

ORIGINAL



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NEW APPLICATION

September 11, 2015  
Via Overnight Delivery

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

T-20918A-15-0327

**RE: Talk America Services, LLC  
Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services to Include Facilities-Based Local Exchange Telecommunications Services**

Dear Sir or Madam:

Enclosed for filing please find the original and thirteen (13) copies of the Application and Petition for Certificate of Convenience and Necessity submitted on behalf of Talk America Services, LLC. Talk America Services, LLC was granted authority as a Resold Long Distance Telecommunications Provider and Resold Local Exchange Provider in Docket No. T-20198A-14-0342 on February 9, 2015. With this Application, Talk America Services is requesting expanded authority to include Facilities-Based Local Exchange Services.

Talk America Services is requesting confidential treatment of its financial statements which are required as Exhibit D of this Application. The Company holds its financial statements highly confidential and proprietary. As such it respectfully requests a Protective Agreement prior to releasing this information.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3031 or via email to sthomas@tminc.com. Thank you for your assistance in this matter.

Sincerely,

Sharon Thomas  
Consultant to Talk America Services, LLC

file: Talk America Services - Arizona - Local  
tms: AZI1505

Enclosures  
ST/im

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Arizona Corporation Commission  
**DOCKETED**

SEP 14 2015

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ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to: For Docket Control Only:  
(Please Stamp Here)

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

Please indicate if you have current applications pending  
in Arizona as an Interexchange reseller, AOS provider,  
or as the provider of other telecommunication services.

**Talk America Services, LLC has been granted authority to provide the following services in Arizona:**

Type of Service: Resold Long Distance Telecommunications Service

Docket No.: T-20918A-14-0342 Date: February 9, 2015 Date Docketed: September 19, 2014  
Decision Number 74943

Type of Service: Resold Local Exchange Telecommunications Services

Docket No.: T-20918A-14-0342 Date: February 9, 2015 Date Docketed: September 19, 2014  
Decision Number 74943

**A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION**

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other \_\_\_\_\_ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

**Talk America Services, LLC**  
**10802 Executive Center Drive**  
**Benton Building Suite 300**  
**Little Rock, AR 72211**  
**Telephone: (501) 850-0820**  
**Fax Number: (501) 537-0769**  
**Website: www.talkamericaservices.com**

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

N/A

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

**Jeffery W. Small, Senior Vice President - Corporate Development and Operations**  
**Talk America Services, LLC**  
**10802 Executive Center Drive**  
**Benton Building Suite 300**  
**Little Rock, AR 72211**

**Telephone:** (501) 748-5870  
**Fax Number:** (501) 537-0769  
**Email:** jeff.small@cslreit.com  
**Website:** www.talkamericaservices.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

**Sharon Thomas, Consultant to Talk America Services, LLC**  
**Technologies Management, Inc.**  
**2600 Maitland Center Parkway, Suite 300**  
**Maitland, FL 32751**

**Telephone:** (407) 740-3031  
**Fax Number:** (407) 740-0613  
**Email:** sthomas@tminc.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

**James Severance**  
**Talk America Services, LLC**  
**2134 W. Laburnum Avenue**  
**Richmond, VA 23227**  
**Telephone:** (804) 422-4729  
**Fax Number:** (330) 425-0881  
**Email:** james.severance@windstream.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

Sole proprietorship

Partnership:  Limited,  General,  Arizona,  Foreign

Limited Liability Company:  Arizona,  Foreign

Corporation:  "S",  "C",  Non-profit

Other, specify: \_\_\_\_\_

<p>(A-8) Please include "Attachment A": Attachment "A" <u>must</u> include the following information:</p> <ol style="list-style-type: none"> <li>1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.</li> <li>2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).</li> <li>3. Indicate percentages of ownership of each person listed in A-8.2.</li> </ol> <p><b>Please see Attachment A.</b></p>
<p>(A-9) Include your Tariff as "Attachment B".</p> <p>Your Tariff <u>must</u> include the following information: The Company has an approved local exchange tariff on file with the Commission.</p> <ol style="list-style-type: none"> <li>1. Proposed Rates and Charges for each service offered (reference by Tariff page number).</li> <li>2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).</li> <li>3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).</li> <li>4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).</li> <li>5. The proposed fee that will be charged for returned checks (reference by Tariff page number).</li> </ol> <p><b>The Company's current local exchange and long distance services tariff, Arizona C.C. Tariff No. 1, is already on file with the Commission. No changes are proposed to that tariff. The Company has attached a proposed Access Services tariff as Attachment B.</b></p>
<p>(A-10) Indicate the geographic market to be served:</p> <p><input checked="" type="checkbox"/> Statewide. (Applicant adopts statewide map of Arizona provided with this application).</p> <p><input type="checkbox"/> Other. Describe and provide a detailed map depicting the area.</p>
<p>(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings before any state or federal regulatory commission, administrative agency, or law enforcement agency.</p> <p>Describe in detail any such involvement. Please make sure you provide the following information:</p> <ol style="list-style-type: none"> <li>1. States in which the Applicant has been or is involved in proceedings.</li> <li>2. Detailed explanations of the Substance of the Complaints.</li> <li>3. Commission Orders that resolved any and all Complaints.</li> <li>4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.</li> </ol> <p><b>Neither Applicant nor its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings before any state or federal regulatory commission, administrative agency, or law enforcement agency.</b></p>

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

**Neither Applicant nor any of its Officers, Directors, Partners, or Managers have been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or have been convicted of any criminal acts within the last ten (10) years.**

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

**Consistent with current Commission practice, the Applicant does not believe that a bond is required. The Applicant's deposit policy is set forth in its tariff on file with the Commission, Arizona C.C. Tariff No. 1, Sheet No.25.**

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

**The Applicant will submit copies of the affidavits of publication for its legal notice, as directed by the Commission.**

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

Yes

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

**The Applicant is currently reselling the services of the following carriers:**

1. **McLeodUSA Telecommunications Services, LLC**
2. **Paetec Communications, Inc.**
3. **Talk America Inc.**
4. **Windstream Communications Inc.**

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

**Talk America Services, LLC has authority to provide resold local and interexchange telecommunications services in all states with the exception of Alaska, California and Hawaii. Additionally, the Applicant is authorized to provide facilities-based local exchange service in all states except Alaska, California and Hawaii (where it has no current plans to operate); Alabama, Arkansas, Connecticut, Georgia, Illinois, Indiana, Louisiana, Massachusetts, Maryland, Mississippi, New Mexico, New York, Tennessee, Texas and Utah. Talk America Services is in the process of filing applications to amend its authority in those states to include facilities-based local exchange service.**

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

**The Applicant currently offers local exchange and interexchange service via resale in all states except Alaska, California and Hawaii. It is not currently offering local services on a facilities-based platform in any state. Descriptions of the Applicant's key personnel are included in Attachment C.**

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

**None.**

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance
- Decision # 64178 Facilities Based LEC

#### B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

- Yes                       No

If "No," explain why and give the date on which the Applicant began operations.

**The Applicant was formed on June 27, 2014. Applicant began operating in the State of Arizona in April, 2015.**

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

**See response to Question B-1. Financial statements are provided as Attachment D.**

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

**The Applicant does not intend to rely on the financial resources of its sole member.**

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

**Estimated total 12-months revenue from all services sold to Arizona customers (including intrastate and interstate services) is \$17,000.**

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

**Estimated operating expenses for the first 12 months of providing service to Arizona customers is \$11,900.**

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

**The Applicant does not expect to have any Arizona jurisdictional assets; accordingly, the estimated net book value of Arizona jurisdictional assets is \$0.**

4. If the projected value of all assets is zero, please specifically state this in your response.

**The projected value of Arizona jurisdictional assets is \$0.**

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

**Not applicable.**

(C-1) Indicate if the Applicant has a resale agreement in operation,

Yes                       No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

**The Company does not resell services of incumbent LECs; accordingly, it does not have a resale agreement that is filed with the Commission. The Company does have a resale agreement with its underlying wholesale providers, which are all CLEC subsidiaries of Windstream Communications.**

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes                                       No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona.

**Applicant intends to begin to provide facilities-based local exchange services (in addition to the resold local exchange and interexchange services it already provides) within 12 months of receiving approval.**

**E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

Yes                                       No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

Yes                                       No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

Yes                                       No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Organization is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Jeffery Small  
(Signature of Authorized Representative)

9/4/2015  
(Date)

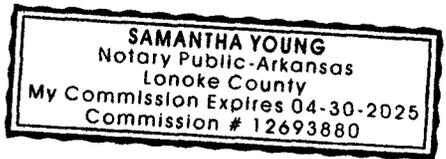
Jeffery W. Small  
(Print Name of Authorized Representative)

Senior Vice President, Corporate Development and Operations  
(Title)

SUBSCRIBED AND SWORN to before me this 4 day of September, 2015.

Samantha Young  
NOTARY PUBLIC

My Commission Expires 4-30-2025



## **Attachment A**

- 1) A copy of Applicant's Certificate of Good Standing is attached.
- 3) The officers are:

Francis ("Skip") X. Franz  
Kenny Gunderman  
Jeffery W. Small  
Mark A. Wallace

The sole member, Communications Sales & Leasing, Inc., is a Maryland corporation.

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*TALK AMERICA SERVICES, LLC\*\*\***

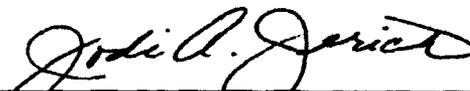
a foreign limited liability company organized under the laws of the jurisdiction of Delaware did obtain a Certificate of Registration in Arizona on the 22nd day of August 2014.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation 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 19th Day of September, 2014, A. D.



  
\_\_\_\_\_  
Jodi A. Jerich, Executive Director

By: \_\_\_\_\_ 1124691

# Delaware

PAGE 1

*The First State*

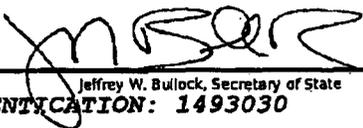
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "TALK AMERICA SERVICES, LLC", FILED IN THIS OFFICE ON THE TWENTY-SEVENTH DAY OF JUNE, A.D. 2014, AT 10:58 O'CLOCK A.M.



5559703 8100

140892651

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 1493030

DATE: 06-27-14

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 10:58 AM 06/27/2014  
FILED 10:58 AM 06/27/2014  
SRV 140892651 - 5559703 FILE

CERTIFICATE OF FORMATION  
OF  
TALK AMERICA SERVICES, LLC

1. The name of the limited liability company is Talk America Services, LLC.
2. The address of its registered office in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation this 27<sup>th</sup> day of June, 2014.

By:   
Name: Deborah M. Reusch  
Title: Authorized Person

## **Attachment B**

### **Proposed Access Services Tariff**

An access tariff will be provided upon approval of this Application

**Attachment C**

**Management Profiles**

### **Francis X. ("Skip") Frantz - Chairman of the Board**

Francis X. ("Skip") Frantz is the Chairman of the Board of Directors for Communications Sales and Leasing, Inc. Previously, Mr. Frantz served as a director of Windstream since 2006 and served as Chairman of the Audit Committee. From July 2006 to February 2010, he served as Chairman of the Windstream Board. Mr. Frantz has served as Chairman of Central Bank (a community bank) in Little Rock, Arkansas) since February 2007, and also serves as a director of a number of privately held companies. Prior to January 2006, Mr. Frantz was Executive Vice President-External Affairs, General Counsel and Secretary of Alltel Corporation. Mr. Frantz joined Alltel in 1990 as senior Vice President and General Counsel and was appointed Secretary in January 1992 and Executive Vice President in July 1998. While with Alltel, he was responsible for Alltel's mergers and acquisitions negotiations, wholesale services group, federal and state government and external affairs, in addition to serving as Alltel's Chief Legal Officer. Mr. Frantz served as the 2006 and 2007 Chairman of the Board and of the Executive Committee of the United States Telecom Association.

### **Kenny Gunderman, Chief Executive Officer**

Prior to joining Talk America Services, LLC, in March 2015, Mr. Gunderman joined Stephens Inc. in 2006 as a senior telecom banker. In February 2007, he was named co-head of investment banking and his responsibilities were expanded to include strategic direction for the investment banking department. While at Stephens, he advised on many of the firm's notable investment banking transactions. His experience includes substantial public and private company advisory and financings.

Prior to his employment at Stephens, Gunderman was a member of the telecom investment banking group at Lehman Brothers, where he advised on various transactions and financings totaling more than \$125 billion. He previously worked at KPMG as a CPA and holds an MBA from Yale and a bachelor of arts degree from Hendrix College.

### **Jeffery W. Small - Senior Vice President - Corporate Development and Operations**

Jeff Small is Senior Vice President of Corporate Development and Operations for Communications Sales & Leasing, Inc. Jeff is responsible for lease administration of the real estate portfolio and is the senior leader of the consumer CLEC operations of Talk America. Previously, Mr. Small was Vice President of procurement and carrier service delivery at Windstream with responsibilities for supply chain management, procurement strategy and vendor management, and oversight of the service delivery experience for a full portfolio of carrier communications products provided to carriers, wireless providers, cable providers and others. Jeff also held various accounting and finance leadership roles since joining the Company in 2008. Prior to joining Windstream, Jeff served for four years as the controller for Ranger Boats, Inc. and was a senior auditor with Arthur Anderson LLP for five years. Jeff holds a degree in accounting from the Arkansas State University and is a licensed certified public accountant.

## **Attachment D**

### **Financial Statements**

The Applicant is requesting confidential treatment of its financial statements.

Financial statements will be provided upon receipt of a Commission-issued Protective Agreement.