10,204.75
TOTAL ASSETS	<u>270,172.87</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	124,982.94
Other Current Liabilities	24,565.52
Total Current Liabilities	<u>149,548.46</u>
Total Liabilities	149,548.46
Equity	<u>120,624.41</u>
TOTAL LIABILITIES & EQUITY	<u>270,172.87</u>

1:38 PM
01/11/07
Accrual Basis

VáluTel
Profit & Loss
January through December 2006

	Jan - Dec 06
Ordinary Income/Expense	
Income	
Late & Finance Charges	5,844.82
Sur-Charges	335,597.36
Telecommunications	956,780.81
Total Income	1,298,222.99
Cost of Goods Sold	
End Office Costs	46,302.12
ISP Costs	25,458.74
Service & Sur-Charge Cost	722,769.07
Voice Mail Cost	7,368.84
Total COGS	801,898.77
Gross Profit	496,324.22
Expense	
Advertising	1,323.19
Automobile Expense	172.17
Bank & Late Charges	1,590.63
Commissions	8,709.92
Dues and Subscriptions	2,823.76
Equipment Rental	378.38
Insurance	3,987.89
Interest Expense	3,057.80
ISP Supplies	105.53
Licenses, Permits & Surcharges	785.14
Management Fees	419,000.00
Miscellaneous	615.71
Office Rent	22,378.17
Office Supplies	6,456.18
Postage and Delivery	748.44
Professional Fees	5,493.44
Repairs	258.22
Software / Updates	873.64
Taxes	261.34
Telephone / Cellular / Pager	3,103.34
Travel & Lodging	3,976.48
Write-Off	14,111.89
Total Expense	500,211.26
Net Ordinary Income	-3,887.04
Net Income	<u>-3,887.04</u>

COPY

ValuTel Communications, Inc.
13809 N Highway 183, Suite 705
Austin, Texas 78750-1246

January 29, 2007

Arizona Corporation Commission
DOCKETED

FEB 06 2007

State of Arizona Corporation Commission
C/O Annual Reports – Corporations Div.
1300 West Washington
Phoenix, AZ 85007-2929

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KK	

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F-1174221-9 Corporation Annual Report.

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Sincerely,



Melvin Reams
President