

# NEWMAN, COMLEY & RUTH

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ROBERT K. ANGSTEAD  
MARK W. COMLEY  
CATHLEEN A. MARTIN  
STEPHEN G. NEWMAN  
JOHN A. RUTH  
ALICIA EMBLEY TURNER

August 14, 2002

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102-0360

FILED

AUG 14 2002

Missouri Public  
Service Commission

Re: CONSOLIDATED TELECOM, INC.  
Interexchange Application

Dear Judge Roberts:

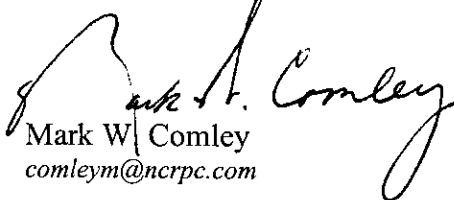
Enclosed for filing please find the original and eight copies of an Application for Certificate of Service Authority and for Competitive Classification. Attached to the application as Exhibit E is a proposed tariff containing a 45-day effective date, and I enclose the original and five copies of this proposed tariff. Attached to the application as Exhibit D are the Company's financial statements filed under seal and marked highly confidential, along with the original and eight copies of a Motion for Protective Order.

Please contact me if you have any questions concerning this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

  
Mark W. Comley  
comleym@ncrpc.com

MWC:ab

Enclosure

cc: Office of Public Counsel  
General Counsel's Office  
Kathleen L. Greenan  
Jerome E. Jacobs

BEFORE THE  
MISSOURI PUBLIC SERVICE COMMISSION

**FILED**  
AUG 14 2002  
Missouri Public  
Service Commission

\_\_\_\_\_) )  
Application of ) )  
 ) )  
**Consolidated Telecom, Inc.** ) Case No. \_\_\_\_\_  
 ) )  
For a Certificate of Service Authority to Provide )  
Interexchange Telecommunications Services )  
in the State of Missouri and for )  
Competitive Classification )  
\_\_\_\_\_)

**APPLICATION OF CONSOLIDATED TELECOM, INC.  
FOR A CERTIFICATE OF SERVICE AUTHORITY  
AND FOR COMPETITIVE CLASSIFICATION**

Comes now Consolidated Telecom, Inc. ("Consolidated" or "Applicant"), by and through its undersigned counsel and pursuant to Sections 392.361, 392.410, 392.420, 392.430, 392.440, and 392.515 RSMo 2000, and 4 CSR 240-2.060, hereby requests that the Commission issue Consolidated a Certificate of Service Authority to provide interexchange telecommunications services within the State of Missouri, classify Consolidated as a competitive company, and waive certain statutes and rules. Specifically, Consolidated seeks to provide operator services to inmates within the State of Missouri pursuant to Section 392.515 RSMo 2000 and related rules of the Commission. In support of this Application, Consolidated states as follows:

**A. Description of the Applicant**

1. Applicant's legal name is Consolidated Telecom, Inc. Applicant is a privately held Texas corporation with its principal business office located at 13612 Midway Road, Suite 410, Dallas, Texas 75244. The character of Consolidated's business is to provide telecommunications service. Consolidated's Articles of Incorporation and Certificate of Authority to Transact Business

in Missouri are provided in Exhibits A and B, respectively.

2. For the purposes of this Application, contacts for the Applicant are as follows:

Mark W. Comley  
NEWMAN, COMLEY & RUTH PC  
Monroe Bluff Executive Center  
601 Monroe Street, Suite 301  
P.O. Box 537  
Jefferson City, Missouri 65102-0537  
(573) 634-2266 (Tel)  
(573) 634-3306 (Fax)  
comleym@ncrpc.com (E-Mail)

and

Kathleen, L. Greenan, Esq.  
Brett P. Ferenchak, Esq.  
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007-5116  
(202) 424-7500 (Tel)  
(202) 424-7645 (Fax)  
KLGreenan@swidlaw.com (E-Mail)  
BPFerenchak@swildaw.com (E-Mail)

and

Jerome E. Jacobs  
Consolidated Telecom, Inc.  
13612 Midway Road, Suite 410  
Dallas, Texas 75244  
(972) 239-2182 (Tel)  
(972) 239-2358 (Fax)  
JJacobs@securedtech.com (E-Mail)

3. For purposes of other Commission inquiries, complaints, and correspondence, the contact for the Commission will be:

Jerome E. Jacobs  
Consolidated Telecom, Inc.  
13612 Midway Road, Suite 410  
Dallas, Texas 75244  
(972) 239-2182 (Tel)  
(972) 239-2358 (Fax)  
JJacobs@securedtech.com (E-Mail)

For purposes of referring consumer inquiries, the toll-free number for customer service is:  
(800) 583-9683.

B. **Qualifications**

4. Applicant possesses the technical and managerial qualifications to provide telecommunications services to inmates within the State of Missouri. Applicant's key management personnel have both the business and telecommunications experience necessary to manage Applicant's operations in Missouri. Specifically, its officers have significant experience in the inmate telecommunications service business. Management biographies of the key management personnel of Applicant are attached hereto as Exhibit C.

5. Applicant also possesses the financial qualifications to provide telecommunications services to inmates.. As is evident from Consolidated's Financial Statements (*see* Exhibit D which is being filed with this Application *under seal*), Consolidated has the necessary financial resources to provide the telecommunications services described in this Application. The Financial Statements of Applicant are confidential, proprietary and non-public commercial information. Accordingly, the information provided in Exhibit D is privileged and confidential and therefore is being submitted separately as an attachment to the Company's *Motion for a Protective Order* ("Motion"). This Motion seeks the confidential treatment of all information contained in Exhibit D and is being filed pursuant to 4 CSR 240-2.085. Consolidated respectfully requests that the information be treated

confidentially and not be divulged to the public as it contains sensitive information regarding Consolidated's proposed business operations.

**C. Description of Services**

6. Consolidated seeks authority to provide operator services to inmates. Specifically, Consolidated will offer local, intraLATA toll and interLATA toll collect calling to inmates. Only outbound operator assisted collect calls will be allowed. Applicant seeks statewide authority so that it may provide operator services to inmates throughout the State of Missouri.

7. Attached hereto as Exhibit E is Applicant's proposed Inmate Services Tariff. The tariff has an effective date which is 45-days after the tariff's issued date.

8. Consolidated will continuously monitor and maintain a high level of control over its network on a 24-hours-a-day, 7 days-a-week basis.

9. Consolidated will not unjustly discriminate among its subscribers, as prohibited by Section 392.200 RSMo.

10. Consolidated does not have any pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or customer rates, which action, judgment or decision has occurred within three (3) years of the date of this Application.

11. Since Consolidated is requesting certification as a new carrier, no annual reports or fees are overdue.

**D. Classification as a Competitive Company**

12. Consolidated seeks classification as a competitive company, pursuant to Sections 392.361.2 and 392.361.3 RSMo., and the accompanying reduced regulation, pursuant to Section 392.420 RSMo

13. Applicant respectfully requests that the Commission suspend, waive, or modify the application of the following rules and statutory provisions consistent with the Commission's treatment of other competitive carriers:

Statutes

§ 392.210.2	-	Uniform system of accounts
§ 392.240(1)	-	Rates - Average return on investment.
§ 392.270	-	Property valuation.
§ 392.280	-	Depreciation accounts.
§ 392.290	-	Issuance of stocks and bonds.
§ 392.300.2	-	Acquisition of stock
§ 392.310	-	Issuance of stock.
§ 392.320	-	Stock dividends.
§ 392.330	-	Issuance of securities, debts and notes.
§ 392.340	-	Reorganizations

Regulations

4 CSR 240-10.020	-	Depreciation of fund income.
4 CSR 240-30.010(2)(C)	-	Posting of tariffs.
4 CSR 240-30.040	-	Uniform System of Accounts
4 CSR 240-33.030	-	Minimum charges
4 CSR 240-35	-	Reporting of bypass and customer-specific arrangements

14. The above-referenced statutory provisions or regulations have been waived with regard to other competitive carriers. These statutory provisions or regulations are principally designed to apply to noncompetitive telecommunications carriers. It would be inconsistent with the goal and purpose of Section 392.530 RSMo. to apply them to a competitive telecommunications

carrier such as Applicant.

15. Consolidated will comply with all orders and regulations of the Commission applicable to providers of competitive interexchange telecommunication services except those that are specifically waived by the Commission.

16. To the extent that the Commission may modify its current waiver policies, Consolidated reserves the right to amend its waiver requests accordingly.

**E. Public Interest Considerations**

17. The entry of Consolidated into the operator services market for correctional facilities will promote competition in the provision of telecommunications services within the State of Missouri. Moreover, the granting of Consolidated's application will bring significant benefits to telecommunications users in Missouri, specifically inmates. Applicant's expertise in the provision of its proposed services will allow it to provide economic and efficient services, thereby affording customers an optimal combination of price quality, and customer service.

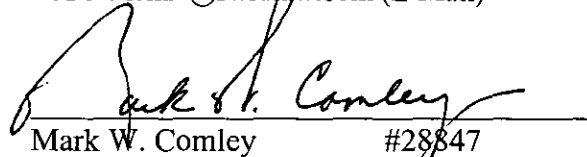
**F. Conclusion**

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for a Certificate of Service Authority to provide operator services to inmates, classify Consolidated and its proposed services as competitive, and grant a waiver of the statutes and regulations referenced above.

Respectfully submitted,

Kathleen L. Greenan  
Brett P. Ferencsak  
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007-5116  
(202) 424-7500 (Tel)  
(202) 424-7645 (Fax)  
KLGreenan@swidlaw.com (E-Mail)  
BPFerencsak@swidlaw.com (E-Mail)

By:



Mark W. Comley #28847  
NEWMAN, COMLEY & RUTH PC  
Monroe Bluff Executive Center  
601 Monroe Street, Suite 301  
P.O. Box 537  
Jefferson City, Missouri 65102-0537  
(573) 634-2266 (Tel)  
(573) 634-3306 (Fax)  
comleym@ncrpc.com (E-Mail)

Dated: August 4<sup>th</sup>, 2002

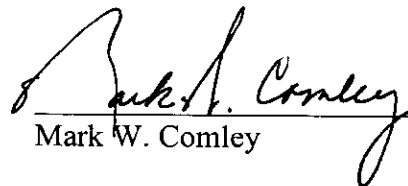
COUNSEL FOR APPLICANT



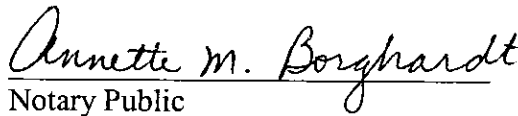
ATTORNEY VERIFICATION

STATE OF MISSOURI       )  
                                      ) ss.  
COUNTY OF COLE        )

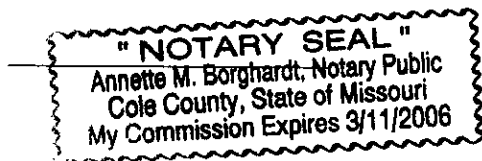
I, Mark W. Comley, being first duly sworn, do hereby certify, depose and state that I am the attorney for Consolidated Telecom, Inc. applicant in this proceeding; that I have read the above and foregoing Application and the allegations therein contained are true and correct to the best of my knowledge, information and belief; and I further state that I am authorized to verify the foregoing application by the above said applicant.

  
Mark W. Comley

Subscribed and sworn to before me, a Notary Public, this 17 day of August, 2002.

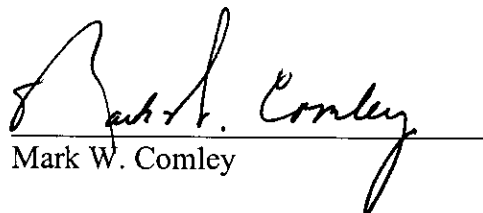
  
Notary Public

My Commission expires:



CERTIFICATE OF SERVICE

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid to the Office of Public Counsel and the General Counsel's office on this 14th day of August, 2002.

  
Mark W. Comley

**LIST OF EXHIBITS**

Exhibit A	Articles of Incorporation
Exhibit B	Authority to Transact Business
Exhibit C	Management Biographies
Exhibit D	Financial Statements
	[CONFIDENTIAL and filed under seal]
Exhibit E	Proposed Tariff

**EXHIBIT A**

**Articles of Incorporation**



# The State of Texas

SECRETARY OF STATE

## CERTIFICATE OF AMENDMENT OF

CONSOLIDATED TELECOM, INC.  
formerly:  
ASAK CORPORATION

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Amendment for the above named entity have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Amendment.

Dated: October 10, 1996

Effective: October 10, 1996



*1007.*

Antonio O. Garza, Jr.  
Secretary of State

lsv

FILED  
In the Office of the  
Secretary of State of Texas

DEC 11 1990

Corporations Section

ARTICLES OF INCORPORATION  
OF  
ASAK CORPORATION

The undersigned natural person of the age of eighteen years or more, acting as incorporator of the corporation under the Texas Business Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the corporation is ASAK CORPORATION

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purpose or purposes for which the corporation is organized is to engage in the transaction of any or all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the corporation shall have authority to issue is 1,000,000 shares of \$0.01 par value common stock.

ARTICLE FIVE

The corporation will not commence business until it has received for issuance of its shares consideration of the value of One Thousand Dollars (\$1,000.00), consisting of money, labor done or property actually received, which sum is not less than One Thousand Dollars (\$1,000.00).

ARTICLE SIX

The street address of its initial registered office is 16479 Dallas Parkway, Suite 700, Dallas, TX 75248 and the name of its initial registered agent at such address is Mark Michael.

ARTICLE SEVEN

The number of directors of the corporation may be fixed by the by-laws. The director constituting the initial board of directors who is to serve as director until successor or successors are elected and qualified is:

Mark Michael

16479 Dallas Parkway, Suite 700  
Dallas, TX 75248

ARTICLE EIGHT

The name and address of the incorporator is:

Delanie M. Lundgren

1212 Guadalupe, Suite 102  
Austin, Texas 78701

IN WITNESS WHEREOF, I have hereunto set my hand, this 11th day of December, 1990.

Delanie M. Lundgren

Delanie M. Lundgren



## Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Incorporation for CONSOLIDATED TELECOM, INC. (filing number: 117501700), a Domestic Business Corporation, was filed in this office on December 11, 1990.

It is further certified that the entity status in Texas is active.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on April 25, 2002.



A handwritten signature in cursive script that reads "Gwyn Shea".

Gwyn Shea  
Secretary of State

**EXHIBIT B**

**Authority to Transact Business**



No. F00508385

# STATE OF MISSOURI



Matt Blunt  
Secretary of State

## CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,  
CONSOLIDATED TELECOM, INC.

using in Missouri the name  
CONSOLIDATED TELECOM, INC.

has complied with the General and Business Corporation Law which governs Foreign Corporations; by filing in the office of the Secretary of State of Missouri authenticated evidence of its incorporation and good standing under the Laws of the State of TEXAS.

NOW, THEREFORE, I, MATT BLUNT, Secretary of State of the State of Missouri, do hereby certify that said corporation is from this date duly authorized to transact business in this State, and is entitled to all rights and privileges granted to Foreign Corporations under the General and Business Corporation Law of Missouri.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 29th day of APRIL, 2002.



  
Secretary of State

\$155.00



State of Missouri  
Matt Blunt, Secretary of State

Corporations Division  
P.O. Box 778, Jefferson City, MO 65102

James C. Kirkpatrick State Information Center  
600 W. Main Street, Rm 322, Jefferson City, MO 65101

FILED

Application for Certificate of Authority  
For a Foreign For-Profit Corporation  
(Submit in duplicate with filing fee of \$155.00)

APR 29 2002

1. The corporation's name is CONSOLIDATED TELECOM, INC. Matt Blunt  
and it is organized and existing under the laws of TEXAS SECRETARY OF STATE
2. The name it will use in Missouri is CONSOLIDATED TELECOM, INC.
3. The date of its incorporation was DECEMBER 11 1990 and the period of its duration is PERPETUAL  
month/day/year
4. The address of its principal place of business 13612 MIDWAY RD SUITE 410 DALLAS TX 75244  
Address City/State/Zip
5. The name and address of its registered agent and office in the State of Missouri is  
Capitol Corporate Services, Inc., 300B East High St, Jefferson City, MO 65101  
Name Address City/State/Zip
6. The specific purpose(s) of its business in Missouri are:  
TELECOMMUNICATIONS
7. The names of its officers and directors and their business addresses are as follows:
- | (Officers)     | Name                 | Address                | City/State/Zip                    |
|----------------|----------------------|------------------------|-----------------------------------|
| President      | <u>GARY SAVAGE</u>   | <u>13612 MIDWAY RD</u> | <u>SUITE 410 DALLAS, TX 75244</u> |
| Vice President | <u>GEROME JACOBS</u> | <u>SAME</u>            |                                   |
| Secretary      | <u>GEROME JACOBS</u> | <u>SAME</u>            |                                   |
| Treasurer      | <u>GARY SAVAGE</u>   | <u>SAME</u>            |                                   |
- (Board of Directors)
- | Director | Name                 | Address     | City/State/Zip |
|----------|----------------------|-------------|----------------|
| Director | <u>GARY SAVAGE</u>   | <u>SAME</u> |                |
| Director | <u>GEROME JACOBS</u> | <u>SAME</u> |                |
| Director | <u>SCOT MORELAND</u> | <u>SAME</u> |                |
8. The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows:  
AT FILING  
(Date may not be more than 90 days after the filing date in this office)
- In affirmation thereof, the facts stated above are true.
- [Signature] GARY SAVAGE PRESIDENT 4-23-02  
(Must be an Officer or Chairman listed in #7, above) (Printed Name) (Title) (Date)

Note: You must submit current original certificate of good standing or certificate of existence with this application. This may be obtained from your Secretary of State or other authority that issues corporate charters.

**EXHIBIT C**

**Management Biographies**

Consolidated Telecom, Inc.  
13612 Midway Road, Suite 410  
Dallas, Texas 75244  
Phone (972) 239-2182  
Fax (972) 239-2358

## **MANAGEMENT BIOGRAPHIES**

### **Gary Savage, Director and President**

Mr. Savage has developed extensive contacts in the Prison industry with over 15 years of telecommunications experience in this market. Prior to Mr. Savage's becoming President of Consolidated Telecom, Inc., he was a National Accounts Sales Manager for Georgia Pacific Corporation for over 10 years. Mr. Savage holds a B.B.A. in Business and an M.B.A. from East Texas State University.

### **Jerome Jacobs, Director and Vice President of Marketing and Sales**

Mr. Jacobs has extensive experience in sales and marketing relating to business investments and the development of new ventures. Mr. Jacobs is a licensed attorney and has a business undergraduate degree from Michigan State University.

### **Jerry Scott Moreland, Director and Vice President of Operations**

Mr. Moreland has been in the inmate telephone business for 12 years. He ran the national operations center and was responsible for system development, installation, service, data processing and equipment management for a start-up inmate company which he helped build to 30 million in less than 3 years before being sold in 1995. Since 1997 he has overseen the day-to-day operations of Consolidated Telecom, Inc. Mr. Moreland has a B.S. Degree in Management/Computer Information Systems.

### **Mark Michael, Vice President and General Counsel**

Mr. Michael is a licensed attorney with 23 years experience in corporate and business law, as well as in investment-related transactions. Mr. Michael has a B.S. Degree in economics from UNLV and a Juris Doctorate from Thomas Cooley Law School.

**EXHIBIT D**

**Financial Statements**

**[CONFIDENTIAL AND FILED UNDER SEAL]**