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Cordia Corporation

445 Hamilton Avenue - Suite # 601

White Plains, NY 10601

RECEIVED

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ORIGINAL

2009 APR 15 P 2: 11

March 31, 2009

AZ CORP COMMISSION
DOCKET CONTROL

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

Re: Staff's 4th Set of Data Requests to Cordia Communications Corp.
(T-20439A-06-0076)

Dear Sir/Madam:

Enclosed please find an original and thirteen (13) copies of Cordia Communications Corp's response to Staff's 4th Set of Data Requests regarding Cordia's application to provide telecommunications service in the State of Arizona. Certain exhibits are provided electronically on CD, and will be provided in hard copy at the Commission's request.

Should you have any questions or concerns please do not hesitate to contact me.

Very truly yours,

Michael Harrington
Associate General Counsel
914.948.5550 x1093
mharrington@cordiacorp.com

Arizona Corporation Commission

DOCKETED

APR 15 2009

DOCKETED BY

**ARIZONA CORPORATION COMMISSION
STAFF'S FOURTH SET OF DATA REQUESTS TO
CORDIA COMMUNICATIONS CORP.
DOCKET NO. T-20439A-06-0076**

PJG 4-1 Please see attached spreadsheet (on CD)

PJG 4-2 Please see attached spreadsheet (on CD)

PJG 4-3 Please see attached spreadsheet (on CD)

PJG 4-4 Please see attached spreadsheet (on CD)

PJG 4-5 Please see attached spreadsheet (on CD)

PJG 4-6 Please see attached spreadsheet (on CD)

PJG 4-7 Please see attached spreadsheet (on CD)

PJG 4-8 Cordia's current mailing address is:
445 Hamilton Avenue, Suite 601
White Plains, NY 10601

Cordia's current officers are:
Kevin Griffo – President, CEO, Director
Wesly Minella – Secretary, COO, Director
Gandolfo Verra – Treasurer
Alexander Minella – Director

There have been no other changes to Cordia's information since its initial filing.

PJG 4-9 A meeting was held at the Pennsylvania Public Utility Commission on February 25, 2009 regarding this matter. The slamming complaints were discussed, and Cordia informed the Commission of its zero tolerance regarding the practice as well as its efforts to halt any such practices. The Commission is currently taking all evidence and reports into consideration while determining if any fines or penalties are warranted.

PJG 4-10 No formal proceeding was ever commenced against Cordia in this matter. The Consumer Advocate Division brought the petition on the basis of two separate alleged slams; the Iowa Utilities Board found one of the alleged slams to be a valid switch, and Cordia reached a settlement with the Consumer Advocate Division in the other matter.

PJG 4-11 Cordia in no way misrepresented material facts on its Application C-07-021 before the California Public Utilities Commission. The CPUC requested that Cordia disclose any formal enforcement proceedings that were either currently being pursued or had been pursued in the past. Cordia complied with this request, fully disclosing any and all formal proceedings. The CPUC responded with allegations that FCC slamming complaints (which Cordia did not disclose) were, in their opinion, considered formal proceedings. Cordia misunderstood this request, claiming that the FCC complaints were received and answered on a day to day basis and did not constitute formal proceedings, much the same as complaints that come from the state level. Due to Cordia's failure to disclose these matters the CPUC felt there had been a misrepresentation of material facts, when there had been a mere misunderstanding of the data the Commission was requesting. Cordia then offered to provide full detail regarding the FCC complaints to the Commission, but a lengthy (and costly) process would have been involved in order to fully remediate the situation. In light of these obstacles Cordia felt that it would be a more prudent business move to simply withdraw the Application.

PJG 4-12 (1) If all allegations in the 23 FCC Complaints during 2008 were proven to be true, they would be considered violations of the Arizona Corporation Commission's R14-2-1901. While in some instances an alleged unauthorized change did occur, in many of the complaints the change was valid and was deemed so by the FCC.

(2) In response to these FCC complaints and to similar complaints received from agencies at the state level, Cordia has instituted a zero-tolerance policy when it comes to any misrepresentation to a customer. If the allegation is found to be valid, the representative responsible is terminated on the spot. Each representative employed by Cordia is required to undergo extensive training in which they are instructed as to what is/is not acceptable, and each representative is required to sign a document acknowledging such before they are permitted to do any live calling. Cordia feels that these measures will significantly decrease these occurrences in the future.

PJG 4-13 Please see attached.

PJG 4-14 Cordia Communications Corp. is a subsidiary of Cordia Corporation. Attached is the Consolidated Balance Sheet for Cordia Corporation and its subsidiaries for 2007 and 2008, as well as the Balance Sheet and Statement of Operations for Cordia Communications Corp. for 2008.

PJG 4-15 Please see attached.

PJG 4-16 Please see attached.

PJG 4-17 Please see attached.

PJG 4-18 Please see attached.

PJG 4-19 Patrick Freeman is no longer CTO of Cordia. Wesly Minella is COO and Secretary, while Kevin Griffo is President and CEO. While we no longer have the full resume of Mr. Griffo in our records, the following excerpt from our annual proxy statement should provide some insight.

Mr. Griffo has over twenty (20) years experience in the telecommunications industry and has served as Chief Operating Officer and President of Cordia Corporation since September 2005. In January of 2009, Mr. Griffo was also selected to serve as the Company's Chief Executive Officer. Prior to his service with Cordia Corporation, Mr. Griffo served as Executive Vice President for Talk America Holdings, Inc., as well as President of Access One Communications, Inc.

PJG 4-20 Please see attached spreadsheet (on CD). Any price differences from carrier to carrier relate mainly to differing costs in maintenance and overhead, and do not reflect a departure from the industry standards.

PJG 4-21 Please see attached spreadsheet (on CD). Any price differences from state to state relate mainly to differing surcharges and regulations, and do not reflect a departure from the industry standards.

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Michael P. Kearns, Interim Executive Director of the Arizona Corporation Commission, do hereby certify that

*****CORDIA COMMUNICATIONS CORP.*****

a foreign corporation organized under the laws of Nevada did obtain authority to transact business in the State of Arizona on the 12th day of October 2004.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 17th Day of March, 2009, A. D.




Interim Executive Director

Order Number: 323982

**CORDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	December 31,	
ASSETS	2008	2007
Current Assets		
Cash and cash equivalents	\$ 572,289	\$ 999,039
Cash - restricted	142,040	173,848
Accounts receivable, less allowance for doubtful accounts of \$2,356,476 (2008) and \$2,002,823 (2007)	3,356,428	2,178,984
Inventory	672,081	
Prepaid expenses and other current assets	1,731,516	1,427,093
Accrued usage receivable	184,044	314,215
TOTAL CURRENT ASSETS	6,658,398	5,093,179
Property and equipment, at cost		
Office and computer equipment	2,472,432	2,006,879
Computer software	1,994,591	2,059,386
Leasehold improvements	399,366	561,905
	4,866,389	4,627,770
Less: Accumulated depreciation/amortization	2,886,079	2,237,604
NET PROPERTY AND EQUIPMENT	1,980,311	2,390,166
Other Assets		
Goodwill	4,515,094	3,398,972
Security deposits and other assets	1,666,072	861,791
Investment in unconsolidated affiliates	429,151	336,541
TOTAL OTHER ASSETS	6,610,297	4,597,304
TOTAL ASSETS	\$ 15,249,006	\$ 12,080,649
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current Liabilities		
Capital lease obligations, current portion	\$ 13,994	\$ 12,953
Note payable, current portion	1,821,619	557,062
Accounts payable	8,355,723	4,018,814
Accrued expenses	1,246,214	939,769
Billed taxes payable	9,930,463	8,029,921
Deferred revenue	1,359,275	1,315,900
TOTAL CURRENT LIABILITIES	22,727,288	14,874,419
Noncurrent Liabilities		
Deferred rent	86,177	82,378
Deferred income tax liability	-	2,004
Notes Payable, net of current portion	467,383	1,058,804
Capital lease obligation, net of current portion	11,228	25,221
TOTAL NONCURRENT LIABILITIES	567,788	1,168,407
MINORITY INTEREST IN SUBSIDIARY	1,300	-
COMMITMENTS AND CONTINGENCIES		
Stockholders' (Deficit)		
Preferred stock, \$.001 par value; 5,000,000 shares authorized, none issued	-	-
Common stock, \$.001 par value; 100,000,000 shares authorized, 7,556,574 (2008) and 6,916,574 (2007) shares issued	7,567	6,917
Additional paid-in capital	7,251,096	6,707,581
Comprehensive income (loss)	97,006	(48,121)
Accumulated deficit	(15,055,934)	(10,307,761)
	(7,700,265)	(3,641,384)
Less: Treasury stock, at cost, 622,642 (2008) and 589,186 (2007) common shares	(340,769)	(320,793)
TOTAL STOCKHOLDERS' (DEFICIT)	(8,041,034)	(3,982,177)
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	\$ 15,249,006	\$ 12,080,649

See notes to consolidated financial statements.

**CORDIA COMMUNICATIONS CORP.
BALANCE SHEET**

December 31
2008

ASSETS

Current Assets

Cash	\$ 122,977
Accounts receivable, less allowance	142,938
Loans receivable from affiliates	15,228,752
Accrued usage receivable	945,680
TOTAL CURRENT ASSETS	16,440,347

Property Plant and Equipment

1,234,000

Other Assets

240,689

TOTAL ASSETS

\$ 17,915,036

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Current portion, notes payable	\$ 13,994
Accounts payable	4,453,137
Accrued Expenses	8,821,735
Unearned income	1,047,594
Loans payable to affiliates	2,598,496
Other current liabilities	14,000
TOTAL CURRENT LIABILITIES	16,948,956

Noncurrent Liabilities

97,405

COMMITMENTS AND CONTINGENCIES

Stockholders' Equity

Additional paid-in capital	39,647
Retained earnings	829,028
TOTAL STOCKHOLDERS' EQUITY	868,675
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 17,915,036

CORDIA COMMUNICATIONS CORP.
STATEMENT OF OPERATIONS

Revenues	\$ 33,220,571
Cost of Revenues	<u>18,758,918</u>
Gross Profit	<u>14,461,653</u>
Operating Expenses	
Sales and marketing	3,456,177
Provision for doubtful accounts	3,032,666
General and administrative	6,696,542
Depreciation and Amortization	947,911
	<u>14,133,296</u>
Operating Income (Loss)	<u>328,357</u>
Other Income (Expenses)	
Other income (express)	(1,055,849)
Interest income	2,840
Interest (expense)	(688,438)
Other Income (Expenses)	<u>(1,741,447)</u>
Income (loss) before Income Taxes	(1,413,090)
Income Tax	27,509
Net Income (Loss)	<u>\$ (1,440,599)</u>

SECTION 11 – CURRENT PRICE LIST, (CONT'D.)**11.16 Local Directory Assistance, per query**

Local Directory Assistance	
Direct dialed	\$1.15
Operator Assisted	\$3.45

11.17 Directory Listings Monthly Rates

	Business	Residential
Non-Listed	\$1.20	\$1.30
Non-Published	\$1.55	\$1.65
Additional Listings	\$2.50	\$1.25
Foreign Listings	\$2.50	\$1.25

11.18 Operator Services

Per Call Service Charges	Business	Residential
Customer Dialed Calling Card, automated	\$2.00	\$2.00
Customer Dialed Calling Card, operator assisted	\$3.00	\$3.00
Operator Assisted Station-to-Station, partially	\$2.30	\$2.30
Operator Assisted Station-to-Station, fully	\$2.80	\$2.80
Operator Assisted Person-to-Person, partially	\$4.50	\$4.50
Operator Assisted Person-to-Person, fully	\$6.00	\$6.00

11.19 Busy Line Verification

	Business	Residential
Busy Verification Charge, each request:	\$3.00	\$3.00
Busy Line Interrupt, each request:	\$6.00	\$6.00

11.20 Returned Check Charge

Returned Check Charge, per occurrence	\$35.00
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Issued: February 8, 2006

Effective:

Issued by: Mr. Wesly Minella, President
445 Hamilton Avenue, Suite 408
White Plains, NY 10601

AZL0600

SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)

4.5 Public Telephone Surcharge

In order to recover Company expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all intrastate calls that originate from any pay telephone used to access Company provided services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with service, applies for the use of the instrument used to access Company provided service and is unrelated to the service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (e.g., using the "#" symbol). The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

Rate Per Call:

MAXIMUM
\$0.60

Issued: February 8, 2006

Effective:

Issued by: Mr. Wesly Minella, President
445 Hamilton Avenue, Suite 408
White Plains, NY 10601

AZL0600

SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)**5.2 Basic Local Exchange Service**

Basic Local Exchange Service provides Customers with analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time. Lines are provided for the connection of Customer-provided wiring, telephone, facsimile machines or other station equipment. Intrastate and interstate direct dial outbound and inbound toll and long distance calling is available as an option.

5.2.1 Flat Rate Service

Customers receive unlimited calling within their local calling area. No usage charges apply to calls placed to or received from areas within the local calling area.

Flat Rate Service Rates , per month, per line:

	MAXIMUM Business	MAXIMUM Residential
Initial Line	\$30.40	\$13.18
Additional Line	\$30.40	\$13.18

5.2.2 Message Rate Service

Message Rate Service consists of two components:

- 1. Access Line Charge** - The Access Line provides Customers with access to the telephone network.
- 2. Local Usage** - Customers receive a message allowance per month per line for calls placed to areas within the local calling area. Usage in excess of the allowance is billed on a per call basis.

Message Monthly Usage Rates, per line:	MAXIMUM Business	MAXIMUM Residential
Initial Line	N/A	\$17.00
Additional Line	N/A	\$17.00

Issued: February 8, 2006

Effective:

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445 Hamilton Avenue, Suite 408
White Plains, NY 10601

AZL0600

ARIZONA
LOCAL EXCHANGE AND LONG DISTANCE TELECOMMUNICATIONS SERVICES TARIFF
OF
Cordia Communications Corp.

This tariff contains the descriptions, regulations, and rates applicable to the provision of local exchange telecommunications services provided by Cordia Communications Corp., with principal offices at 445 Hamilton Avenue, Suite 408, White Plains, New York 10601, for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued: February 8, 2006

Effective:

**Issued by: Mr. Wesly Minella, President
445 Hamilton Avenue, Suite 408
White Plains, NY 10601**

AZL0600