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**MEMORANDUM
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Director
Utilities Division

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Arizona Corporation Commission
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DATE: December 16, 2008

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RE: IN THE MATTER OF THE APPLICATION OF VANCO DIRECT USA, LLC. FOR APPROVAL OF A CERTIFICATE OF NECESSITY AND CONVENIENCE TO PROVIDE RESOLD LONG DISTANCE TELECOMMUNICATIONS SERVICES AND RESOLD LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-20404A-05-0599)

IN THE MATTER OF THE APPLICATION OF VANCO DIRECT USA, LLC FOR APPROVAL TO INFORM THE COMMISSION OF A FINANCING TRANSACTION FILED ON APRIL 27, 2007 (DOCKET NO. T-20404A-07-0261)

Introduction

On August 22, 2005, Vanco Direct USA, LLC ("Vanco" or "Applicant") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide resold long distance and resold local exchange telecommunications services within the State of Arizona. Vanco filed a notice of indebtedness on April 27, 2007 informing the Arizona Corporation Commission of a financing transaction between Lloyds TSB Bank plc ("Lloyds Bank") and Vanco.

By Procedural Order dated June 5, 2007, the CC&N Application and the Notice of Indebtedness were consolidated. On October 11, 2007, Staff filed Staff reports recommending approval and conditional approval on the CC&N Application and the Notice of Indebtedness, respectively.

On January 24, 2008, Vanco was directed by Procedural Order to file "an update concerning its readiness to proceed in this matter" by April 1, 2008. That same Procedural Order directed Staff to file its recommendations concerning how to proceed in this matter by April 15, 2008 and to address whether Vanco's applications should be dismissed.

On April 3, 2008, Vanco filed its update indicating that it has decided to go forward with its Application for Authority and for approval of their Notice of Indebtedness, that it is seeking local counsel to represent them in this matter and that it will advise the Commission within 15 days of Vanco's local counsel retention.

On April 17, 2008, Staff's report recommended that this proceeding continue and not be dismissed.

On December 4, 2008, Vanco filed a request to withdraw without prejudice its CC&N application. The withdrawal filing did not specify withdrawal of the Notice of Indebtedness application which was consolidated with the CC&N application on June 5, 2007, however, withdrawal of the CC&N application renders the Notice of Indebtedness application moot.

Staff Recommendation

Staff recommends that the consolidated dockets be closed.

EGJ:AFF:kdh

Originator: Armando Fimbres

Attachment: Original and Thirteen Copies

SERVICE LIST FOR: VANCO DIRECT USA, LLC
DOCKET NOS. T-20404A-05-0599 and T-20404A-07-0261

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