COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

## RECEIVED

FEB 0 2 2007

PUBLIC SERVICE COMMISSION

In the Matter of:

COMPLAINT PURSUANT TO KRS 278.260 AND EMERGENCY MOTION FOR AN INVESTIGATION OF BUZZ TELECOM, CORP. WITH A HEARING TO REVOKE THE CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE TELEPHONY SERVICES OF BUZZ TELECOM, CORP. AND TO IMPOSE CIVIL PENALTIES PURSUANT TO KRS 278.990

CASE NO.

2007-00068

## ATTORNEY GENERAL'S COMPLAINT PURSUANT TO KRS 278.260 AND EMERGENCY MOTION FOR AN INVESTIGATION OF BUZZ TELECOM, CORP. WITH A HEARING TO REVOKE THE CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE TELEPHONY SERVICES OF BUZZ TELECOM, INC., AND IMPOSE CIVIL PENALTIES PURSUANT TO KRS 278.990

Comes now the Attorney General of the Commonwealth of Kentucky (hereinafter the "Attorney General"), by and through his Office of Rate Intervention, pursuant to KRS 278.260, and files this complaint<sup>1</sup> and emergency motion. The Attorney General moves the Public Service Commission (hereinafter the "Commission") to investigate the activities of Buzz Telecom, Corp. (hereinafter "Buzz") and also revoke the certificate of public convenience and necessity to provide telephony services held by Buzz and to impose civil penalties pursuant to KRS 278.990.

<sup>&</sup>lt;sup>1</sup> To the best of the undersigned's knowledge, Buzz has not made an election under KRS 278.543 to withdraw from regulation. Regardless, even if the company has made the election, the Commission retains jurisdiction for violations of KRS 278.535 (slamming) under KRS 278.542(1) (g).

As grounds for the complaint and his motion the Attorney General states Buzz's certificate should be revoked for the following reasons: (1) Buzz has provided notice to many states' Public Utility Commissions (PUCs) that it has sold all company assets, including trade names, and conveyed all rights to service to UMCC Holdings, Inc. or that Buzz has otherwise ceased doing telephony business; (2) Kentucky's citizens' complaints against Buzz for slamming have increased at an accelerated rate totaling 27 between 2 November 2006 and 31 January 2007, all or most of which have gone unanswered by Buzz after Commission inquiry<sup>2</sup>; and (3) other states' PUCs or consumer advocates have likewise experienced significant complaints, and Buzz has also failed to answer most of those PUC inquiries. Based on the foregoing, the service rendered by Buzz is unreasonable, insufficient and inadequate; thus, the Attorney General requests the Commission to hold a hearing to investigate and immediately revoke Buzz's certificate of public convenience and necessity in the Commonwealth of Kentucky and to impose civil penalties against the company pursuant to KRS 278.990.

#### STATEMENT OF FACTS

In 1993, Business Options, Inc. (BOI) was founded in Illinois. In 1994, Kurti<u>s</u> J. Kintzel a/k/a Kurti<u>z</u> J. Kintzel became a principal of the company with whom his brother, Keanan Kintzel, joined in 1999. Beginning in 2000, the Kintzel brothers became the sole principals. The company's stated purpose was to serve as a reseller of long distance telephony. BOI ultimately sought a certificate of public convenience and necessity in Kentucky on 13 March 1996 and was authorized to do same by order dated 11 June

<sup>&</sup>lt;sup>2</sup> Prior to 2 November 2006, only two complaints had been filed with the Commission. This assertion is made based on information provided to the Attorney General pursuant to his Open Records request dated 1 December 2006. The materials provided show no response by Buzz to Commission inquiries. See exhibit 1. Moreover, the Commission's Division of Consumer Services has informed the Attorney General that Buzz has failed to cooperate.

1996<sup>3</sup>. Its business address as listed with the Commission and the Kentucky Secretary of State was 8380 Louisiana Street, Merrillville, Indiana, 46410.

Based on allegations wherein BOI was accused of misrepresenting itself as the ILEC to secure customers or misrepresenting itself in such a way as to confuse and secure customers, BOI was ultimately sanctioned by the FCC, which entered an order on 18 February 2004 adopting a consent decree signed by Kurtis J. Kintzel. The FCC order addresses allegations which, in part, state that the company had made misrepresentations or engaged in lack of candor and whether the company had changed consumers' preferred carrier in willful or repeated violation of §258 of the Communications Act of 1934<sup>4</sup>. Noteworthy is the fact that Buzz was named as a party in the FCC Order of 18 February 2004 and was thus bound by the compliance terms listed therein.

By letter dated 18 May 2005, BOI informed the Commission that it was transferring its "long distance customer base (approximately 581) within your state to Buzz Telecom, Corp."<sup>5</sup> In addition, BOI stated that "this is a transfer from one company to another; since they have the same owners, service will not change."<sup>6</sup> BOI was deemed inactive by the Commission on 31 May 2005.

<sup>&</sup>lt;sup>3</sup> See In the Matter of Application of Business Options, Inc. for a Certificate of Public Convenience and Necessity to *Provide Resold Intrastate Telecommunication Services*, Case No. 96-093, Order at pages 2 and 3. Attached as exhibit 2.

<sup>&</sup>lt;sup>4</sup> See In the Matter of BUSINESS OPTIONS, INC., Order to Show Cause and Notice of Opportunity for Hearing, EB Docket No. 03-85, File No. EB-02-TC-151, Before the Federal Communications Commission, Consent Order dated 18 February 2004, at page 1. For easier reference, the entire order is attached as exhibit 3. <sup>5</sup> See letter authored by Keanan Kintzel, Executive Director, dated 18 May 2005 from Buzz Telecom to Beth O'Donnell at page 1, attached as exhibit 4.

Using the same business address and telephone number as BOI, Kurti<u>s</u> J. Kintzel a/k/a Kurti<u>z</u> J. Kintzel along with Keanan Kintzel created Buzz on 18 June 2002 in Nevada.

Buzz began engaging in the same type of misconduct as BOI either immediately following its creation or at least as early as January 2004.<sup>7</sup> Consequently, many states commenced proceedings to force Buzz to either follow regulatory requirements or cease telephone activities. These proceedings began as early as August 2006.<sup>8</sup> In Kentucky, complaint volume at the Commission increased dramatically immediately prior to Thanksgiving of 2006 with the total currently standing at 25,<sup>9</sup> exclusive of 4 more on file with the Attorney General<sup>10</sup>. The complainants are primarily, if not exclusively, from elderly citizens.

Based on the allegations contained in the complaints filed with the Commission as well those with the Attorney General, the Attorney General sent via certified mail a cease and desist demand letter and a civil investigative demand (CID) to Buzz on 5 December 2006. Buzz was demanded to respond to allegations which, in part, included misrepresentations regarding its telephone services as the current provider (when in fact it was not the current provider) or otherwise misrepresented itself in such a way to switch the customer without authorization (slamming). Buzz also allegedly billed certain

<sup>&</sup>lt;sup>7</sup> See press release by the North Carolina Attorney General's Office dated 2 November 2006. Attached as exhibit 5.

<sup>&</sup>lt;sup>8</sup> Id.

<sup>&</sup>lt;sup>9</sup> The Attorney General's Office telephoned the Commission on 1 February 2007, inquiring as to the current number of complaints and names of complainants on file. Prior to 2 November of 2006, only two complaints had been filed against Buzz with the Commission.

<sup>&</sup>lt;sup>10</sup> See attached list, exhibit 6, which captures the complaints on file with the Commission and the Attorney General.

citizens for services not rendered. Buzz did not respond to the Attorney General by the statutory deadline of 27 December 2006.<sup>11</sup>

With states' actions either pending, or completed, to revoke Buzz's certificate, Buzz forwarded a letter dated 13 December 2006 to various PUCs stating that as of December 13<sup>th</sup> it had sold all company assets, including trade names, and conveyed all rights to service to UMCC.<sup>12</sup>

On 13 December 2006, UMCC was created in Indiana<sup>13</sup>.

On January 11, the Commission received a letter dated January 6, 2007, from Buzz wherein it stated that it "is closing its doors" and requested the Commission to "cancel the Buzz Telecom, Corporation certificate to provide interlata, intralata, and interstate long distance service in your state."<sup>14</sup> It remains unclear whether the Commission was informed that Buzz had sold any of its assets to UMCC as it had represented to other Public Utility Commissions.

#### <u>ARGUMENT</u>

I

### BUZZ'S PUBLIC NOTICE OF ITS "CLOSURE" PROVIDES UNCHALLENGEABLE GROUNDS TO REVOKE ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY BUT SHOULD BE DONE ONLY AFTER BUZZ'S ALLEGED ILLEGAL ACTIVITY HAS BEEN INVESTIGATED AND ADDRESSED.

In its 13 December 2006 letter provided to PUCs other than the Commission, Buzz makes the following simple statement. "Buzz is closed." While some measure of elaboration is provided such as "Buzz ceased providing long distance service in

<sup>&</sup>lt;sup>11</sup> See copy of the letter and CID attached as exhibit 7.

<sup>&</sup>lt;sup>12</sup> To the best of the undersigned's belief and knowledge, at least Georgia and New Hampshire have received the letter. Attached as exhibit 8.

<sup>&</sup>lt;sup>13</sup> See Indiana Secretary of State's website entry marked as exhibit 9.

<sup>&</sup>lt;sup>14</sup> See attached as exhibit 10. This letter has also been received by at least Ohio.

November 2006" and "Buzz no longer has any office facilities, employees, or revenues," the unequivocal scenario is that Buzz has closed its doors and is now out of business. In a similar letter which has now been received by Kentucky, Buzz has said it "is closing its doors."

Buzz **was** a utility under Kentucky's regulatory scheme, which in relevant in part defines a "utility" as any person who owns, controls, operates, or manages any facility used or used to be used for or in conjunction with the transmission of conveyance over wire, in air, or otherwise, of any message by telephone or telegraph for the public, for compensation. KRS 278.010 (3). In order to be granted authorization to proceed as a utility, a person must seek and obtain authorization, commonly known as a certificate, from the Commission under KRS 278.020 which provides "no person, partnership, public or private corporation, or combination thereof shall commence providing utility service to or for the public … until that person has obtained from the Public Service Commission a certificate that public convenience and necessity require the service or construction." KRS 278.020 (1). Pursuant to this statutory requirement, BOI did seek and obtain a certificate on 11 June 1996.<sup>15</sup> This same certificate was transferred to Buzz on or about 13 May 2005.

It is axiomatic that a utility must furnish adequate, efficient and reasonable service. KRS 278.030(2). Importantly, this is an affirmative duty which has particular terms and conditions specified in the certificate of convenience and necessity. See *City* 

<sup>&</sup>lt;sup>15</sup> See In the Matter of Application of Business Options, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold Intrastate Telecommunication Services, Case No. 96-093 which granted a certificate to BOI. Subsequently, by letter dated 13 May 2005, the owners of BOI notified the Commission that BOI's customer base was transferred to Buzz. After a diligent search of the Commission's website, the undersigned can find no order authorizing the transfer as required pursuant to KRS 278.020, mandating Commission authorization for transfer of control, and Inter-County Rural Electric Cooperative Corp. v Public Service Commission, 407 S.W. 2d 127, 129 (Ky. 1966), which states that the Commission only acts through its orders.

of Bardstown v. Louisville Gas and Electric Co., 383 S.W. 2d 918 (1964). In the absence of the ability of Buzz to provide **any** telephony service, whether those as articulated in its certificate or not, the company can not meet its statutory mandate as a utility. Moreover, Buzz has now requested that its certificate be "canceled." However, based on the arguments set forth below, the Commission should not "cancel" the certificate. Rather, the Commission must revoke the certificate, but must refrain from doing so until such time as it has addressed Buzz's illegal switching of customer's accounts in order to insure its continuing jurisdiction over Buzz during this process. In the event the Commission can revoke the certificate and still retain jurisdiction over Buzz, then, the certificate should be immediately revoked. The revocation is essential as a mere "cancellation" as requested by Buzz would allow the company to discard its financially plundered customers and thumb its nose at the Commission.

Furthermore, an apparent discrepancy exists as to whether there is a "closure" of Buzz or whether there has been a sale, or transfer of some sort. If it is the former, the Commission must proceed as previously noted; i.e., revoke the certificate but only after imposing civil penalties. If it is the latter, the Commission must first approve any sale or transfer pursuant to KRS 278.020. Thereafter, the revocation and imposition of civil penalties must be pursued.

11

### BUZZ HAS WILLFULY AND REPEATEDLY ENGAGED IN ILLEGAL SWITCHING, OR SLAMMING; DISREGARDED BOTH COMMISSION AND ATTORNEY GENERAL AUTHORITY AND THE RIGHTS OF KENTUCKY'S CONSUMERS; AND MUST CONSEQUENTLY HAVE ITS CERTIFICATE REVOKED WITH THE ASSESSMENT OF CIVIL PENALTIES.

Buzz has demonstrated unconscionable conduct by willfully and repeatedly illegally switching, or slamming, customers with complete disregard for the Commission

and the Attorney General's demands that it cease and desist. Notwithstanding attempts by the Commission's Consumer Affairs Division to contact and address the slamming allegations, Buzz has either been indifferent or unresponsive. The documentation provided in the Commission's response to the Attorney General's Open Records request dated 1 December 2006 clearly demonstrates that Buzz lacks candor in addressing the Commission's concerns, assuming Buzz even answered the inquiries at all. The switching of services without authorization violates KRS 278.535(2) which states that a "customer of a telecommunications provider shall not be switched to another provider without the customer's letter of agency or the electronically recorded authorization of the customer." Buzz has not only failed to provide such proof, but it has ignored the Commission.

The Commission should likewise take note of Buzz's indifference to the Attorney General. Specifically, in order to further the efforts of the Commission to stop the illegal switching as well as to prevent Buzz from sending out bills for payment when no services were rendered, the Attorney General sent a letter demanding Buzz to cease and desist from the activity and to respond to a series of questions attached to a civil investigative demand. Buzz has utterly ignored the Attorney General's civil investigative demands.

Buzz's conduct is reprehensible and must not go unpunished. Accordingly, the Commission must revoke Buzz's certificate or great harm to the public's welfare will have gone ignored. See *In the Matter of America's Tele-Network Corporation, Alleged Violation of KRS 278.535*, Case Nos. 2000-00217 and 2000-421, where the Commission revoked a carrier's telephony certificate after finding ample evidence of slamming customers as well as the company ignoring the Commission's demands.

However, the certificate must not be revoked, or jurisdiction of the company must not surrendered, until such time as Buzz or any of its officers, agents, or employees has been subjected to a civil penalty under KRS 278.990.

## ACTIONS BY OTHER STATES AND PUBLIC UTILITY COMMISSIONS FURTHER DEMONSTRATE THE COMMISSION MUST REVOKE BUZZ'S CERIFICTAE OF PUBLIC CONVENIENCE AND NECESSITY AND ISSUE CIVIL PENALTIES.

To date, the undersigned is aware of at least 20 other states which have, or are, taking action, whether formally or informally, against Buzz or its predecessor BOI. States with formal actions are: Alabama, Florida, Georgia, Indiana, Iowa, Kansas, Maine, Montana, Minnesota, Mississippi, North Carolina, Ohio, Pennsylvania, and Wyoming. Delaware and West Virginia have instituted informal actions. New Hampshire and Tennessee are monitoring the developments. Arkansas and Missouri have represented to the undersigned that they are proceeding against Buzz although their activities are uncertain at this time.

While a few states' actions relate to filing compliance requirements, the vast majority involve complainants, primarily if not exclusively by elderly citizens, who have either been slammed or billed for services never rendered.

Given Buzz's unscrupulous conduct in other states as well as in Kentucky, the Commission should revoke the company's certificate of public convenience and necessity and impose civil penalties<sup>16</sup> under KRS 278.990 of a magnitude sufficient to: (1) truly sanction the perpetrators of this abuse, and (2) put the telephone industry on notice that such action is not only prohibited within the Commonwealth, but severely punished.

WHEREFORE, the Attorney General respectfully requests the Commission to fully investigate Buzz and revoke Buzz's certificate of public convenience and necessity but only after imposing any and all civil penalties available under KRS 278.990 along with any other relief this Commission may impose.

Respectfully submitted,

GREGORY D. STUMBO TORNEY GENE/RAI

Dennis G. Howard, II Assistant Attorney General 1024 Capital Center Drive, Suite 200 Frankfort, KY 40601-8204 502 696-5453

<sup>&</sup>lt;sup>16</sup> The Attorney General does not waive the Commonwealth's right to seek any criminal penalties or imprisonment that may be available under KRS 278.990 or any other statute. Rather, because the Commission as an agency does not have independent authority to impose criminal sanctions, the Attorney General has not sought them in this proceeding. Furthermore, the Attorney General does not waive his right to pursue any other civil or criminal remedies that may be available in any forum.

### Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of this Complaint Pursuant to KRS 278.260 and Emergency Motion to Revoke the Certificate of Operation of Buzz Telecom, Inc. and to Impose Civil Penalties Pursuant to KRS 278.990 were served and filed by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; furthermore, it was served by mailing a true and correct copy of the same, first class postage prepaid, to Buzz Telecom, Corporation at 8380 Louisiana Street, Merrillville, Indiana 46410, Buzz Telecom, P.O. Box 11735, Merrillville, Indiana 46410 and Buzz Telecom Corporation at National Registered Agents, Inc., 400 W Market Street, Ste 1800, Louisville, Kentucky 40202, all on this 2nd day of February, 2007.

Assistant Attorney

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# EXHIBIT 1

PSC Consumer Inquiry System								
Complaint:	2006-03504	Entry Date:	12/1/2006	Closed Date:		Contact Type:	Hotline	
Name:	Cornett, Linda	& Arvil		Utility:	Buzz Teleco	m Corporation		
Address:	530 Skyview B			Utility Nbr:	22205374	Location:	Residence	
	Cumberland, I	KY 40823		Utility Type:	Long Distand	ce		
County:	Harian			Reason:	Billina ( Bille	d service not orde	red)	
Home: (606)	) 589-5641 <b>W</b>	ork:			(none) ( (nor			
Fax:	C	BR Nbr:		Complaint re	ferred by:			
Cell:	E	mail:						
Contacted Ut	ility?	Spoke with:	customer ser	vice				
		Cust Relations	Failed To Co	rrect Problem				
Utility Contact:	:			Contact's				
Preliminary De did not authori	•			Other Contact	s:			
Processor:	CAROLJ.CUM	MINS						
See File		Case Related		Staff Referra		Confidential		
Info Only		Formal Form	us 🗌	Ref to Util	M	Customer Satisfied	Yes O No O	

### **PSC Narratives:**

Investigator: CAROLJ.CUMMINS

Date: 12/1/2006 9:48:59 AM

Customer's local company is Windstar. Her preferred long distance carrier is IDT. She has confirmed her long distance company did not change. She has received a bill from Buzz for service for \$35.61. There are no calls. Customer has tried calling and e-mail Buzz with no response. Please cancel the account, credit all charges, and provide proof of authorization.

12/4/2006

PSC Consumer Inquiry System								
Complaint:	2006-03507	Entry Date:	12/1/2006	Closed Date:		Contact Type:	Hotline	
Name:	Daughtery, Ga	arnett		Utility:	Buzz Telecom	Corporation		
Address:	656 George S			Utility Nbr:	22205374	Location:	Residence	
	Lebanon, KY	40033		Utility Type:	Long Distance	:		
County:	Marion			Reason:		arrier Selection/A	\ssignment)	
Home: (270	0) 692-5681 W	ork:			(none) ( (none	))		
Fax:	CI	BR Nbr:		Complaint re	ferred by:			
Cell:	E	mail:						
Contacted U	tility? 🔲	Spoke with:						
		<b>Cust Relation</b>	s:None					
Utility Contac	t: Shalanda Rot	oinson		Contact's	(888) 889-267	1		
Preliminary D customer did	escription: not authorize B	uzz Communica	tion	Other Contact	S:			
Processor:	SUSANL.DUN	NN						
See File		Case Relate	a 🖸	Staff Referra		Confidential		
info Only		Formal Forn	ns	Ref to Util	M	Customer Satisfied	Yes O No O	
PSC Narra	itives:			Investigator:	SUSANL.DU	INN		

Date: 12/1/2006 11:32:57 AM

This customer has no business dealings with Buzz Communications. The PSC advised the customer to not pay this bill unless proof of authorization can be established to the PSC from Buzz Communications. Do not attempt to reach this customer to discuss. Cancel this account asap.

PSC Consumer Inquiry System

Complaint:	2006-03520	Entry Date:	12/4/2006	<b>Closed Date:</b>		Contact Type:	Hotline
Name:	Conn, Thelma			Utility:	Buzz Telecom	Corporation	
Address:	Contact: Virgin	iia Conn		Utility Nbr:	22205374	Location:	Residence
	P.O. Box 302 Soldier, KY 41	173		Utility Type:	Long Distance	)	
County:	Carter			Reason:	Billing ( Billed (none) ( (none	service not orde ) )	ered )
Home: (606	6) 286-6692 W	ork:		Complaint re	ferred by:		
Fax:	CE	BR Nbr: (606)	356-4490 Virg				
Cell:	En	nail:					
Contacted Ut	illity? 🔲	Spoke with:	customer serv	vice			
		Cust Relations	s: Not accessible	9			
Utility Contact	::			Contact's			
Preliminary De received bill fo	escription: or unauthorized	service		Other Contact	s:		
Processor:	CAROLJ.CUM	IMINS					
See File		Case Related	u 🗖	Staff Referra	I 🗖	Confidential	
info Only		Formal Form	вD	Ref to Util		Customer Satisfied	Yes O No O
PSC Narra	tives:			Investigator:	CAROLJ.CL	JMMINS	

Date: 12/4/2006 12:14:57 PM

Virginia called on behalf of her mother. Thelma received a bill from Buzz for \$35.61. Customer never agreed to switch her service. Customer called her local carrier, Windstream to see if her service had been changed from Verizon and it had not been switched. A freeze has been placed on the customer's line to prevent unauthorized changes. Virginia called Buzz but only received a busy signal. Also, the Buzz bill was mailed to customer's 911 address at 451 Vincent Hollow in Solider, KY. Customer receives her mail at the above address. Please cancel the account, credit all charges, and provide proof of authorization.

12/4/2006



### COMMONWEALTH OF KENTUCKY OFFICE OF THE ATTORNEY GENERAL

GREGORY D. STUMBO ATTORNEY GENERAL

#### December 1, 2006

1024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KY 40601-8204

Beth O'Donnell, Executive Director Public Service Commission P O Box 615 Frankfort, Kentucky 40602-0615

Re: Open Records Request for Consumer Complaints and other documents related to Buzz Telecom

#### Dear Ms. O'Donnell:

Please consider this letter an Open Records Request pursuant to KRS Chapter 61 for any and all consumer complaints or other documents in the possession of the Public Service Commission as they relate to Buzz Telecom, Inc. Moreover, if I may take the liberty in asking, I would like to have this request expedited. Specifically, it is my understanding that Buzz Telecom has allegedly engaged in inappropriate business activities in the Commonwealth of Kentucky as well as in other states. In regard to the latter, other states have taken action to force Buzz Telecom to cease and desist certain activities that are deemed inappropriate and illegal. As a consequence, if such allegations are proved to have occurred in Kentucky, it is incumbent that the Commonwealth exercise all due diligence in attempt to prevent our consumers from being victimized.

I thank you in advance for your attention to this matter.

Sincerely, es.

Dennis G. Howard, H Acting Director Office of Rate Intervention

DGH/lfr

ORI/DHoward/Public/Corres06/O'Donnel\_BuzzTelecom

PSC Consumer Inquiry System								
Complaint:	2006-03470	Entry Date:	11/28/2006	Closed Date:		Contact Type:	Hotline	
Name:	Cox, Donna			Utility:	Buzz Telecor	n Corporation		
Address:	3550 Greenla	wn		Utility Nbr:	22205374	Location:	Residence	
1	Lexington, K	40515		Utility Type:	Long Distanc	e		
County:	Fayette			Reason:	Slamming ( A	ttempted Slammi	ing)	
Home: (859	) 271-2700 🛛	Vork:			(none) ( (non	e))		
Fax:	C	BR Nbr:		Complaint ref	erred by:			
Cell:	E	mail:						
Contacted U	tiliity? 🗹	Spoke with:	customer ser	vice				
	-	<b>Cust Relation</b>	s: None					
Utility Contact	: Shalanda Ro	binson		Contact's	(888) 889-26	71		
Preliminary De	-	npany for long di	stance carrier	Other Contacts	5:			
Processor:	SUSANL.DU							
See File		Case Relate	вD	Staff Referral		Confidential		
Info Only		Formal Form	ns	Ref to Util		Customer Satisfied	Yes O No O	
PSC Narra	tives:			Investigator:	SUSANL.D	UNN		
Date:	11/28/2006 1	11:39:37 AM						
carrier. Her p	referred carrier	is Quest Comm	unication. Plea	does not want Bu se remove all cha be forwarded to t	arges, cancel t	ation as her long he account and h hk you.	distance ave no future	

Complaint:	2006-03500	Entry Date: 11	/30/2006	<b>Closed Date:</b>		Contact Type:	Hotline
Name:	Gregory, Minn	ie		Utility:	Buzz Telecom	Corporation	
Address:	Contact: Nathan Gregory (son)			Utility Nbr:	22205374	Location:	Residence
	235 Mt. Sterlin Flemingsburg	-		Utility Type:	Long Distance		
County:	Fleming			Reason:	Billing ( Billing (none) ( none)	policies/practice ) )	es)
Home: (606	5) 849-2794 <b>W</b>	ork:		Complaint rei	ferred by:	Attorney Gener	al
Fax:	Ci	BR Nbr: (510) 744	-1532 Nath				
Cell:	E	mail:					
Contacted U	tility? 🔲	Spoke with: ca	ustomer servid	e			
	-	Cust Relations: N	one				
Utility Contact				Contact's			
Preliminary De received bill fe	•	vas not authorized		Other Contact	5:		
Processor:	CAROLJ.CUN	IMINS					
See File		Case Related	]	Staff Referra		Confidential	
Info Only		Formal Forms	ב	Ref to Util		Customer Satisfied	Yes O No O

#### **PSC Narratives:**

#### Investigator: CAROLJ.CUMMINS

Date: 11/30/2006 3:56:52 PM

The Attorney General's office forwarded this complaint. Nathan is calling on behalf of his mother who is elderly. He advised he has written Buzz to tell them not to contact his mother again and any contact should be directed to him. His mother received a bill from Buzz in November for services in October. His mother did not give permission for service. Her preferred provider is WindStar. The service had not been switched from WindStar and a lock has been placed on the account. The bill does not have any calls listed and the service she was billed for was undefined. She was billed \$20 for two months service. Customer did research on-line and believes this is a scam. Please cancel the account, credit all charges, and provide proof of authorization.

**PSC Consumer Inquiry System** 

12/1/2006

PSC Consumer Inquiry System								
Complaint:	2006-03490	Entry Date:	11/29/2006	Closed Date:		Contact Type:	Hotline	
Name:	Casey, Beryl			Utility:	Buzz Telecon	n Corporation		
Address:	2540 Rilley M			Utility Nbr:	22205374	Location:	Residence	
	Brooksville, h	(Y 41004		Utility Type:	Long Distanc	9		
County:	Bracken			Reason:	Slamming ( A	Attempted Slamm	ing )	
Home: (606	6) 735-2511 V	Vork:			(none) ( (non		0,	
Fax:	c	BR Nbr:	•	Complaint re	ferred by:			
Cell:	E	Email:						
Contacted U	tility? 🗹	Spoke with:	customer ser	vice				
		<b>Cust Relation</b>	s: None					
Utility Contact	: Shalanda Ro	binson		Contact's	(888) 889-26	71		
Preliminary De customer doe		vice with Buzz C	ommunications	Other Contact	is:			
Processor:	SUSANL.DL	INN						
See File		Case Relate	d 🔲	Staff Referra	u 🗋	Confidential		
info Only		Formal Form	ns	Ref to Util		Customer Satisfied	Yes O No O	
PSC Narra	tives:			Investigator	: SUSANL.D	UNN		
Date:	11/29/2006	4:22:16 PM						
Ms. Casey re asap. Do no Communicat	t contact this c	ice from Buzz Co ustomer again re	ommunications garding this ma	for \$35.61. She tter, She does n	does not owe t ot wish to do s	his bill. Cancel tl ervice with Buzz	nis account	

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12/1/2006

	PSC Consumer Inquiry System								
Complaint:	2006-03486	Entry Date:	11/29/2006	Closed Date:		Contact Type:	Hotline		
Name:	Claycomb, Wr	n		Utility:	Buzz Telecor	n Corporation			
Address:	210 E Limesto			Utility Nbr:	22205374	Location:	Residence		
	Somerset, KY	42501		Utility Type:	Long Distance	æ			
County:	Pulaski			Reason:	Slamming ( /	Attempted Slamm	ing)		
Home: (60	6) 679-0058 <b>W</b>	ork:			(none) ( (nòn				
Fax:	C	BR Nbr:		Complaint re	ferred by:				
Cell:	E	mail:							
Contacted U	Itiliity? 🗹	Spoke with:	customer ser	vice					
		Cust Relation	s: None						
Utility Contac	t: Shalanda Rol	oinson		Contact's	(888) 889-26	571			
Preliminary D customer do	escription: es not want serv	ice with Buzz		Other Contact	is:				
Processor:	SUSANL.DU	NN					•		
See File		Case Relate	d 🔲	Staff Referra		Confidential			
Info Only		Formal Forr	ns	Ref to Util		Customer Satisfied	Yes O No O		
PSC Narra	atives:	, , , , , , , , , , , , , , , , , , ,		Investigator	: SUSANL.E	DUNN			
Date:	11/29/2006 2	:11:49 PM							
pay the bill t	hat she received	l unless Buzz ca	an provide author	carrier on her accorization of chang	ge to the PSC.	s informed this cu Please cancel th	stomer not to is account,		

. ~~~

Complaint:	2006-03479	Entry Date:	11/29/2006	<b>Closed Date:</b>		Contact Type:	Hotline
Name:	Caudill, Richar	rd (deceased)		Utility:	Buzz Telecom	Corporation	
Address:	Contact: Sue M	Murphy (daughte	er)	Utility Nbr:	22205374	Location:	Residence
	4645 Tenness Liberty, KY 42			Utility Type:	Long Distance		
County:	Casey			Reason:	Billing ( Billing (none) ( (none	policies/practice ) )	is)
Home: (606	i) 787-7152 🛛 🗰	ork:		Complaint ref	erred by:		
Fax:	CI	BR Nbr: (606) 7	787-6179 Sue				
Cell:	Er	nail:					
Contacted Uf	illity? 🔲	Spoke with:	customer serv	/ice			
		Cust Relations	Failed To Cor	rect Problem			
Utility Contact	:			Contact's			
Preliminary De billed without	-			Other Contacts			
Processor:	CAROLJ.CUM	MINS					
See File		Case Related	1 🗖	Staff Referral		Confidential	
Info Only		Formal Form	ns	Ref to Util		Customer Satisfied	Yes O No O

**PSC Narratives:** 

Investigator: CAROLJ.CUMMINS

Date: 11/29/2006 11:27:28 AM

Sue called on behalf of her father, Richard Caudill, who is deceased. They received a bill from Buzz that has a \$8.65 past due balance and a current balance of \$9.62. There are no charges for long distance calls. No one gave permission for Buzz to become the carrier. Windstream, the preferred long distance provider, has advised there has been no charge in carrier. Sue has done research on-line and knows that Buzz has been sued in other states. She thinks this bill is a scam. Please provide proof of authorization, cancel the account, and credit all charges.

**PSC Consumer Inquiry System** 

12/1/2006

PSC Consumer Inquiry System								
Complaint:	2006-03478	Entry Date:	11/29/2006	Closed Date:		Contact Type:	Hotline	
Name:	Davis, Cathlee	n		Utility:	Buzz Telecom	Corporation		
Address:	2121 Nicholas	•••••		Utility Nbr:	22205374	Location:	Residence	
	Lexington, KY	40503		Utility Type:	Long Distance			
County:	Fayette			Reason:	Slamming ( Ca	rrier Selection//	Assignment)	
Home: (859	)260-1384 W	ork:			(none) ( (none)			
Fax:	CI	BR Nbr:		Complaint re	ferred by:			
Cell:	Er	mail:					,	
Contacted Ut	ility?	Spoke with:						
		<b>Cust Relation</b>	s: Not accessible	9				
Utility Contact	: Shalanda Rob	binson		Contact's	(888) 889-2671	!		
Preliminary De	escription:			Other Contact	s:			
Processor:	JOHNR.GEO	GHEGAN						
See File		Case Relate	d 🔲	Staff Referra	<b>1</b>	Confidential		
Info Only		Formal Form	ns	Ref to Util		Customer Satisfied	Yes O No O	
PSC Narra	tives:			Investigator:	JOHNR.GEO	GHEGAN		
Date:	11/29/2006 1	0:50:41 AM						
Customer sa	re che wae hille	d \$35.61 by Bu	zz hut did not re	nuest their servic	e. She wants th	e charges cred	ited, account	

customer says she was billed \$35.61 by Buzz but did not request their service. She wants the charges credited, account canceled and no further contact. Please provide proof of authorization to bill Ms. Davis.

#### **Utility Response:**

Date: 11/29/2006 11:26:16 AM

Emailed complaint to service@ebuzz.bz and received the below response. Also emailed complaint to verification@ebuzz.bz.

Dear Customer,

Thank you for your email and for having been a 2.9 cents-per-minute "Super Saver" Long Distance customer, we have enjoyed servicing your long distance account. With so much competition in the long distance business, sometimes individuals do not remember ordering our service. As a security measure for you and our company, we keep audio recordings of every order on file. If you would like a copy of your order verification, simply write to us at 1465 East 84th Place, Merrillville, Indiana 46410 or send us a separate email request at: verification@ebuzz.bz. Please provide your account number, name and telephone number and we will send you a recording within 30 days.

Our company is located outside of Chicago in NW Indiana and has been in the long distance resale business since 1992 and is properly licensed to offer Telecom services within your state. We started when long distance rates were close to 50 cents-per-minute by offering customers throughout Chicago 15% to 35% in savings. Since that time, we have delivered discount long distance products to well over ½ a million customers nationwide. In 1995, we became the first company in America to offer rates lower than 10 cents per minute - Sprint and other large companies soon followed.

To better serve you and continue offering low cost 2.9 cents-per-minute long distance service, we consistently implement marketing and operational changes that help us remain competitive within the industry. One of these changes is to invoice you directly - not through your local telephone company.

If you have discovered something better than the Super Saver, we would certainly understand your desire to cancel our service. However, before making that decision, please review our SPECIAL \$100 LOYAL CUSTOMER OFFER. To qualify, simply re-order or do not switch your long distance service to another company and keep our 2.9 cents-per-minute Super Saver product through the end of 2007. In January of 2008 we will provide you with \$100 of free service. It is that easy!

#### 2006-03478 (Continued)

\* Simply keep and enjoy the 2.9 cents per minute Super Saver Service! \* If you have already cancelled your service - immediately write us a re-order request or email us at supersaver@ebuzz.bz and request to be put back on the 2.9 cents-per-minute Supersaver Service! \* Don't cancel or switch service for the next year and pay all of your monthly invoices on time! \* In January of 2008 send us another email at supersaver@ebuzz.bz and start receiving your \$100 credit on future usage! (Terms & Conditions at www.ebuzz.bz apply)

Thank you again for being a valued customer, if you still wish to cancel the Super Saver, simply write to us directly or email us at cancelmyservice@ebuzz.bz.

Sincerely, Buzz Telecom and Business Options 1465 East 84th Place Mernilville, IN 46410 www.ebuzz.bz 219-756-0718 fax

Complaint:	2006-03470	Entry Date:	11/28/2006	Closed Date:		Contact Type:	Hotline
Name:	Cox, Donna			Utility:	Buzz Telecon	n Corporation	
Address:	3550 Greenlav	vn .		Utility Nbr:	22205374	Location:	Residence
	Lexington, KY	40515		Utility Type:	Long Distanc	e	
County:	Fayette			Reason:	Slamming ( A	ttempted Slamm	ing)
Home: (859	) 271-2700 W	ork:			(none) ( (non	e))	<i>u</i> ,
Fax:	C	BR Nbr:		Complaint re	ferred by:		
Cell:	E	nail:					
Contacted U	tiliity? 🗹	Spoke with:	customer serv	vice			•
		Cust Relation	s: None				
Utility Contac	t: Shalanda Rot	inson		Contact's	(888) 889-26	71	
Preliminary D customer doe	escription: es not want com	pany for long dis	stance carrier	Other Contact	5:		
Processor:	SUSANL.DU	IN					
See File		Case Relate	<b>d</b>	Staff Referra	I 🔲	Confidential	
info Only		Formal Form	าร	Ref to Util		Customer Satisfied	Yes O No O
DOC Norma				Investigator:	SUSANL.D	IINN	
PSC Narra		4.00.07 ABE		mresugawi.	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	AND S M B M	
Date:	11/28/2006 1	1139137 AM					

Ms. Cox has received a bill from Buzz Communication. She does not want Buzz Communication as her long distance carrier. Her preferred carrier is Quest Communication. Please remove all charges, cancel the account and have no future contact with this customer unless proof of authorization can be forwarded to the PSC. Thank you.

**PSC Consumer Inquiry System** 

12/1/2006

	PSC Consumer Inquiry System								
Complaint:	2006-03467	Entry Date:	11/28/2006	Ciosed Date:		Contact Type:	Hotline		
Name:	Edwards, Jose	eph		Utility:	Buzz Telecom	Corporation			
Address:	1105 Liggett Lexington, KY	40508		Utility Nbr:	22205374	Location:	Residence		
<b>O</b>	•	40500		Utility Type:	Long Distance	•			
County:	Fayette			Reason:	Slamming ( Ca (none) ( (none	arrier Selection/	Assignment)		
Home: (859	9) 254-6150 W	ork:				·) /			
Fax:	CI	BR Nbr:		Complaint re	ferred by:				
Cell:	E	mail:							
Contacted U	tiliity?	Spoke with:	customer ser	vice					
		<b>Cust Relation</b>	s: None						
Utility Contac	t: Shalanda Rot	binson		Contact's	(888) 889-267	<b>'1</b>			
Preliminary D unauthorized	escription: change of long	distance carrier		Other Contact	<b>S:</b>				
Processor:	SUSANL.DUN	NN							
See File		Case Relate	d 🔲	Staff Referra		Confidential			
Info Only		Formal Form	ns	Ref to Util		Customer Satisfied	Yes O No O		
PSC Narra	atives:			Investigator	SUSANL.DU	JNN			
Date:	11/28/2006 9:	:36:51 AM		<b>U</b>					
					<b>O</b>	- <b>1</b>	-1-5		
change. The future contact	ir preferred carr	n Buzz Communi ier is Windstrea	nications for long m. Customer is	g distance servic requesting all cl	e. Customer is harges adjusted	aenying approv , account cance	al of carrier lied and no		

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## PSC Consumer Inquiry System

12/1/2006

Complaint:	2006-03239	Entry Date:	11/1/2006	Closed Date:		Contact Type:	Hotline
Name:	Estep, Harkles	s		Utiliity:	Buzz Telecom	Corporation	
Address:	2514 McGurk S			<b>Utility Nbr:</b>	22205374	Location:	Residence
	Ashland, KY 4	1102		Utility Type:	Long Distance		
County:	Boyd			Reason:	Slamming ( Ca	rier Selection/A	ssignment )
Home: (606	i) 324-2507 Wo	ork:			(none) ( (nòne)		•
Fax:	CB	R Nbr:		Complaint re	ferred by:		
Cell:	Em	nail:					
Contacted Ut	iiliity? 🗹	Spoke with:	Customer Serv	ice			
		<b>Cust Relations</b>	Not accessible				
Utility Contact	: Shalanda Robi	inson		Contact's	(888) 889-2671		
Preliminary De Unauthorized	escription: change of carrie	r		Other Contact:	S.		
Processor:	VIRGINIAL.SN	ИТН					
See File		Case Related	<b>1</b> 🖸	Staff Referral		Confidential	
Info Only		Formal Form	ns 🗋	Ref to Util		Customer Satisfied	Yes O No O
PSC Narra	tives:			Investigator:	VIRGINIAL.S	MITH	
Date:	11/1/2006 10:2	24:59 AM					1

Received bill from Buzz Communications for long distance charges . Customer's preferred carrier is Windstream. Customer is requesting all charges adjusted, account cancelled and no future contact.

## **Fax Cover Sheet**

Kentucky Public Service Commission P.O. Box 615 Frankfort, KY 40602 Fax: (502) 564-7397

To: Shalanda Robinson, Buzz Telecom 1-219-756-0718

From: Ginny Smith Consumer Services (502) 564-3940 Ext. 404

Date: November 1, 2006

Re: 20063239 -- Estep

No. of Pages (not including cover page): 1

Thanks for your help!

If there is a problem with the transmission of this fax, please call Carol at (502) 564-3940 Ext. 234.

MODE	= MEMORY	TRANSMISSION	!	START	VOV-01 1	1:04	END-NOV-01	11:05
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STN NO.	COMM.	ABBR NO.	STATION NAME/TEL	NO.	PAGES	DURATIO	4	
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-KY PUBLIC SERVICE COMM. -

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502 564 7397- \*\*\*\*\*\*\*\*\*\*

## Fax Cover Sheet

Kentucky Public Service Commission P.O. Box 615 Frankfort, KY 40602 Fax: (502) 564-7397

To: Shalanda Robinson, Buzz Telecom 1-219-756-0718

From: Ginny Smith Consumer Services (502) 564-3940 Ext. 404

Date: November 1, 2006

Re: 20063239 -- Estep

No. of Pages (not including cover page): 1

Thanks for your help!

If there is a problem with the transmission of this fax, please call Carol at (502) 564-3940 Ext. 234.

## **FAX COVER SHEET**

DATE: 11-06-04

TO: Ginny Smith

FAX NUMBER: 1-502-564-7397

FROM: ASHLAND OFFICE SUPPLY FAX NUMBER: 606-329-2452 PHONE NUMBER: 606-329-1400

BY: Harkluss R. Ester

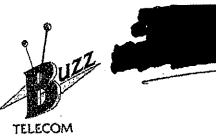
SUBJECT: Phone Scame

NUMBER OF PAGES INCLUDING COVER: /.

**COMMENTS:** 

11/06/2008 09:23 FAX

65 E 84th Place, Merrillville, Indiane 46410 Phone: 1-856-869-2671 www.ebuzz.bz Emell us at: service@ebuzz.bz



001

10/11/06 **Bill Date:** 29431970 B消#: Customer Number: 0007033349 ESTEP, HARKLESS R./LOUNNA P. 2514 MCGURK ST. ASHLAND, KY 41102 \$0.00 Amount of Last Bill \$0.00 Payments Received Thank You \$0.26 Adjustments \$0.26 **Past Due Balance** \$15.69 New Long Distance Call Charges Monthly Charges \$5.13 **Carrier Recovery Fee** \$6.70 Monthly Service Fee \$11.83 \$0.00 **One-Time Charges** \$0.00 **Finance Charges** \$0.00 Federal Taxes \$1.92 State and Local Taxes \$1.07 State Surcharges \$0.00 Discounts \$30.51 **Total New Long Distance Charges** \$30.77 **Total Amount Due** Please detach and return 10/11/06 Bill Date: Check if new address and correct below 10/30/06 **Due Date:** Customer Number: 0007033349 ESTEP, HARKLESS R./LOUNNA P. TOTAL AMOUNT DUE: \$30.77 2514 MCGURK ST. ASHLAND, KY 41102 Amount Enclosed Unpaid balance may be subject to 1.5% finance charge per month Iam Not Paying this Bill I did Not sign up with this Company. Remove my Name from you . List . Return this portion with payment to: Buzz Telecom 1465 E 84th Place Merrillville, IN 46410

E 64th Place, Merriliville, Indiana 46410 Phone: 1-888-889-2671 www.ebuzz.bz Emsil us at: service@ebuzz.bz



<i>i</i>	Bill Date:	10/11/06	
	Bill #:	29431970	
Customer Number: 0007033349			
ESTEP, HARKLESS R./LOUNNA P.			
2514 MCGURK ST.			<u>н</u>
ASHLAND, KY 41102			
Amount of Last Bill		\$ <b>0.00</b>	
Payments Received Thank You		\$0.00	
Adjustments		\$0.26	
Past Due Balance		\$0.26	
New Long Distance Call Charges		\$15.69	
Monthly Charges			
Carrier Recovery Fee		\$5.13	
Monthly Service Fee		\$6.70	
		\$11.83	
One-Time Charges		\$0.00	
Finance Charges		\$0.00	
Federal Taxes		\$0.00	
State and Local Taxes		\$1.92	
State Surcharges		\$1.07	
Discounts		\$0.00	
Total New Long Distance Charges		\$30.51	
Total Amount Due		\$30.77	7

Please detach and return

Check if new address and correct below  $\square$ 

Customer Number: 0007033349 ESTEP, HARKLESS R./LOUNNA P. 2514 MCGURK ST. ASHLAND, KY 41102

Return this portion with payment to: **Buzz Telecom** 1465 E 84th Place Merrillville, IN 46410

Bill Date: Due Date:

10/11/06 10/30/06

TOTAL AMOUNT DUE:

Amount Enclosed

\$30.77

Unpaid balance may be subject to 1.5% finance charge per month

dam Not Paying this Bill I did Not sign up with this Company. Remove my Name from you . List .

PSC Consumer Inquiry System					12/1/2006		
Complaint:	2006-00429	Entry Date:	1/30/2006	Closed Date:	2/6/2006	Contact Type:	Letter
Name:	Farris, Ora Le	e		Utiliity:	Buzz Telecom	Corporation	
Address:		am Adams, Attor	ney	Utility Nbr:	22205374	Location:	Residence
	P.O. Box 1419 Murray, KY 42071			Utility Type: Long Distance			
County:	Calloway			Reason:	Slamming ( Ca (none) ( (none	arrier Selection//	Assignment)
Home: (270)	) 753-1276 <b>W</b>	<b>'ork:</b> (270) 1	753-1292	Complaint rel	ferred by:	Attorney Gene	ral
Fax:	CI	BR Nbr:					
Cell:	E	mail:					
Contacted Ut	ility? 🔲	Spoke with:	customer se	rvice			
		Cust Relation:	Failed To Co	prrect Problem			
Utility Contact: Shalanda Robinson			Contact's	(888) 889-267	'1		
Preliminary Description: did not give permission for change in long distance			Other Contacts	5:			
Processor:	CAROLJ.CUM	MMINS					
See File		Case Related	a 🗖	Staff Referral		Confidential	
Info Only		Formal Form	ns	Ref to Util		Customer Satisfied	Yes ● No O

#### **PSC Narratives:**

Investigator: CAROLJ.CUMMINS

#### Date: 1/30/2006 9:28:13 AM

The Attorney General forwarded the complaint filed by Ora Lee Farris through her attorney, William Adams. Mr. Adams serves as her Power of Attorney. Mrs. Farris is in a nursing home and has no long distance. Mrs. Farris did not authorize any carrier to provide long distance service. He has tried repeatedly to contact customer service to no avail. Mrs. Farris is on a fixed income and is unable to pay the amount Buzz claims is due from her. Please cancel the account, credit all charges, and provide proof of authorization.

#### **Utility Response:**

#### Date: 2/6/2006 9:19:20 AM

Received copy of letter to William Adams from Amy Dixon of Buzz Telecom. Ms. Farris' account was to be credited back in September 2004. This account has now been adjusted properly and has a zero balance. No mention of when she became a customer or if they had authorization.



859-357-

6163

## Roy Cooper North Carolina Attorney General

For immediate release	Contact:	Noelle Talley
Date: November 2, 2006	Phone:	919/716-6413

## Cooper wins order to stop telemarketer from taking seniors' money

Buzz Telecom must quit trying to collect money from NC consumers for unwanted services

**Raleigh**: A telemarketer that tricked seniors into paying too much for long distance phone service has been ordered to stop trying to collect money from North Carolina consumers, Attorney General Roy Cooper announced today.

"This telemarketer claimed it would quit preying on our seniors but kept right on charging them for longdistance services they weren't even using," said Cooper. "Consumers let us know about it, and now we've put a stop to these inflated bills."

Wake County Superior Court Judge J.B. Allen, Jr. today agreed with Cooper's request to order Buzz Telecom of Merrillville, Indiana to stop soliciting or collecting money from North Carolina consumers.

In August, Cooper filed suit in Wake County Superior Court against Buzz alleging that it used unfair and deceptive practices and violated the state's telemarketing laws. Buzz claimed that it would stop trying to collect from North Carolina consumers while the case moved forward.

But Cooper's office continued to get complaints from seniors about Buzz, especially from consumers who live in and around Concord, Albemarle, Kannapolis, Ellerbe and Clinton, NC. More than 25 seniors complained to the Attorney General's Consumer Protection Division in the past two weeks that Buzz was trying to collect money from them for long-distance service they weren't receiving.

Cooper is seeking to permanently ban Buzz and its employees from telemarketing in North Carolina and to cancel the company's contracts with North Carolina customers. He is also asking the court for refunds for consumers and civil penalties of \$5,000 per violation.

According to the complaint, Buzz began pitching its long-distance telephone service to North Carolinians sometime in 2003 through telemarketing calls. Buzz telemarketers regularly failed to tell consumers that they were calling to switch them to a new phone service and often claimed to be with the consumer's local phone company. The company particularly targeted senior citizens, promising a senior discount to consumers who answered yes to a series of questions designed to verify the consumer's enrollment in the new long distance service. Instead, consumers wound up with phone bills that were double or triple what they had previously paid. Many of the seniors targeted by Buzz lived on fixed incomes and made few long distance calls.

More than 60 consumers have complained about Buzz since 2004, mostly seniors, their children or caregivers.

Consumers who believe they may have been a victim of Buzz or another telemarketing scheme should report it to the Attorney General's Consumer Protection Division at 1-877-5-NO-SCAM. Relatives and caregivers of seniors are also encouraged to be on the look out for similar scams.

Cooper reminded consumers to sign up for the Do Not Call Registry to cut down on all unwanted telemarketing calls. To add your home and mobile numbers to the list, go to <u>www.nocallsne.com</u> or call 1-888-382-1222 within North Carolina from the number you wish to register. ###

Navigation Reports Tools Options Help

PSC Home

## **KY** Public Service Commission

## Utility Information

General	Address Comments	Counties Groups
Company Address		
Manager	5118300 Ma	nager
Correspondence	Company	
Accounting	Business Options, Inc.	
Engineering		
Complaint		
	Contact	
	Vice President-	
	Regulatory William Brzycki Affairs	
	Address	
	8380 Louisiana Street	
5	Merrillville, IN 46410	
	Phone	Fax
	(219) 756-5320	(219) 756-0718
		Last Changed: 5/31/2005

Navigation Reports Tools Options Help

PSC Home

**KY** Public Service Commission

## **Utility Information**

General	kádrese <b>Ceinmen</b>	s di Counties	Groups				
Manager	Company Address Manager 5118300 Company Address						
	Company	:					
Accounting	Business Options, Inc.						
Engineering							
Complaint							
	Address						
	8380 Louisiana Street						
	Merrillville , IN 46410						
		_					
	Phone	Fax	756 0740				
	(219) 756-5320	(219)	756-0718				
		Last Chang	ged: 5/31/2005				

Reports

Navigation

Tools Options Help

PSC Home

## **KY** Public Service Commission

## Utility Information

General 2	ddress Comments	Counties Groups
Utility ID	Company	
5118300	Business Options, Inc.	
Utility Type		
510	Long Distance Carriers	
Utility Status	Utility Inactive Date	Total Customers
I	5/31/2005	
<b>Class</b> B	<b>Report Required</b> Y	
Mult Service	Mult Service Type	Default Address
	Not a Multi Service Company	Company Address
		Last Changed: 5/31/2005

ReadOnlyAddress		Page 1 of 1
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KY Public Ser	vice Commission	
	Utility Informa	ition
General	Address Comments	Counties Groups
Company Address Manager Correspondence	22205374 Co Company	ompany Address
Accounting Engineering Complaint	Buzz Telecom Corporation	
	Address 8380 Louisiana Street	
	Merrillville , IN 46410	
	<b>Phone</b> (219) 756-5320	<b>Fax</b> (219) 756-0718
	·	Last Changed: 8/2/2006

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KY Public Serv	vice Commission	
	Utility Informat	ion
• •		
General <b>Fra</b>	ddress Comments	Counties Groups
Utility ID	Company	
22205374	Buzz Telecom Corporation	ו
Utility Type		
510	Long Distance Carriers	· ·
Utility Status	Utility Inactive Date	Total Customers
A		
Class	Report Required	
D	Y	
Mult Service	Mult Service Type	Default Address
	Not a Multi Service Company	Company Address
	Company	Last Changed: 8/2/2006

12/1/2006

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KY Public Se	rvice Commission	
	Utility Informati	on
General	Address Comments	Counties Groups
Company Address		
Richager	22205374	Manager
Correspondence	Company	-
Accounting	Buzz Telecom Corporation	
Engineering		
Complaint		
	Contact	
	Corporate Affairs Officer William Brzyc	ki
	Address	
	8380 Louisiana Street	
	Merrillville , IN 46410	
	,	
	Phone	Fax
		Last Changed: 8/2/200

http://psc.ky.gov/utility\_master/ReadOnlyAddress.aspx

12/1/2006

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## EXHIBIT 2

### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BUSINESS OPTIONS, INC. FOR A ) CERTIFICATE OF PUBLIC CONVENIENCE AND ) CASE NO. NECESSITY TO PROVIDE RESOLD INTRASTATE ) 96-093 TELECOMMUNICATIONS SERVICES )

### ORDER

On March 13, 1996, Business Options, Inc. ("Business Options") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to provide intrastate, longdistance telecommunications services as a reseller within the Commonwealth of Kentucky.

Business Options is an Illinois corporation proposing to resell the services of carriers currently certified within the Commonwealth of Kentucky in accordance with the terms and conditions set forth in its tariff. Business Options does not seek authority to provide operator-assisted telecommunications services.

Business Options employs no intrastate transmission or reception telecommunications equipment or facilities in the performance of its services, and all intrastate facilities, equipment, and networking will be provided by the underlying carrier. Business Options will not construct any new facilities in the Commonwealth of Kentucky.

The information provided by Business Options demonstrates its financial, managerial, and technical capability to provide intrastate, long-distance telecommunications service. The proposed rates filed March 13, 1996, and amendments filed April 23, 1996, should be approved as the fair, just and reasonable rates to be charged with the modifications noted herein.

In Administrative Case No. 306,<sup>1</sup> the Commission stated the importance of eliminating possible customer confusion arising from the name of the billing service, rather than the name of the provider of telecommunications services, appearing on the bill. Accordingly, Business Options should ensure that its name appears prominently on all bills issued to customers for services rendered by it.

The Commission, having considered the application, the information provided by Business Options, and being otherwise sufficiently advised, HEREBY ORDERS that:

1. Business Options be and it hereby is granted authority to provide intrastate, long-distance telecommunications services within the Commonwealth of Kentucky on and after the date of this Order.

2. Business Options shall comply with the provisions of the Orders in Administrative Case No. 323.<sup>2</sup>

3. Business Options shall ensure that its name appears prominently on all bills issued to customers for services rendered by it.

<sup>&</sup>lt;sup>1</sup> Administrative Case No. 306, Detariffing Billing and Collection Services, Order dated April 30, 1990.

<sup>&</sup>lt;sup>2</sup> Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality.

Business Options' authority to provide service in the 4. Commonwealth of Kentucky is strictly limited to those services described in this Order and in Business Options' application.

The rates and charges proposed by Business Options are 5. hereby approved pending the following modification:

To comply with 807 KAR 5:006, Section 8(3)h, amend Original Sheet No. 23, 2.6.3 to reflect that any payment received is to be first applied to the bill, and the company cannot assess penalty charges on unpaid penalty charges.

Within 30 days from the date of this Order, Business 6. Options shall file its tariff sheets in accordance with 807 KAR 5:011.

Done at Frankfort, Kentucky, this 11th day of June, 1996.

PUBLIC SERVICE COMMISSION

Chairman

ATTEST:

Executive Directo



# EXHIBIT 3

## Before the FCC 04M-08 FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)	EB Docket No. 03-85
BUSINESS OPTIONS, INC.	)	File No. EB-02-TC-151
Order to Show Cause and Notice of Opportunity for Hearing	)	NAL/Acct. No. 200332170002 FRN: 0007179054
	)	

### CONSENT ORDER

Issued: February 18, 2004

Released: February 20, 2004

This is a ruling on Joint Request for Adoption of Consent Decree and Termination of Proceeding, filed on February 17, 2004, by the Enforcement Bureau ("Bureau") and Business Options, Inc. ("BOI") in accordance with §§ 1.93 and 1.94 of the Commission's rules [47 C.F.R. §§ 1.93, 1.94].<sup>1</sup>

This proceeding was set for hearing by *Order to Show Cause and Notice of Opportunity for Hearing*, 18 F.C.C. Rcd 6881, released April 7, 2003 ("*OSC*"). Issues were specified to determine whether BOI had made misrepresentations or engaged in lack of candor (Issue a); to determine whether BOI had changed consumers' preferred carrier without their authorization in willful or repeated violation of § 258 of the Communications Act of 1934, as amended (the "Act") and §§ 64.1100-1190 of the Commission's rules (Issue b); to determine whether BOI had failed to file FCC Form 499-A in willful or repeated violation of § 64.1195 of the Commission's rules (Issue c); to determine whether BOI had discontinued service without Commission authorization in willful or repeated violation of § 214 of the Act and §§ 63.71 and 63.505 of the Commission's rules (Issue d); to determine whether BOI's authorization pursuant to § 214 of the Act to operate as a common carrier should be revoked (Issue e); and to determine whether the BOI and/or its principals should be ordered to cease and desist from the provision of any interstate common carrier services without the prior consent of the Commission (Issue f). See OSC, 18 F.C.C. Rcd at 6894 (¶ 36).

<sup>&</sup>lt;sup>1</sup> The parties submitted a draft *Consent Order* to the Presiding Judge for consideration in accordance with § 1.94(b)(7). The *Consent Order* provides for termination of the proceeding after the period prescribed for a Commission review *sua sponte* has expired. See § 1.94(e) of the Commission's rules. There has been no change, addition, or modification of the *Consent Decree*.

If it were shown that BOI willfully or repeatedly violated the provisions of the Act or the Commission's rules noted above, then it would further be determined whether a forfeiture, in the maximum amount of \$80,000 for each unauthorized conversion of listed complainants' long distance service, \$3,000 for the failure to file a sworn statement, and \$120,000 for the unauthorized discontinuance of service, should be imposed. *See OSC*, 18 F.C.C. Rcd at 6894-95 (¶ 39).

By Memorandum Opinion and Order, FCC 03M-33, released August 20, 2003 ("MO&O"), additional issues were specified to determine whether BOI and its related entities, Buzz Telecom Corp. ("Buzz"), U.S. Bell and/or Link Technologies (collectively, "U.S. Bell") failed to make required universal service contributions in violation of § 254(d) of the Act and § 54.706 of the Commission's rules (Issue g); to determine whether BOI, Buzz and/or U.S. Bell had failed to make required contributions to the Telecommunications Relay Services Fund in violation of § 64.604(c)(5)(iii)(A) of the Commission's rules (Issue h); and to determine whether BOI, Buzz and/or U.S. Bell failed to file Telecommunications Reporting Worksheets ("Worksheets") in violation of §§ 54.711, 54.713 and 64.604(c)(iii)(B) of the Commission's rules (Issue i). In addition, if it were shown that BOI, Buzz and/or U.S. Bell willfully or repeatedly violated the provisions of the Act or the Commission's rules noted above, then it would further be determined whether a forfeiture, in the amount of \$115.533.52 for the failures to make required universal service contributions, \$10,000 for each failure to timely file Worksheets, and \$10,000 for each failure to make required contributions to the TRS Fund (Issue j) should be imposed. Memorandum Opinion and Order, FCC 03M-33 at 4 (¶ 10), clarified, Memorandum Opinion and Order, FCC 03M-57, released December 23, 2003, and clarification Order, FCC 04M-04, released January 30, 2004.

By *Memorandum Opinion and Order*, FCC 03M-54, released December 9, 2003, Issues b, c and d were resolved by summary decision against BOI. By *Memorandum Opinion and Order*, FCC 03M-58, released December 24, 2003, Issues g, h, and i were resolved against BOI, Buzz and U.S. Bell. *See* 47 C.F.R. § 1.94 (f) (consent decree provisions shall not effect procedures for resolving issues by summary decision after hearing designation. There were no findings of misrepresentation or lack of candor, or of any case dispositive issue in connection with either of these summary decisions.

#### **Public Interest**

BOI, its affiliates (Buzz and U.S. Bell) and their management company, Avatar Enterprises, Inc. (collectively, the "Companies"),<sup>2</sup> and the Bureau have entered into a *Consent Decree* which would resolve all of the issues. Approval of the *Consent Decree* authorizes terminating this proceeding.

<sup>&</sup>lt;sup>2</sup> BOI, Buzz and U.S. Bell, Inc. and, its successor, Link Technologies, are owned and controlled by Kurtis Kintzel and his brother, Keanan Kintzel. In addition, both BOI and Buzz are "managed" by another entity, Avatar Enterprises, Inc., which is also owned and controlled by Kurtis and Keanan Kintzel.

Approval of the *Consent Decree* will further the public interest by securing repayment of BOI's universal service debt, adequately sanctioning BOI for the violations cited in the summary decisions, and instituting a compliance plan that will ensure that BOI remains current with its universal service and TRS obligations and that will ensure compliance with the Commission's slamming and reporting requirements, in exchange for the prompt disposition of this proceeding's remaining issues. In addition, the *Consent Decree* requires BOI to make a voluntary payment (not a fine or a forfeiture) in the amount of \$510,000 to the United States Treasury over four years.<sup>3</sup>

The Consent Decree will secure future compliance with the law by the Companies and their principals in exchange for the prompt disposition of this proceeding. See  $\S$  1.93(b) of the Commission's rules. Accordingly, based upon a review and evaluation of the Consent Decree, it is concluded that the requirements of \$ 1.93 and 1.94 of the Commission's rules are satisfied, and that the public interest would be served by approval.

The *Consent Decree* is to be filed with the Secretary and placed on the public record by the effective date of this *Consent Order*.

### **Rulings**

IT IS ORDERED pursuant to § 1.94(d) of the Commission's rules, that the Consent Decree IS APPROVED.

IT IS FURTHER ORDERED pursuant to 1.94(d) of the Commission's rules, that the record of this proceeding IS CLOSED.

IT IS FURTHER ORDERED pursuant to § 1.94(b)(7) of the Commission's rules, that all of the issues specified in the Order to Show Cause and Notice of Opportunity for Hearing ARE RESOLVED.

<sup>&</sup>lt;sup>3</sup> The amount of the voluntary payment was determined as follows: \$115,000 (essentially, the maximum figure cited in the most recent clarification of the issue, *see Order*, FCC 04M-04, released January 30, 2004) for BOI's repeated failures to make universal service contributions in a timely manner; \$3,000 (the maximum provided in the *OSC*) for BOI's willful failure to timely file its Registration Statement; \$12,000 (below the maximum allowed by the *OSC* but not inconsistent with precedent, *see, e.g., Broadstreet Communications, Inc.*, Notice of Apparent Liability for Forfeiture, 17 FCC Rcd 7938 (Enf. Bur. 2002)) for the unauthorized discontinuation of service in Vermont; \$40,000 (below the maximum allowed by the *OSC* but not inconsistent *(see, e.g., 47* C.F.R. § 1.80, note to section (b)(4), Section 1) for each of nine unauthorized changes of long distance telephone service for a total of \$360,000; \$10,000 (the maximum allowed by *MO&O*, FCC 03M-33) for BOI's willful failure to timely make its TRS contribution; and \$10,000 (less than what *MO&O*, FCC 03M-33 allowed but consistent with 47 C.F.R. § 1.80, note to section (b)(4), Section 1) for BOI's repeated failures to timely file Worksheets.

IT IS FURTHER ORDERED that pursuant to § 1.94(e) of the Commission's rules, the Joint Request for Adoption of Consent Decree and Termination of Proceeding IS GRANTED.<sup>4</sup>

## FEDERAL COMMUNICATIONS COMMISSION<sup>5</sup>

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Richard L. Sippel Chief Administrative Law Judge

<sup>&</sup>lt;sup>4</sup> However, the Commission may review the *Consent Decree* on its own motion under § 1.302 of the Commission's rules. *See* § 1.94(e). Therefore, this *Consent Order* and the *Consent Decree* will become effective and this proceeding is terminated 50 days after its public release if the Commission does not review the *Consent Order* and/or the *Consent Decree* on its own motion. 47 C.F.R. § 1.302.

<sup>&</sup>lt;sup>5</sup> Courtesy copies of this *Consent Order* were sent to counsel for the parties by fax or e-mail on the day of issuance.

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# EXHIBIT 4

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MAY 2 3 2005 PUBLIC SERVIC COMMISSION



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May 18, 2005

Beth A. O'Donnell, Executive Director Kentucky Public Service Commission **PO BOX 615** Frankfort, KY 40602-0615

Re: Transfer of customers

Dear Ms. O'Donnell,

05-118300 ve Mater bl We would like to notify your agency that Business Options, Inc. will transfer its long distance customer base (approximately 581) within your state to Buzz Telecom, Corp. on June 15h, 2005 or shortly thereafter. All long-distance toll services will remain the same, as well as the rates. However, all customers will experience a name change on their telephone bill.

1. Names of Parties Involved in Transaction:

05053740-0505 (PerDirg) Buzz Telecom, Corp. - 222 05-37 4-057 Business Ont Types of Telecom

Business Options, Inc.

2. **Types of Telecommunications Services Provided:** 

This is a transfer from one company to another; since they have the same owners, service will not change. Buzz Telecom proposes to offer a variety of interstate, intralata, intralata, calling cards, toll free number, international long distance, toll services, etc., as applicable throughout the United States.

3. Date of Proposed Transfer:

On or shortly after June 1, 2005, but not earlier than customers' receipt of 30 days prior notice.

**Copy of Customer Notice:** 

See Attachment A.

Copy of FCC Notice: ·5.

See Attachment B.

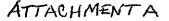
Should you have any questions, please do not hesitate to contact our office.

Respectfully.

Keanan Kintzel

**Executive Director** 

8380 Louisiana Street · Merrillville, Indiana 46410 Phone: 219-756-5320 • Fax: 219-756-0718





April 25, 2005

Dear Customer,

Buzz Telecom is pleased to announce that it has reached an agreement with your current long distance provider, Business Options, to take over all the long distance toll services they have been providing. Business Options will soon be ceasing operations in your state and Buzz Telecom will be acquiring its customers. With Buzz Telecom, you will continue to receive the same low rates and quality services, as before, the only change that will occur will be our name on your phone bill. Additionally, there will be no fees that you will incur as part of this change and THIS WILL NOT AFFECT YOUR LOCAL TELEPHONE SERVICE.

Although the name Buzz Telecom will be the only change, you are under no obligation to maintain your service with Buzz Telecom. You have the right to select a different preferred carrier for the telecommunications services you have ordered, if an alternative carrier is available. The selection of a different toll service provider may, however, affect the rates you pay for toll services. Your toll services will transfer to Buzz Telecom on June 1, 2005 or shortly thereafter.

If for some reason your local phone company bills you a carrier change charge or you have any questions on current or old bills or you would like to order additional toll free or calling card services, simply contact our customer service department at 888-889-2671 from 8 a.m. to 5 p.m. Monday to Friday - Chicago time. We will happily answer any questions, fulfill additional orders or issue any credits owed to your account. Further, Buzz Telecom will be totally responsible for handling any complaints filed, or otherwise raised, prior to or during your transfer from Business Options to Buzz Telecom. Please note that any long distance "freeze" you have placed on your existing telephone lines to prevent an unauthorized transfer to another long distance carrier will be overridden for purposes of this transaction and will need to be reinstated by you after the transfer is complete.

If for some reason Buzz Telecom, which is a non-dominant carrier, changes the rates, terms, and conditions of the toll services that it provides you, where applicable as outlined in FCC title 47 # 61.58, Buzz Telecom will provide you notice of the changes by either posting them on it's website at <u>www.ebuzz.bz</u> or through a bill message or insert prior to the effective date of the changes. Business Options and Buzz Telecom both wish to thank you for being a valued long distance customer.

Sincerely,

Keanan Kintzel

Keanan Kintzel Executive Director

> 8380 Louisiana Street ~ Merrillville, IN 46410 Phone (219) 756-5320 ~ Fax (219) 756-0718

## ATTACHMENT B

March 14, 2005

Secretary of the Commission Ms. Mariene F. Dortch Federal Communications Commission 9300 E. Hampton Drive . Capitol Heights, Maryland 20743

## RECEIVED & INSPECTED MAR 2 1 2005 FCC - MAILROOM



Re: Notice of proposed Customer Transfer and Certification of Compliance With FCC Rules- cc docket No. 00-257

Dear Ms. Dortch:

Buzz Telecom, Corp. is a Nevada Corporation with its principal place of business in Merrillville, Indiana.

Buzz Telecom, Inc., hereby notifies the Commission, pursuant to 47 C.F.R.64.1120(e), of the impending transfer of Business Options, Inc. customers to Buzz Telecom, Corp. Both companies have the same ownership and share the same underlying carriers, thus transfer should be quite scamless, as no real carrier "switch" will occur, simply a transfer of billing responsibilities.

With this transition, customers will receive similar rates, features, terms and conditions of service. The transition of Business Options, Inc. customers to Buzz Telecom, Corp. will occur on June 1, 2005 or as soon thereafter as possible.

Per the FCC guidelines enclosed please find an original and five copies of Buzz Telecom's Notice of Proposed Customer Base Transfer and Certification of Compliance with the Federal Communications Commission's rules in CC Docket No. (00-257 and set forth in C.F.R. 64.11120(e)(1).

Although four copies are required, a fifth copy has been included with this filing to be stamped and returned in the enclosed self-addressed stamped envelope.

- 1. Names of Parties Involved in Transaction:
  - Acquiring Carrier: Transferring Carrier:

Buzz Telecom, Corp.

Types of Telecommunications Services Provided:

As this is a transfer from one company to another, of which both are owned by the same owners, service will not change. Buzz Telecom proposes to offer a variety of discount long distance services such as; interstate, interstate, interlata, intralata, calling cards, toll free number, international long distance, toll services, etc. as applicable throughout the United States.

**Business** Options, Inc.

#### 3. Date of Proposed Transfer:

On or shortly after June 1, 2005, but not earlier than customers' receipt of the company's 30-day prior notice letter.

4. Certification of compliance with Customer Notice Requirements:

See Attachment A.

5. Copy of Customer Notice:

See Attachment B.

Should you have any questions, please do not hesitate to contact our office.

Respectfully Submitted,

Keanan Kintzel

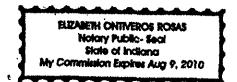
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Executive Director 8380 Louisiana Street • Memiliville, Indiana 46410 Phone: 219-756-5320 • Fax: 219-756-0718 • E-mail: Keanan@ebuzz.bz ATTACHMENT A

### **CERTIFICATION OF COMPLIANCE**

On behalf of Buzz Telecom, Inc., with regard to Buzz Telecom's acquisition of certain customers of Business Options, Inc. located in Merrillville, Indiana, I hereby certify compliance with the requirements of 47 C.F.R.§ 64.1120(e). This includes the provision of advanced subscriber notice, in accordance with 45 C.F.R. § 64.1120(e)(3), and the obligations specified in that notice.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 15<sup>th</sup> day of March 2005, in Merrillville, Indiana.



Unite () March 15, 2005

Keanan G. Kintzel Executive Director Buzz Telecom, Corp.

# EXHIBIT 5

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## Roy Cooper North Carolina Attorney General

For immediate release	Contact:	Noelle Talley
Date: November 2, 2006	Phone:	919/716-6413

## Cooper wins order to stop telemarketer from taking seniors' money

Buzz Telecom must quit trying to collect money from NC consumers for unwanted services

**Raleigh**: A telemarketer that tricked seniors into paying too much for long distance phone service has been ordered to stop trying to collect money from North Carolina consumers, Attorney General Roy Cooper announced today.

"This telemarketer claimed it would quit preying on our seniors but kept right on charging them for longdistance services they weren't even using," said Cooper. "Consumers let us know about it, and now we've put a stop to these inflated bills."

Wake County Superior Court Judge J.B. Allen, Jr. today agreed with Cooper's request to order Buzz Telecom of Merrillville, Indiana to stop soliciting or collecting money from North Carolina consumers.

In August, Cooper filed suit in Wake County Superior Court against Buzz alleging that it used unfair and deceptive practices and violated the state's telemarketing laws. Buzz claimed that it would stop trying to collect from North Carolina consumers while the case moved forward.

But Cooper's office continued to get complaints from seniors about Buzz, especially from consumers who live in and around Concord, Albemarle, Kannapolis, Ellerbe and Clinton, NC. More than 25 seniors complained to the Attorney General's Consumer Protection Division in the past two weeks that Buzz was trying to collect money from them for long-distance service they weren't receiving.

Cooper is seeking to permanently ban Buzz and its employees from telemarketing in North Carolina and to cancel the company's contracts with North Carolina customers. He is also asking the court for refunds for consumers and civil penalties of \$5,000 per violation.

According to the complaint, Buzz began pitching its long-distance telephone service to North Carolinians sometime in 2003 through telemarketing calls. Buzz telemarketers regularly failed to tell consumers that they were calling to switch them to a new phone service and often claimed to be with the consumer's local phone company. The company particularly targeted senior citizens, promising a senior discount to consumers who answered yes to a series of questions designed to verify the consumer's enrollment in the new long distance service. Instead, consumers wound up with phone bills that were double or triple what they had previously paid. Many of the seniors targeted by Buzz lived on fixed incomes and made few long distance calls.

More than 60 consumers have complained about Buzz since 2004, mostly seniors, their children or caregivers.

Consumers who believe they may have been a victim of Buzz or another telemarketing scheme should report it to the Attorney General's Consumer Protection Division at 1-877-5-NO-SCAM. Relatives and caregivers of seniors are also encouraged to be on the look out for similar scams.

Cooper reminded consumers to sign up for the Do Not Call Registry to cut down on all unwanted telemarketing calls. To add your home and mobile numbers to the list, go to <u>www.nocallsnc.com</u> or call 1-888-382-1222 within North Carolina from the number you wish to register. ####

# EXHIBIT 6

BUZZ TELECOM, CORP. Address: 1465 East 84th Place Merrilivile, IN 46410

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:	Address	1080 St. HL. 38E	3907 Hardeman Dr.	305 Payne Loop Rd.	111 Country View Ct.	375 Tick Ridge Rd.	2540 Rilley Mill Rd.	4645 Tennessee Road	210 E. Limestone St.	P.O. Box 302	530 Skyview Bottom	3550 Greenlawn	93 Maywood Circle	942 Huber Station Road	656 George Street	2121 Nicholasville Road 4302 Twin Elms Court		1105 Liggett	P.O. Box 89	2514 McGurk Street	P.O. Box 1419	903 Buckingham Court	1712 Headley Green	5103 Emily Ave.	235 Mt. Sterling Avenue	P.O. Box 146	1643 Long Fork Road	889 Freedom Road	690 Big Branch Road	P.O. Box 19321, Adams Co., no town-from PSC
	Complainant	Brown, Peyton	Burkholder, Essel & Mildred	Burris, Gordon	Calhoun, Mrs. Ida A.(by son Jimmy 111 Country View Cl. Knilley 270-403-5123)	Carrier, James A., dec. (by daughter-in-law Rosa Lee Carrier	Casey, Beryi	Caudill, Richard, dec. (by Sue Murphy-daughter)	Claycomb, Wm.	Conn, Thelma (by daughter, Virginia)	Cornett, Linda & Avril	Cox, Donna	Cummins, Frank & Barbara	Daniel, Elmer	Daugherty, Gamett	Davis, Cathleen Edinger, Charles		Edwards, Joseph	Engle, Iris	Estep, Harkless	Farris, Ora Lee (by William Adams, Attorney)	Fender, V. C., dec. (by Jamie-son)	Gragg, John, dec. 1991 (by Ann P. Gott-daughter)	Greene, Cloydatta	Gregory, Minnie (Nathan, son)	Hali, Burley	Hall, Dixie (deceased)(by Freda Fleming-daughter)	Hall, Russell (Mrs.)	Keliy, Payton	McGhea, F. L. (Alabama now)
Date of	Complaint	12/5/2006	12/13/2008	12/8/2006	12/15/2006	12/11/2006	11/29/2006	11/29/2006	11/29/2006	12/4/2006	12/4/2006	11/28/2006	12/5/2006	1/16/2007	10/4/2006	11/29/2006		11/28/2006	12/6/2006	11/1/2006	1/30/2006	12/7/2006	12/14/2006	12/7/2006	11/30/2006	12/5/2006	12/7/2006	12/4/2006	12/7/2006	9/27/2005
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## EXHIBIT 7

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## COMMONWEALTH OF KENTUCKY OFFICE OF THE ATTORNEY GENERAL

GREGORY D. STUMBO ATTORNEY GENERAL

December 5, 2006

1024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KY 40601-8204

Mr. Kurtis Kintzel, President Buzz Telecom Corporation 8380 Louisiana Street Merrillville, Indiana 46410

Re: *Demand to Cease and Desist* Activities Related to false billing and unauthorized switching of long distance phone service customers ("Slamming") in the Commonwealth of Kentucky, and violations of state do not call law

Dear Mr. Kintzel:

The Attorney General's Office has received complaints which if substantiated, indicate that Buzz Telecom (hereinafter "Buzz") has engaged in activities which are illegal in the Commonwealth of Kentucky. In particular, Buzz is alleged to have mailed invoices billing Kentucky consumers for long distance telephone services that were neither requested nor authorized by the consumers being billed, nor were such services apparently provided by Buzz. Any such false billings would violate the Kentucky Consumer Protection Act, KRS 367.170. As a consequence, Buzz should immediately cease and desist from further contacting Kentucky consumers with such false billings.

Additionally, it is a violation of KRS 278.535 to intentionally switch a consumer's long distance carrier without the consumer's approval. In the event Buzz has in fact switched a customer's service, or billed for same, without customer approval, Buzz is hereby demanded to cease and desist such activities.

Finally, in the event Buzz has solicited Kentucky consumers whose phone numbers appear on the Kentucky zero call list, such solicitations are in violation of KRS 367.46951 et seq. Buzz was formerly registered with the Office of Attorney General Telemarketing Branch as a merchant pursuant to the Kentucky no call law, however it failed to renew its registration after being notified of its imminent expiration and its registration subsequently expired on June 15, 2005. Please be advised that violations of Kentucky's Telemarketing No Call laws, KRS 367.461-367.46999 are strictly enforced and the penalty for violations of Kentucky's Telemarketing law is \$5,000.00 per violation, as well as criminal penalties for repeat offenders. Pursuant to our ongoing review of this matter, Buzz is hereby directed to answer the questions in the attached Civil Subpoena and Investigative Demand pursuant to KRS 367.250 and forward same to the undersigned on or before the close of business on December 27, 2006. Violations of the Consumer Protection Act are subject to penalties of at least \$2,000 per willful violation.

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Your attention to this matter is appreciated in advance.

Sincerely. V Dennis G. Howard, II

Acting Director Office of Rate Intervention Office of the Attorney General (502)696-5453

Todd E. Leatherman Executive Director Office of Consumer Protection Office of the Attorney General (502) 696-5389



COMMONWEALTH OF KENTUCKY OFFICE OF THE ATTORNEY GENERAL SUBPOENA AND INVESTIGATIVE DEMAND

GREGORY D, STUMBO ATTORNEY GENERAL I 024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KY 40601-8204

TO: Buzz Telecom Corporation 8380 Louisiana Street Merrillville, IN 46410

> Serve: National Registered Agents, Inc. 400 W Market Street Ste 1800 Louisville, KY 40202

IN RE INVESTIGATION OF: Unauthorized Calling Under KRS 367.46951, et seq. And KRS 367.170, and Unauthorized Billing for Services Under KRS 278.535 and KRS 367.170

Pursuant to the authority of KRS 367.240 and 367.250, the Attorney General of Kentucky, having reason to believe that KRS 367.46951, et seq, KRS 278.535 and KRS 367.170 have been violated, and that it is in the public interest that an investigation should be made, then it is hereby **ORDERED** as follows:

1. That you personally appear at [If personal appearance, place] to testify at on [If personal appearance, date and time]

2. That you provide the following information and produce the following documents at the time and place above or, if blank, then by mailing them together with a completed sworn statement of authenticity and completeness of documents, no later than **December 27**, 2006 to: Office of Attorney General, Office of Rate Intervention, 1024 Capital Center Drive, Suite 200, Frankfort, KY 40601:

See Attachment A hereto.

Failure to comply with this Subpoena and Investigative Demand will result in legal action pursuant to KRS 367.290. Intentional concealment, falsification or destruction of documents may be punishable as a class A misdemeanor under KRS 367.990(3). It is a class D felony to intentionally destroy, mutilate, conceal, remove, alter, or fabricate physical evidence believing that an official proceeding may be pending or instituted pursuant to KRS 524.100.

Date Issued: December 5, 2006

GREGORY D. STUMBO ATTORNEY GENERAL By: Dennis G. Howard, II Acting Director Office of Rate Intervention AN EQUAL OPPOSODING9645453ER M/F/D

Served via:  $\cancel{1}$ . Certified mail, return receipt requested.

2. Personal delivery to: Date: 12/5/2006 <u>Laura Rice, Admin Apec. III</u> NAME, TITLE

By:

## ATTACHMENT A SUBPOENA AND INVESTIGATIVE DEMAND ISSUED TO BUZZ TELECOM CORPORATION DECEMBER 5, 2006

### **DEFINITIONS:**

"**Document**" refers to any record of information of any type, including written, electronic, graphic, handwritten, etc. It includes but is not limited to invoices, bills of lading, receipts, notes, email and correspondence.

"Identify" with respect to a person or company means to list name of contact person, name of company, address and phone number. With respect to a document, "identify" means to list the date, title, type (letter, email, invoice, etc.), author and recipients. For documents that are provided to the Attorney General's office with your responses, and indicated as responsive to a specific numbered question, you do not need to list all the identifying information.

- A copy of all documents and/or tangible things which establish or evidence Buzz's company policies and procedures for conducting telemarketing operations in the Commonwealth of Kentucky, including, but limited to, all written procedures in place from January 2005 to present to prevent telephone calls to residential numbers on the Kentucky Zero Call list.
- A copy of all documents and/or tangible things which establish or evidence, directly or indirectly, telephone calls made to Kentucky residential, cellular or business telephone numbers, from December 1, 2005, through the date of the response to this subpoena by employees or agents of Buzz, including, but not limited to, copies of telephone toll or

call records of any type showing telephone numbers called, telephone billing records, calling lists containing any Kentucky residential, cellular or business telephone numbers, or lead sheets containing Kentucky residential telephone numbers, or similar documents.

- Copies of all telephone scripts that have been used by Buzz or its agents in its Kentucky telemarketing operations from December 1, 2005 through the date of the response to this subpoena.
- 4. Copies of all promotional materials for Buzz Telecom telephony or other services including, but not limited to fliers, direct mailings, envelopes, print advertisements, web pages, or other media used by distributed by Buzz or its agents between December 1, 2005 and the date of the response to this subpoena.
- 5. Copies of all documents and/or agreements which establish or otherwise evidence a contractual, or other business relationship between defendant Buzz and any third party individual or entity with whom Buzz contracts, or has contracted to perform any duties in relation to compliance with Kentucky's Do Not Call law on or after December 1, 2005.
- Copies of all documents and/or agreements which establish or otherwise evidence a contractual, or other business relationship between defendant Buzz and any Kentucky customer for telephone or other services between December 1, 2005 and the date of the response to this subpoena.

- 7. Copies of all correspondence and/or any other document reflecting communications between Buzz and any agency or office of Kentucky state government, directly or indirectly related to any matter or issue that is the subject of this Subpoena and Civil Investigative Demand.
- Please identify all telephone numbers or lines, including area code and local area exchange, which Buzz has utilized at any time to make telephone solicitations or telemarketing related calls to Kentucky residential, cellular or business telephone numbers on or after December 1, 2005.
- 9. Please identify all local exchange carrier(s), competitive local exchange carrier(s), or other telecommunications carrier(s) who have provided or continue to provide service for the numbers or lines which are identified in the foregoing paragraph.
- 10. Please state whether Buzz or as a company under a different name operating with the same corporate address and telephone number, has previously been or is currently named as a party in any other lawsuits involving allegations of violations of any state or federal telemarketing or consumer protection related statutory or regulatory provision of law, or has entered into any settlement or consent agreement with any state or federal agency related to the alleged violation of any telemarketing related provision of state or federal law.
- 11. If Buzz admits to having made any calls to a residential phone line appearing on the Kentucky No Call list, but claims that any such call was

based upon an express request of the consumer to call, an existing debt or contract, or prior or existing business relationship with Buzz, please identify the basis for any such claim for each call.

- 12. Please provide the names, addresses, telephone numbers, and (for Buzz customers) account numbers for each and every Kentucky residence or business that has been solicited by Buzz Telecom for telephone services.
- 13. For those customers that have been billed by Buzz, please provide a copy of customer's agency letter or the electronically recorded authorization of the customer indicating that the customer knowingly requested services from Buzz and the details of the specific service requested.
- 14. Please provide copies of any and all complaints which Buzz has received from Kentucky customers who have claimed that they were billed without the customer's authorization.
- 15. Please provide details regarding actions undertaken by Buzz in addressing any complaints from customers who have claimed that they were billed without the customer's authorization.
- 16. Please provide copies of all documents related to the list of Kentucky residents Buzz has solicited to receive Buzz services. Such documentation includes but not limited to direct mail address lists and database information containing age, income and other demographic information as well as all contracts, correspondence, promotional

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material, memoranda and e-mail related to the database containing information used to solicit Kentucky consumers and businesses.

17. Please identify by name, address, title and/or job position all persons who assisted in the preparation the response of Buzz to this Subpoena and Civil Investigative Demand.



## EXHIBIT 8

Buzz Telecom, Corporation Business Options, Inc. P.O. Box 11735 Merrillville, IN 46410

December 13, 2006

Dear Sir/Madam,

On or near November 30<sup>th</sup>, 2006, Buzz Telecom, Corporation and Business Options, Inc. (together known as "Buzz" hereafter) ceased providing long distance service to their entire customer bases.

This fall, Buzz attempted to switch from LEC billing to direct billing, which created inquiries at our company, with some local telephone companies and with some state agencies. It also significantly changed our revenue lines.

Buzz utilized Qwest Communications as its underlying carrier for the previous six years. Qwest sent Buzz its November invoice electronically on November 11th with a due date of November 17<sup>th</sup>. On November 18<sup>th</sup>, Qwest suspended services to Buzz and proceeded to disconnect all customers over the next 10 days even though Buzz attempted to resolve the billing issue.

Although not by choice, Buzz ceased providing long distance service in November 2006. Since Buzz stopped providing service, no new bills were or will be sent to customers from Buzz.

In the best interest of the customers, Buzz sold all company assets, including trade names, and conveyed all rights to service and bill Buzz customers to UMCC Holdings, Inc., another Qwest reseller. One day after Qwest shut off service to Buzz customers, Qwest contacted Buzz with this alternative solution. Because UMCC was already a Qwest reseller and no pic change was necessary, UMCC was able to quickly turn on the customer's long distance service with minimal disruption.

Buzz is now closed. Buzz no longer has office facilities, employees, or revenues. Buzz Telecom, Corporation and Business Options, Inc. hereby respectfully requests to withdraw their Public Utility Commission or Public Service Commission certifications to provide long distance service.

With no employees or financial resources and under the current circumstances, Buzz will not be researching customer inquiries going forward; however, attached is a copy of the verification script used by an independent verification company to verify Buzz customer orders. ALL customers put on Buzz long distance service were independently verified first and given a 2.9 cents per minute state to state long distance rate which is one of the very best in the entire telecommunications industry. If needed, Buzz Telecom, Corporation and Business Options, Inc. can be reached at P.O. Box 11735, Merrillville, IN 46410.

UMCC will service and bill the customers. UMCC is receiving and handling calls at 888.889.2671, receiving and responding to emails at <u>service@ebuzz.bz</u>, and will be maintaining the <u>www.ebuzz.bz</u> website going forward.

Buzz Telecom, Corporation is not a parent, subsidiary or affiliate company to UMCC Holdings, Inc.

Respectfully Submitted,

Kurtis Kintzel, President Buzz Telecom, Corporation Business Options, Inc.

## EXHIBIT 9

Name Searched On: UMCC HOLDINGS, INC. (Legal)

Current Information

Entity Legal Name: UMCC HOLDINGS, INC

Entity Address: 484 E CARMEL DR, #290, CARMEL, IN 46032

#### **General Entity Information:**

Control Number: 2006121500258 Status: Active Entity Type: For-Profit Domestic Corporation

Entity Creation Date: **12/13/2006** Entity Date to Expire: Entity Inactive Date:

This entity is current with Business Entity Report(s).

There are no other names on file for this Entity.

#### **Additional Services Available:**

	View additional information for the entity, including transaction history, merger information, registered agent, principals and corporate report information (years paid and years due). There is a fee of \$1.00 for accessIndiana subscribers and a fee of \$2.04 for credit card users for this additional information. NOTE: Amendments filed prior to 1987 DO NOT appea in the transaction history.
	<b>Generate an official Certificate of Existence/Authorization</b> . There is a total fee of \$20.00 for <i>accessIndiana</i> subscribers and a fee of \$21.42 for credit card users. Example Certificate. Please note that when an entity has a past due business entity report, the Certificate of Existence will indicate that the entity is not current. An entity is current if no reports are past due.
<b>6</b> 3	<b>Place orders for copies of Business Entity documents</b> with the Secretary of State's Business Services Division. There is no fee to place an order; however, you will be billed for any statutory fees associated with your order. View fee schedule

https://secure.in.gov/sos/bus\_service/online\_corps/view\_details.aspx?guid=589EDFC0-B... 12/19/2006

#### (NEW SEARCH

If you encounter technical difficulties while using these services, please contact the *accessIndiana* Webmaster.

If you are unable to find the information you need through the resources provided on this web site contact Secretary of State Todd Rokita's Business Services Division at 317-232-6576.

« Back to the SOS Web site

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## EXHIBIT 10

### Buzz Telecom, Corporation P.O. Box 11735 Merrillville, IN 46411

# JAN 1 1 2007

COMMISSION

January 6, 2007

Dear Sir/Madam,

After years of reselling long distance, Buzz Telecom, Corporation is closing its doors.

Please cancel the Buzz Telecom, Corporation certificate to provide interlata, intralata, and intrastate long distance service in your state.

Buzz Telecom, Corporation ceased accepting new customers in September of 2006, sent its final billing in November of 2006, stopped providing services to all customers in December of 2006, and no longer has any customers in your state.

There is another Buzz Telecom out of Canada, and this past fall, some assets of Buzz Telecom, Corporation were sold including its trade names; however, Buzz Telecom, Corporation did not sell its certificates to resell long distance service. Thus, should the name Buzz Telecom arise in the future, it will not be due to Buzz Telecom, Corporation providing services, billing customers or anything else.

For about 6 years, The Verifications Company has been the independent third party verification company utilized by Buzz Telecom, Corporation. They verified 99.9% of Buzz Telecom, Corporation's new customer orders over that time. Any other verifications would have been done by Voice Log.

Buzz Telecom, Corporation no longer has an active account with The Verification Company, but per FCC guidelines, the verifications are retained and stored by The Verification Company for at least two years.

Should your agency or a customer desire to receive a verification, please contact them at:

The Verification Company 800.570.2572 phone 727.734.5802 fax <u>mfagerman@verificationco.com</u> 1059 Broadway, Suite G, Dunedin, FL 34698

Please send further communications to: Buzz Telecom, Corporation, PO Box 11735, Merrillville, IN 46411 or by email to kjkintzel@hotmail.com.

Sincerely

Kurtis Kintzel, President Buzz Telecom, Corporation