

ORIGINAL

OPEN MEETING

MEMORANDUM



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TO: THE COMMISSION

2015 JUL 23 A 10: 30

FROM: Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

DATE: July 23, 2015

RE: IN THE MATTER OF THE CANCELLATION OF A CERTIFICATE OF CONVENIENCE AND NECESSITY OF IBFA ACQUISITION COMPANY, LLC. (DOCKET NO. T-04314A-15-0195)

Arizona Corporation Commission
DOCKETED

JUL 23 2015

INTRODUCTION

DOCKETED BY	MLB
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On June 11, 2015, Staff requested Docket No. T-04314A-15-0195 be opened to effect the cancellation of the Certificate of Convenience and Necessity ("CC&N") of IBFA Acquisition Company, LLC ("IBFA").

BACKGROUND

IBFA was granted a CC&N by the Arizona Corporation Commission ("Commission") to provide competitive resold interexchange telecommunications service in Decision No. 69649, dated June 6, 2007. On August 4, 2014, counsel for First Choice Technology, Inc. ("First Choice") and the duly appointed Receiver for IBFA together filed a letter in Docket Nos. T-20400A-14-0296 and T-04314A-14-0296 (the Acquisition Docket¹) to notify the Commission of a Purchase Agreement whereby First Choice acquired substantially all the long distance customer assets of IBFA.¹ As a result of this transaction, IBFA no longer has any customers in Arizona. IBFA has not submitted an application to request a cancellation of its CC&N interexchange service.

During the course of the proceeding in the Acquisition Dockets, Staff made several attempts to reach the last known contact of IBFA. A voicemail left at the contact telephone number received no response nor did an email sent to the contact email address. A certified letter referencing the cancellation of IBFA's CC&N was mailed on October 2, 2014, to the last known contact and address. While Staff received notification that the letter had been received and signed for, it also generated no response.

Given Staff's inability to contact the IBFA representative along with the information presented in the Acquisition Dockets, Staff concluded IBFA no longer exists as a business entity in Arizona. In its Proposed Order in the Acquisition Dockets, at Finding of Fact No. 15, Staff recommended a process to commence cancellation of IBFA's CC&N. The Commission, in Decision No. 74896 dated March 16, 2015, ordered that this process should commence.

¹ In The Matter of the Application of First Choice Technology, Inc. and IBFA Acquisition Company, LLC for Approval of a Purchase Agreement, Docket Nos. T-20400A-14-0296 and T-04314A-14-0296.

STAFF'S ANALYSIS

According to the abovementioned cancellation process, a copy of the Staff Memo and Proposed Order for the Acquisition Dockets was to be delivered to IBFA at its last known address and placed in its CC&N docket (Docket No. T-04314A-05-0338). This was completed on February 26, 2015.

A separate notice was also to be sent to IBFA, with a copy of Decision No. 74896 attached, informing IBFA that it had sixty (60) days from the date of the Decision to object to cancellation of its CC&N and request a Hearing or cancellation of its CC&N would occur. This notice was mailed on March 23, 2015, and docketed in the Transfer Docket the same day. IBFA was then given sixty (60) days to respond as described.

If, after the expiration of the sixty (60) days, there is no response from IBFA, Staff is to docket a Report and Order recommending cancellation of IBFA's CC&N. As no objection or Hearing request has been received from IBFA, Staff submits this Staff Report and Recommended Order.

COMPLIANCE

The Consumer Services Section of the Utilities Division reports there were no complaints, inquiries, or opinions filed against IBFA from January 1, 2012, through June 15, 2015. According to the Commission's Corporations Division, IBFA is in good standing. The most recent Utilities Annual Report received from IBFA was on March 28, 2013.

STAFF RECOMMENDATIONS

For the above stated reasons, Staff recommends approval of the cancellation of the CC&N of IBFA to provide competitive resold interexchange telecommunications services in Arizona. Additionally, Staff recommends cancellation of IBFA's tariff that is on file with this Commission.

Upon cancellation of its CC&N, IBFA will no longer be authorized to provide competitive resold interexchange telecommunications services in Arizona and, therefore, will no longer be subject to the requirements of Decision No. 69649.



Steven M. Olea
Director
Utilities Division

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ORIGINATOR: Matt Connolly

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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

IN THE MATTER OF THE
CANCELLATION OF THE CERTIFICATE
OF CONVENIENCE AND NECESSITY OF
IBFA ACQUISITION COMPANY, LLC.

DOCKET NO. T-04314A-15-0195
DECISION NO. _____
ORDER

Open Meeting
August 18 and 19, 2015
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On June 11, 2015, Staff requested Docket No. T-04314A-15-0195 be opened to effect the cancellation of the Certificate of Convenience and Necessity ("CC&N") of IBFA Acquisition Company, LLC ("IBFA").

Background

2. IBFA was granted a CC&N by the Arizona Corporation Commission ("Commission") to provide competitive resold interexchange telecommunications service in Decision No. 69649, dated June 6, 2007. On August 4, 2014, counsel for First Choice Technology, Inc. ("First Choice") and the duly appointed Receiver for IBFA together filed a letter in Docket Nos. T-20400A-14-0296 and T-04314A-14-0296 ("the Acquisition Dockets") to notify the Commission of a Purchase Agreement whereby First Choice acquired substantially all the long distance customer assets of IBFA.¹ As a result

¹ *In The Matter of the Application of First Choice Technology, Inc. and IBFA Acquisition Company, LLC for Approval of a Purchase Agreement*, Docket Nos. T-20400A-14-0296 and T-04314A-14-0296.

1 of this transaction, IBFA no longer has any customers in Arizona. IBFA has not submitted an
2 application to request a cancellation of its CC&N for interexchange service.

3 3. During the course of the proceeding in the Acquisition Dockets, Staff made several
4 attempts to reach the last known contact of IBFA. A voicemail left at the contact telephone number
5 received no response nor did an email sent to the contact email address. A certified letter referencing
6 the cancellation of IBFA's CC&N was mailed on October 2, 2014, to the last known contact and
7 address. While Staff received notification that the letter had been received and signed for, it also
8 generated no response.

9 4. Given Staff's inability to contact the IBFA representative along with the information
10 presented in the Acquisition Dockets, Staff concluded IBFA no longer exists as a business entity in
11 Arizona. In its Proposed Order in the Acquisition Dockets, at Finding of Fact No. 15, Staff
12 recommended a process to commence cancellation of IBFA's CC&N. The Commission, in Decision
13 No. 74896, dated March 16, 2015, ordered that this process should commence.

14 **Staff's Analysis**

15 5. According to the abovementioned cancellation process, a copy of the Staff Memo and
16 Proposed Order for the for the Acquisition Dockets was to be delivered to IBFA at its last known
17 address and placed in its CC&N docket (Docket No. T-04314A-05-0338). This was completed on
18 February 26, 2015.

19 6. A separate notice was also to be sent to IBFA, with a copy of Decision No. 74896
20 attached, informing IBFA that it had sixty (60) days from the date of the Decision to object to
21 cancellation of its CC&N and request a Hearing or cancellation of its CC&N would occur. This
22 notice was mailed on March 23, 2015, and docketed in the Transfer Docket the same day. IBFA was
23 then given sixty (60) days to respond as described.

24 7. If, after the expiration of the sixty (60) days, there is no response from IBFA, Staff is
25 to docket a Report and Order recommending cancellation of IBFA's CC&N. As no objection or
26 Hearing request has been received from IBFA, Staff submits this Staff Report and Recommended
27 Order.

28 ...

1 **Compliance**

2 8. The Consumer Services Section of the Utilities Division reports there were no
3 complaints, inquiries, or opinions filed against IBFA from January 1, 2012, through June 15, 2015.
4 According to the Commission's Corporations Division, IBFA is in good standing. The most recent
5 Utilities Annual Report received from IBFA was on March 28, 2013.

6 **Staff Recommendations**

7 9. For the above stated reason, Staff recommends approval of the cancellation of the
8 CC&N of IBFA to provide competitive resold interexchange telecommunications services in Arizona.
9 Additionally, Staff recommends cancellation of IBFA's tariff that is on file with this Commission.

10 10. Upon cancellation of its CC&N, IBFA will no longer be authorized to provide
11 competitive resold interexchange telecommunications services in Arizona and, therefore, will no
12 longer be subject to the requirements of Decision No. 69649.

13 CONCLUSIONS OF LAW

14 1. IBFA Acquisition Company, LLC is a public service corporation within the meaning
15 of Article XV of the Arizona Constitution.

16 2. The Commission has jurisdiction over IBFA Acquisition Company, LLC and the
17 subject matter in this filing.

18 3. The Commission, having reviewed the filing and Staff's Memorandum dated July 23,
19 2015, concludes that it is in the public interest to approve the cancellation of IBFA Acquisition
20 Company, LLC's CC&N to provide competitive resold interexchange telecommunications service and
21 to cancel its tariff on file with the Commission as proposed and discussed herein.

22 4. Staff's recommendations are reasonable and should be adopted.

23 ORDER

24 IT IS THEREFORE ORDERED that IBFA Acquisition Company, LLC's Certificate of
25 Convenience and Necessity, granted in Commission Decision No. 69649 (June 6, 2007) to provide
26 competitive resold interexchange telecommunications service in Arizona, is hereby cancelled.

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1 IT IS FURTHER ORDERED that IBFA Acquisition Company, LLC's tariff on file with the
2 Commission is hereby cancelled.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.
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6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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8 _____
CHAIRMAN

COMMISSIONER

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COMMISSIONER

COMMISSIONER

COMMISSIONER

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13 IN WITNESS WHEREOF, I, JODI JERICH, Executive
14 Director of the Arizona Corporation Commission, have
15 hereunto, set my hand and caused the official seal of this
16 Commission to be affixed at the Capitol, in the City of
17 Phoenix, this _____ day of _____, 2015.

18 _____
JODI JERICH
EXECUTIVE DIRECTOR

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20 DISSENT: _____

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22 DISSENT: _____

23 SMO:MAC:red/BES
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1 SERVICE LIST FOR: IBFA ACQUISITION COMPANY, LLC
2 DOCKET NO. T-04314A-15-0195

3 Mr. Boaz Yung
4 IBFA Acquisitions Company, LLC
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6 Suite 1500
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