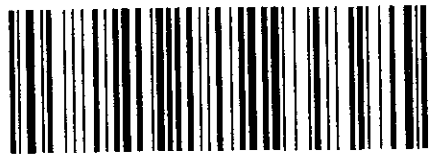


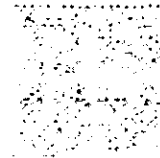
IC SERVICE COMMISSION
BOX 360
PERSON CITY MO 65102

(12-91)



7004 1350 0003 1351 6766

FIRST CLASS



UNITED STATES POSTAGE
02 1
JCC4350512
MAILED FROM ZIP CODE 65101

FILED
APR 5 2007
Missouri Public
Service Commission

Budget Prepay, Inc. f/k/a Budget
Phone, Inc.
6901 W. 70th St.
Shreveport, LA 71129

BUDG901 711292019 1C05 05 03/31/07
FORWARD TIME EXP RTN TO SEND
BUDGET PHONE INC
1325 BARKSDALE BLVD STE 200
BOSSIER CITY LA 71111-4600

RETURN TO SENDER



7C-2007-0347 3/27/07

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Budget Prepay, Inc. f/k/a Budget
Phone, Inc.
6901 W. 70th St.
Shreveport, LA 71129

2. Article Number
(Transfer from service label)

7004 1350 0003 1351 6766

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Staff of the Public Service Commission)
of the State of Missouri,)

Complainant,)

v.)

Case No. TC-2007-0347

Budget Prepay, Inc. f/k/a Budget)
Phone, Inc.,)

Respondent.)

NOTICE OF COMPLAINT

Issue Date: March 27, 2007

Budget Prepay, Inc. f/k/a Budget Phone, Inc.
6901 W. 70th Street
Shreveport, Louisiana 71129

Budget Prepay, Inc. f/k/a Budget Phone, Inc.
c/o TCS Corporate Services, Inc., Registered Agent
222 Dunklin, Suite 102
Jefferson City, Missouri 65101

CERTIFIED MAIL

On March 22, 2007, the Staff of the Missouri Public Service Commission filed a complaint with the Commission against Respondent Budget Prepay, Inc. f/k/a Budget Phone ("Budget"). Staff subsequently filed an amended complaint on March 27, 2007, a copy of which is enclosed. Under Commission Rule 4 CSR 240-2.070(7), Respondent shall have 30 days from the date of this notice to file an answer to the amended complaint or to file notice that the amended complaint has been satisfied. Since this notice is being issued on March 27, 2007, Budget's response is due no later than April 26, 2007.

All pleadings (including the answer or the notice of satisfaction of the amended complaint) shall be mailed to:

Secretary of the Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102-0360

A copy of such pleadings shall be served upon the Complainant at the Complainant's mailing address as listed within the enclosed amended complaint. A copy of this notice has been mailed to the Complainant.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a horizontal line.

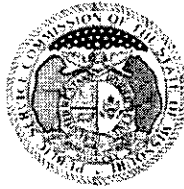
Colleen M. Dale
Secretary

(S E A L)

Dated at Jefferson City, Missouri,
on this 27th day of March, 2007.

Lane, Regulatory Law Judge

Copy to: Staff of the Missouri Public Service Commission
 P.O. Box 360
 Jefferson City, Missouri 65102-0360



Commissioners

JEFF DAVIS
Chairman

CONNIE MURRAY

STEVE GAW

ROBERT M. CLAYTON III

LINWARD "LIN" APPLING

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

WESS A. HENDERSON
Executive Director

DANA K. JOYCE
Director, Administration and
Regulatory Policy

ROBERT SCHALLENBERG
Director, Utility Services

WARREN WOOD
Director, Utility Operations

COLLEEN M. DALE
Secretary/Chief Regulatory Law Judge

KEVIN A. THOMPSON
General Counsel

Information Sheet Regarding Mediation of Commission Formal Complaint Cases

Mediation is a process whereby the parties themselves work to resolve their dispute with the aid of a neutral third-party mediator. This process is sometimes referred to as "facilitated negotiation." The mediator's role is advisory and although the mediator may offer suggestions, the mediator has no authority to impose a solution nor will the mediator determine who "wins." Instead, the mediator simply works with both parties to facilitate communications and to attempt to enable the parties to reach an agreement which is mutually agreeable to both the complainant and the respondent.

The mediation process is explicitly a problem-solving one in which neither the parties nor the mediator are bound by the usual constraints such as the rules of evidence or the other formal procedures required in hearings before the Missouri Public Service Commission. Although many private mediators charge as much as \$250 per hour, the University of Missouri-Columbia School of Law has agreed to provide this service to parties who have formal complaints pending before the Public Service Commission at no charge. Not only is the service provided free of charge, but mediation is also less expensive than the formal complaint process because the assistance of an attorney is not necessary for mediation. In fact, the parties are encouraged not to bring an attorney to the mediation meeting.

The formal complaint process before the Commission invariably results in a determination by which there is a "winner" and a "loser" although the value of winning may well be offset by the cost of attorneys fees and the delays of protracted litigation. Mediation is not only a much quicker process but it also offers the unique opportunity for informal, direct communication between the two parties to the complaint and mediation is far more likely to result in a settlement which, because it was mutually agreed to, pleases both parties. This is traditionally referred to as "win-win" agreement.

The traditional mediator's role is to (1) help the participants understand the mediation process, (2) facilitate their ability to speak directly to each other, (3) maintain order, (4) clarify misunderstandings, (5) assist in identifying issues, (6) diffuse unrealistic expectations, (7) assist in translating one participant's perspective or proposal into a form that is more understandable and acceptable to the other participant, (8) assist the participants with the actual negotiation process, (9) occasionally a mediator may propose a possible solution, and (10) on rare occasions a mediator may encourage a participant to accept a particular solution. The mediator will not possess any specialized knowledge of the utility industry or of utility law.

In order for the Commission to refer a complaint case to mediation, the parties must both agree to mediate their conflict in good faith. The party filing the complaint must agree to appear and to make a good faith effort to mediate and the utility company against which the complaint has been filed must send a representative who has full authority to settle the complaint case. The essence of mediation stems from the fact that the participants are both genuinely interested in resolving the complaint.

Because mediation thrives in an atmosphere of free and open discussion, all settlement offers and other information which is revealed during mediation is shielded against subsequent disclosure in front of the Missouri Public Service Commission and is considered to be privileged information. The only information which must be disclosed to the Public Service Commission is (a) whether the case has been settled and (b) whether, irrespective of the outcome, the mediation effort was considered to be a worthwhile endeavor. The Commission will not ask what took place during the mediation.

If the dispute is settled at the mediation, the Commission will require a signed release from the complainant in order for the Commission to dismiss the formal complaint case.

If the dispute is not resolved through the mediation process, neither party will be prejudiced for having taken part in the mediation and, at that point, the formal complaint case will simply resume its normal course.



Colleen M. Dale
Secretary of the Commission

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Staff of the Public Service Commission of the State)	
of Missouri,)	
)	
Complainant,)	
v.)	Case No. TC-2007-0347
)	
Budget Prepay, Inc. f/k/a/ Budget Phone, Inc.,)	
)	
Respondent.)	

AMENDED COMPLAINT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), pursuant to section 386.390.1 RSMo (2000) and Commission Rule 4 CSR 240-2.070 and for its first amended complaint against Budget Prepay, Inc f/k/a Budget Phone, Inc. (Budget), states:

Introduction

1. This Amended Complaint concerns violations of a Commission rule requiring Quality of Service Reports to be filed quarterly by companies providing basic local telecommunications service. This Complaint also concerns violations of a Commission rule setting out the procedure a company must follow to obtain Commission recognition of a change of that company's name.

Complainant

2. Complainant is the Staff of the Missouri Public Service Commission (Staff), acting through the Commission's General Counsel as authorized by Commission Rule 4 C.S.R. 240-2.070(1). A "Complaint may be made. . .in writing, setting forth any act or thing done or omitted to be done by any corporation. . .in violation, or claimed to be in violation, of any provision of law, or of any rule or order or decision of the Commission. . . ." Section 386.390.1 RSMo (2000).

Respondent

3. Budget is a telecommunications company certificated in Missouri by the Missouri Public Service Commission to provide basic local telecommunications service (Case No. CA-2003-0024), and is a telecommunications company as defined by section 386.020(51) RSMo (2000) (Supp. 2005).

4. Budget's business address is 6901 W. 70th St., Shreveport, Louisiana 71129.

5. The registered agent in Missouri for Budget is TCS Corporate Services, Inc., 222 Dunklin, Suite 102, Jefferson City, Missouri, 65101.

Count I

Failure to File Quarterly Quality of Service Reports

6. Complainant hereby adopts by reference and re-alleges the allegations set forth in Paragraphs 1 through 5, above.

7. Budget is offering and providing basic local exchange telecommunications service in Missouri, in the exchanges by Southwestern Bell, LP d/b/a AT&T Missouri, CenturyTel of Missouri, LLC, and Embarq Missouri, Inc.

8. Commission Rule 4 C.S.R. 240-3.550(5), requires that each company which provides basic local telecommunications service "file with the commission no later than forty-five days following the end of each quarter a report, referred to as the quarterly report [or Quarterly Quality of Service Report], of the quality of the telephone service provided to its customers."

9. Budget has not filed Quarterly Quality of Service Reports in compliance with 4 C.S.R. 240-3.550(5).

10. After numerous conversations attempting to bring Budget into compliance with reporting requirements, undersigned counsel sent a letter dated March 7, 2007, demanding that

Budget submit their Quarterly Quality of Service Reports in compliance with 4 C.S.R. 240-3.550(5) by close of business on March 21, 2007. To this date, Budget has not responded.

WHEREFORE, the Staff requests that the Commission find that Budget PrePay, Inc. f/k/a Budget Phone, Inc. has failed to file Quarterly Quality of Service Reports pursuant to Commission Rule 4 C.S.R. 240-3.550(5) for every quarter applicable.

Count II

Failure to Follow Procedure for Commission Recognition of Company Name Change

11. Complainant hereby adopts by reference and re-alleges the allegations set forth in Paragraphs 1 through 10, above.

12. Budget Phone, Inc. has changed its name to Budget Prepay, Inc.

13. Commission Rule 4 C.S.R. 240-2.060(5) sets out the procedure a company must follow for Commission recognition of a name change.

14. Budget has not filed notice of its name change in compliance with 4 C.S.R. 240-2.060(5).

WHEREFORE, the Staff requests that the Commission find that Budget PrePay, Inc. f/k/a Budget Phone, Inc. has failed to file notice of its name change pursuant to Commission Rule 4 C.S.R. 240-2.060(5).

Count III

Authorization to Seek Penalties in Circuit Court

15. Complainant hereby adopts by reference and re-alleges the allegations set forth in Paragraphs 1 through 14, above.

16. Section 386.570(1) RSMo (2000) provides:

Any corporation, person or public utility which violates or fails to comply with any provision of the constitution of this state or of this or any other law, or which fails, omits or neglects to obey, observe or comply with any order, decision, decree, rule, direction, demand or requirement, or any part or

provision thereof, of the commission in a case in which a penalty has not herein been provided for such corporation, person or public utility, is subject to a penalty of not less than one hundred dollars nor more than two thousand dollars for each offense.

17. Section 386.570(2) RSMo (2000) provides:

Every violation of the provisions of this or any other law or of any order, decision, decree, rule, direction, demand or requirement of the commission, or any part or portion thereof, by any corporation or person or public utility is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof shall be and be deemed to be a separate and distinct offense.

18. Section 386.600 RSMo (2000) provides:

An action to recover a penalty or a forfeiture under this chapter or to enforce the powers of the commission under this or any other law may be brought in any circuit court in this state in the name of the state of Missouri and shall be commenced and prosecuted to final judgment by the general counsel to the commission. No filing or docket fee shall be required of the general counsel. In any such action all penalties and forfeitures incurred up to the time of commencing the same may be sued for and recovered therein, and the commencement of an action to recover a penalty or forfeiture shall not be, or be held to be, a waiver of the right to recover any other penalty or forfeiture; if the defendant in such action shall prove that during any portion of the time for which it is sought to recover penalties or forfeitures for a violation of an order or decision of the commission the defendant was actually and in good faith prosecuting a suit to review such order or decision in the manner as provided in this chapter, the court shall remit the penalties or forfeitures incurred during the pendency of such proceeding. All moneys recovered as a penalty or forfeiture shall be paid to the public school fund of the state. Any such action may be compromised or discontinued on application of the commission upon such terms as the court shall approve and order.

19. The Missouri courts have imposed a duty upon the Public Service Commission to first determine matters within its jurisdiction before proceeding to those courts. As a result, "[t]he courts have ruled that the [Commission] cannot act only on the information of its staff to authorize the filing of a penalty action in circuit court; it can authorize a penalty action only after a contested hearing." *State ex rel Sure-way Transp., Inc. v. Division of Transp., Dept. of Economic Development, State of Mo.*, 836 S.W.2d 23, 27 (Mo.App. W.D. 1992).

WHEREFORE, Staff requests that the Commission authorize the General Counsel of the Commission to bring an action in Circuit Court to recover from Budget PrePay, Inc. f/k/a Budget Phone, Inc., the maximum statutory forfeiture allowed by section 386.570 RSMo for each separate, distinct, and continuing violation.

Summary of Relief Sought

WHEREFORE, Staff requests that the Commission:

- a) find that Budget PrePay, Inc. f/k/a Budget Phone, Inc. has failed to file Quarterly Quality of Service Reports pursuant to Commission Rule 4 C.S.R. 240-3.550(5) for every quarter applicable,
- b) find that Budget PrePay, Inc. f/k/a Budget Phone, Inc. has failed to file notice of its name change pursuant to Commission Rule 4 C.S.R. 240-2.060(5), and
- c) authorize the General Counsel of the Commission to bring an action in Circuit Court to recover from Budget PrePay, Inc. f/k/a Budget Phone, Inc., the maximum statutory forfeiture allowed by section 386.570 RSMo for each separate, distinct, and continuing violation.

Respectfully submitted,

/s/ Jennifer Heintz
Jennifer Heintz
Assistant General Counsel
Missouri Bar No. 57128

/s/ Sarah Kliethermes
Sarah Kliethermes
Rule 13 supervised by Kevin Thompson
Missouri Bar No. 36288

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-5472 (Telephone)
(573) 751-9285 (Fax)
jennifer.heintz@psc.mo.gov
sarah.kliethermes@psc.mo.gov

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

**I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 27th of March, 2007.**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a horizontal line.

**Colleen M. Dale
Secretary**

MISSOURI PUBLIC SERVICE COMMISSION

March 27, 2007

Case No. TC-2007-0347

General Counsel's Office
P.O. Box 360
200 Madison Street, Suite 800
Jefferson City, MO 65102

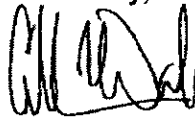
Lewis R. Mills, Jr.
P.O. Box 2230
200 Madison Street, Suite 650
Jefferson City, MO 65102

Budget Phone, Inc.
TCS Corporate Services Inc
Registered Agent
222 Dunklin, Suite 102
Jefferson City, MO 65101

Budget Phone, Inc.
Legal Department
6901 W. 70th St.
P.O. Box 19360
Shreveport, LA 71129

Enclosed find a certified copy of a NOTICE in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

***Colleen M. Dale
Secretary***