

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

**In the Matter of the Application)
of Crexendo Business Solutions, Inc.)
for a Certificate of Service Authority)
to Provide Resold and Facilities-Based/UNE) Case No. _____
Basic Local Telecommunications Services)
in Portions of the State of Missouri and)
to Classify Said Services and the Company)
as Competitive)**

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY TO PROVIDE
RESOLD AND FACILITIES-BASED/UNE BASIC LOCAL TELECOMMUNICATIONS
SERVICES AND FOR COMPETITIVE CLASSIFICATION**

Crexendo Business Solutions, Inc. (“Applicant” or “Crexendo”), an Arizona Corporation, files this verified application pursuant to 4 CSR 240-2.060 and 240-3.510, respectfully requesting that the Missouri Public Service Commission (“Commission”) issue an order that:

- (a) grants Applicant a Certificate of Service Authority to provide resold and facilities-based/UNE Basic Local Telecommunications Services in Portions of the State of Missouri pursuant to Sections 392.410 and 392.420–455, RSMo.;
- (b) grants competitive status to Applicant pursuant to Section 392.361, RSMo., and classifies the Applicant’s services as competitive; and
- (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420.

In support of its request, Applicant states:

1. The legal name and principal office or place of business of the Applicant are:

Crexendo Business Solutions, Inc.
10201 South 51st Street
Phoenix, Arizona 85044
(801) 227-0004 (Phone)
(801) 426-6712 (Fax)

A copy of Applicant's Articles of Incorporation and Certificate of Authority from the Missouri Secretary of State to transact business in Missouri are attached hereto as **Exhibit I**.

2. Please direct all correspondence, pleadings, discovery, and orders to:

Mark P. Johnson, MBN 30740
Lisa A. Gilbreath, MBN 62271
Sonnenschein Nath & Rosenthal LLP
4520 Main, Suite 1100
Kansas City, Missouri 64111
(816) 460-2400
(816)531-7545 (Fax)
mjohnson@sonnenschein.com
lgilbreath@sonnenschein.com

3. Applicant proposes to provide resold and facilities-based/UNE basic local telecommunications service as a separate and distinct service within portions of the State of Missouri. Applicant is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards, including, but not limited to, billing, quality of service and tariff filing and maintenance. Applicant proposes to provide services to prospective customers in exchanges currently served by Southwestern Bell Telephone Company, L.P. d/b/a AT&T Missouri; Embarq Missouri, Inc. d/b/a Embarq; CenturyTel of Missouri, LLC d/b/a CenturyTel;

and Spectra Communications Group, LLC d/b/a CenturyTel, as set forth in the list of exchanges attached hereto as **Exhibit II**. Applicant will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in the proposed service area as set forth in Exhibit II, in accordance with applicable law.

4. When it initiates service in Missouri, Crexendo proposes to offer resold local exchange services and local services utilizing unbundled network elements, or equivalents thereof, obtained through commercial and/or interconnection agreements. Such services will be provided by utilizing the facilities of incumbent local exchange carriers (“LECs”). Initially, the services Crexendo intends to offer are likely to be those local exchange telecommunications services offered by incumbent local exchange carriers in the proposed service area. Crexendo seeks authority to provide local exchange services that may include but are not limited to the following:

- * Basic Exchange Services
- * Custom Calling and Class Features (call waiting, caller ID, call forwarding, call blocking, speed calling, etc.)
- * Adjunct Provided Features (voice messaging, etc.)
- * Ancillary Services (911, E911, 411, Relay Service, directory listing, directory assistance, etc.)
- * Centrex
- * DSL and ISDN

- * DID Trunks and Lines
- * Private Lines

Crexendo does not initially intend to install any switching equipment for the provision of local exchange service in the State of Missouri.

5. Applicant has the managerial experience in the telecommunications industry and the technical and financial resources to provide telecommunications services within Missouri. A brief description of the qualifications and experience of the key management employees is attached hereto as **Exhibit III**. Applicant is a wholly owned subsidiary of iMergent, Inc., a publicly traded company. A copy of iMergent, Inc.'s SEC Form 10-KT for period ended December 31, 2009 is attached hereto as **Exhibit IV** to demonstrate Applicant's financial ability to provide service. Due to the highly confidential nature of iMergent, Inc.'s SEC Form 10-KT, Applicant requests that Exhibit IV be filed under seal.

6. Applicant is currently authorized to provide service in Arkansas, Florida, Idaho, Indiana, Kentucky, Michigan, Minnesota, Montana, New Jersey, New York, North Dakota, Pennsylvania, Wisconsin and Wyoming. Applicant is in the process of applying for authorization to provide competitive local exchange and interexchange services throughout the United States. Applicant has not been denied authority for any of the services for which it seeks authority in this Application.

7. Applicant hereby respectfully requests a temporary waiver of 4 CSR 240-3.510(1)(C) that requires Applicant to file a draft tariff simultaneously with this application until Applicant has executed interconnection agreements with the incumbent LECs and those agreements have

been approved by the Commission. Applicant will file its tariff with an effective date of at least 45 days after filing.

8. Applicant hereby respectfully requests classification as a competitive telecommunications company within the State of Missouri and receive a lesser degree of regulation as permitted by Sections 392.361 and 392.420 RSMo. Applicant also requests that its services be classified as competitive. Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will allow greater price and service options for telephone users.

9. Applicant also respectfully requests, pursuant to Section 392.420, RSMo, that the Commission waive the application of the following rules and statutory provisions as it relates to the regulation of Applicant:

Statutes

- 392.210.2 Establish uniform system of accounts for annual reports
- 392.240(1) Setting just and reasonable rates
- 392.270 Ascertain property values
- 392.280 Establish depreciation accounts
- 392.290 Issuance of securities
- 392.300.2 Acquisition of stock
- 392.310 Issuance of stock and debt
- 392.320 Stock dividend payment
- 392.330 Issuance of securities, debts and notes

392.340 Reorganization(s)

Commission Rules

4 CSR 240-10.020 Depreciation fund income

4 CSR 240-3.550(5)C) File Exchange boundary maps with Commission

4 CSR 240-30.040 Uniform System of Accounts

The above-referenced rules and statutory provisions have been waived to other carriers in prior cases.

10. As required by Section 386.570, RSMo, Applicant will comply with all applicable Commission rules except those which are specifically waived by the Commission pursuant to a request filed by the Applicant.

11. All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to this case shall be addressed to:

Applicant's Missouri local counsel, identified above; and

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Suite 115
Alpharetta, Georgia 30005
(770) 232-9200
(770) 232-9208 (Fax)
lsteinhart@telecomcounsel.com

12. The Applicant has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application. No Commission annual reports or assessment fees are overdue.

13. Notwithstanding the provisions of Section 392.500, RSMo., as a condition of certification and competitive classification, Crexendo agrees that, unless otherwise ordered by the Commission, Crexendo originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each ILEC within those service area(s) Crexendo seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Crexendo agrees that if the ILEC in whose service area Crexendo is operating decreases its originating and/or terminating access service rates, Crexendo shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.

14. Crexendo submits the following arguments to demonstrate that the public interest will be served by the approval of this Application: the grant of a certificate to provide competitive basic local telecommunications services to the Applicant will serve the public interest. Crexendo's presence in the market will expand customer choice for telecommunications service. The increased competition brought by Crexendo to the market will have the effect of improving the quality of telecommunications services in Missouri and decreasing the cost of such services through increased innovation and efficiency. The result will be beneficial to economic development in Missouri. The granting of a certificate to Crexendo will contribute to the availability of reasonably affordable local exchange services in the State of Missouri.

WHEREFORE, Applicant, Crexendo Business Solutions, Inc., respectfully requests that the Missouri Public Service Commission grant it a certificate of service authority to provide resold and facilities-based/UNE Basic Local Telecommunications Services within portions of the State of Missouri. Applicant also respectfully requests classification as a competitive telecommunications company and requests that its services be classified as competitive. In addition, Applicant respectfully requests a waiver of the above-referenced rules and statutory provisions and a temporary waiver of the tariff filing requirement.

Respectfully submitted,

/s/ Mark P. Johnson

Mark P. Johnson MBN 30740
Lisa A. Gilbreath MBN 62271
Sonnenschein Nath & Rosenthal LLP
4520 Main, Suite 1100
Kansas City, Missouri 64111
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mjohnson@sonnenschein.com
lgilbreath@sonnenschein.com

Attorneys for Applicant
Crexendo Business Solutions, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have on this 9th day of July, 2010, served a true copy of the foregoing Application upon the following, listed below, in accordance with Commission rules.

General Counsel
Missouri Public Service Commission
PO Box 360
Jefferson City, MO 65102

Office of the Public Counsel
PO Box 7800
Jefferson City, MO 65102

/s/ Mark P. Johnson
Mark P. Johnson

ATTACHED EXHIBITS

Exhibit I Missouri Secretary of State Authorization and Articles of Incorporation

Exhibit II List of Exchanges

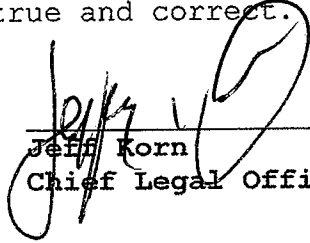
Exhibit III Executive Officers' Qualifications and Experience

Exhibit IV * Confidential *** Financial Information**

State of Arizona Utah)
County of Maricopa Utah)
_____)

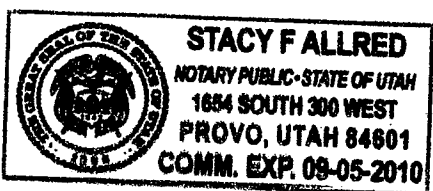
VERIFICATION

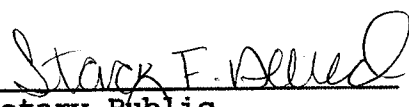
I, Jeff Korn, being duly sworn, declare that I am the Chief Legal Officer of Crexendo Business Solutions, Inc., the Applicant. I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Application, and I declare that they are true and correct.



Jeff Korn
Chief Legal Officer

Sworn to before me, the undersigned Notary Public on this 25 day of March, 2010.





Notary Public

Stacy F. Allred

Print or Type Name

My commission expires:
09-05-2010