

Talbott  
Vandiver

*WV*  
*DS* *WV*

**FLORIDA PUBLIC SERVICE COMMISSION**  
Capital Circle Office Center • 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**M E M O R A N D U M**

**AUGUST 22, 1996**

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF COMMUNICATIONS (ISLER) *fix*  
DIVISION OF LEGAL SERVICES (BROWN) *NEB*  
DIVISION OF CONSUMER AFFAIRS (FRUITT) *AP* *BS*

**RE:** DOCKET NO. 960841-TI - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST LDM SYSTEMS, INC., FOR VIOLATION OF RULE 25-4.118, FLORIDA ADMINISTRATIVE CODE, INTEREXCHANGE CARRIER SELECTION

**AGENDA:** SEPTEMBER 3, 1996 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** I:\PSC\CHU\WP\960841.RCM

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**CASE BACKGROUND**

- LDM Systems, Inc., (LDM) is a provider of interexchange telecommunications service and was certificated on November 21, 1992.
- In 1995, the Division of Consumer Affairs received a total of 71 complaints against LDM concerning unauthorized carrier changes (slamming). From January 1, 1996 through June 21, 1996, staff received 92 complaints, for a total of 163.
- Commission staff has corresponded with LDM about the number of slamming allegations and LDM's marketing practices.

DOCUMENT CONTROL

08902 AUG 22 1996

FLORIDA PUBLIC SERVICE COMMISSION  
DIVISION OF RECORDS AND REPORTING

DOCKET NO. 960841-TI  
DATE: AUGUST 22, 1996

### **DISCUSSION OF ISSUES**

**ISSUE 1:** Should LDM Systems, Inc., be ordered to show cause why it should not be fined pursuant to Section 364.285, Florida Statutes, or have its certificate cancelled for violation of Rule 25-4.118, Florida Administrative Code, Interexchange Carrier Selection?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** The Division of Consumer Affairs has received a total of 163 slamming complaints against LDM in 18 months. The majority of all complaints (152 out of 163) dealt with telemarketing. In every case, the consumers advised the Commission that they did not know their long distance service would be switched to another carrier.

Rule 25-4.118, Florida Administrative Code, provides in pertinent parts:

- (1) The primary interexchange company (PIC) of a customer shall not be changed without the customer's authorization.
- (6) The IXC shall provide the following disclosures when soliciting a change in service from a customer:
  - (a) Identification of the IXC;
  - (b) That the purpose of visit or call is to solicit a change of the PIC of the customer;
  - (c) That the PIC cannot be changed unless the customer authorizes the change.

### **TELEMARKETING**

Outlined below are several examples of different telemarketing complaints against LDM. In each case, the customer advised staff that the name of the carrier (LDM) and the fact that the customer's long distance service would be switched were never mentioned in the conversation by the telemarketing agents. The first three complaints, Attachments A, B, and C, all involve the National Diabetes Foundation, Inc. Attachments E, F, and G, involve three other LDM telemarketing agents.

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• ATTACHMENT A

On March 26, 1996, Amy Jones advised the Commission that a telemarketing agent called her and identified herself as an AT&T representative. The agent asked Ms. Jones to contribute a portion of her long distance usage charges to the National Diabetes Foundation, Inc. (NDFI). Ms. Jones said she agreed to donate a portion of her bill because she was told she would still be with her preferred carrier, AT&T. LDM's report dated April 2, 1996, states that LDM's agent, Telerep, solicited the customer to "participate in a program which contributes a portion of the customer's long distance paid usage charges" to NDFI. The report stated that an independent third party, Veritel, verified Ms. Jones' order to change her long distance service by obtaining her birth year as evidence. The customer called staff on April 8, 1996, after receiving a copy of LDM's report to the Commission. Ms. Jones said that she did not give anyone permission to switch her carrier. She said that she questioned the agent and was promised that no change would occur to her service. Ms. Jones also said that the agent asked for her birth year which was needed "to implement the donation program" but was assured nothing would change in her telephone service. Based on this, Ms. Jones gave her birth year.

• ATTACHMENT B

On April 25, 1996, Mrs. Sadie Goldberg advised staff that she received a telephone call from the NDFI and said nothing was mentioned about switching long distance carriers. LDM's report, identical to the Jones case (Attachment A) except the "operative facts," advised that Henry Goldberg authorized the changing of long distance carriers. The company's report also stated that Veritel, an independent third party, verified the order to switch the customer's carrier around November 9, 1995 with Mr. Goldberg. After Mrs. Goldberg received a copy of LDM's report, she told the Commission that she was the person who spoke with the telemarketer and that Mr. Goldberg died May 25, 1995, so Mr. Goldberg could not have authorized a change in long distance carriers.

• ATTACHMENT C

On March 4, 1996, Mrs. Grover Redmon called the Commission to complain that her carrier was switched to LDM without authorization. The company advised staff by letter, dated November 22, 1995, that LDM "will not accept any orders in Florida involving the National Diabetes Foundation or National Diabetes Health and Fitness Foundation effective immediately." (Attachment D) According to LDM's response to the Redmon case, "On or about



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November 21, 1995, an independent third party verified the order to change Complainant's long distance service." (Attachment C, Page 21) Since LDM's letter dated November 22 and the date the service was "verified" are so close, staff contacted Mrs. Redmon to determine when service was actually switched to LDM. According to Mrs. Redmon's records, service was switched on or around December 18, 1995 (Attachment C, Page 20).

LDM may attempt to argue that this order was processed the day before the November 22, 1995 date the company said it would stop accepting orders involving the NDFI. However, staff disagrees and believes that LDM should have implemented an internal mechanism to prevent any other customers from being switched due to the number of complaints it had received from this Commission involving the NDFI. In addition, it was almost a month later that the Redmon's service was actually switched to LDM.

• ATTACHMENT E

On September 21, 1995, Mr. Jim Brettman, Manager of Byers Engineering Company, called the Commission and reported his business service had been switched to LDM without authorization. LDM's response, dated September 22, 1995, stated that a representative of its agent, QAI, solicited the change order and provided staff with a copy of the taped sales order.

In this example, the QAI sales representative is in apparent violation of Rule 25-4.118 (6)(a)(b)(c), Florida Administrative Code, in that he did not identify LDM as the carrier, did not advise the customer that the purpose of the call was to solicit a change in carriers, and did not explain that his carrier could not be changed without his authorization. The telemarketer states, "I'm not switching you over either; I'm just giving you a 20% - 30% rate reduction."

• ATTACHMENT F

On January 11, 1996, Claire Wetzel, Office Manger for Kinard-Johnson Construction Company, called the Commission to report the slamming of their business line. LDM's May 30, 1996 response stated that an IGC sales representative solicited the order, Henry Kinard, Jr., authorized the change, and that an independent third party verified the order. LDM provided staff with a taped conversation with the customer and the independent third party verifier. At one point, Mr. Kinard said, "I don't know what all this is about," and the verifier responded, "The person that you spoke with is offering the one-step billing program for your local company." The verifier then mentioned IGC and when Mr.



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Kinard asks what IGC is, he is told that IGC "has a contract with your local telephone company." At no point during the conversation does the verifier tell the customer that his long distance carrier is being switched or that LDM will be the carrier. LDM is never mentioned.

• ATTACHMENT G

On May 13, 1996, Ms. Miriam Bagnara called on behalf of her business, Olivia Lee. In its May 23, 1996, response to the slamming complaint, LDM advised that around November 3, 1995, a Promark sales representative solicited the change order from Olivia Lee and mailed an information package containing a postcard "confirming the order" to switch carriers. LDM stated that the customer "has not contacted LDM to cancel its service." (Attachment G Page 43)

Contrary to what LDM reported, Ms. Bagnara advised staff that she was in constant contact with LDM and had left many messages but that no one from LDM returned her call. Ms. Bagnara provided staff with a copy of her May 17, 1996, letter to LDM's attorney, Mr. Khaled Kanaan. Ms. Bagnara stated, "Approximately six months ago I received a postcard and letter thanking me for choosing LDM. I immediately returned it marked, 'We never, ever requested or accepted this!' They completely ignored my message and have been billing me since December, 1995." (Attachment G, Pages 39 - 41)

In a June 7, 1996, telephone conversation with Consumer Affairs staff, Ms. Bagnara advised that Mr. Kanaan played a tape of her mother, Miriam Olivia, informing LDM that they could send written or rate information, but that at no time on the tape did Ms. Bagnara's mother give permission for her long distance service to be switched to LDM. Staff requested a copy of the tape. LDM submitted an incomplete tape that mentions one-step billing and confirms the consumer's billing address, but does not mention LDM or switching long distance carriers.

Ms. Bagnara's mother told the sales representative that written information could be sent, and Ms. Bagnara returned the postcard sent by LDM. Apparently, both requests were ignored by LDM, and the business service was switched anyway. After reviewing the case, staff maintains that the customer did everything possible to prevent her carrier from being switched to LDM.

Even though it appears to be standard language in its reports, staff finds it surprising that LDM stated, "In this instance, we aver that Complainant subscribed to the service

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provided through LDM." The company further stated "...we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice." (Attachment G, Page 43) LDM did not provide staff a complete copy of the tape that would prove or disprove the authorization, so staff can not understand how LDM can profess it "acted in good faith."

#### LETTER OF AUTHORIZATION (LOA)

Rule 25-4.118, Florida Administrative Code, states:

(3)(a) The ballot or letter submitted to the interexchange company requesting a PIC change shall include, but not be limited to, the following information (each shall be separately stated):

1. Customer name, phone/account number and address;
2. Company and the service to which the customer wishes to subscribe;
3. Statement that the person requesting the change is authorized to request the PIC change; and
4. Customer signature.

(3)(b) Every written document by means of which a customer can request a PIC change shall clearly identify the certificated telecommunications company to which the service is being changed, whether or not that company uses the facilities of another carrier. The page of the document containing the customer's signature shall contain a statement that the customer's signature or endorsement on the document will result in a change of the customer's long distance service provider, and explain that only one long distance service provider may be designated for the telephone number listed; that the customer's selection will apply only to that number, and that the customer's local exchange company may charge a fee to switch service providers. Such statement shall be clearly legible and printed in type at least as large as any other text on the page. If any such document is not used solely for the purpose of

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requesting a PIC change, then the document as a whole must not be misleading or deceptive. For purposes of this rule, the terms "misleading or deceptive" mean that, because of the style, format or content of the document, it would not be readily apparent to the person signing the document that the purpose of the signature was to authorize a PIC change, or it would be unclear to the customer who the new long distance service provider would be; that the customer's selection would apply only to the number listed and there could only be one long distance service provider for that number; or that the customer's local exchange company might charge a fee to switch service providers. If any part of the document is written in a language other than English, then the document must contain all relevant information in the same language.

The following two examples of slamming complaints, Attachments H and I, involve letters of authorization.

• ATTACHMENT H

Mr. Roger Schofield called the Commission November 17, 1995, and said he attended a Sharks Tooth Festival and recalled that a booth representative talked about a charity. Mr. Schofield said he emphasized that he did not want his long distance carrier switched. LDM's response dated April 12, 1996, maintained that Mr. Schofield signed the LOA August 13, 1995, authorizing LDM to switch carriers and provided a copy of the LOA (Attachment H, Page 50). Mr. Schofield called Consumer Affairs staff back on April 24, 1996, and stated that the company "scratched something out and wrote in LDM." The LOA does not comply with Rule 25-4.118 (3)(a)(b), Florida Administrative Code.

• ATTACHMENT I

On March 27, 1996, Mr. George Miller of Sun Coast Chemicals of Daytona, Inc., called and advised that his carrier had been switched to LDM without authorization. LDM's response stated that Mr. Miller signed the LOA; therefore, the service was switched properly. Mr. Miller was provided a copy of LDM's response to his complaint, and he wrote staff to disagree with several points.



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1. LDM's sales representative misrepresented herself as an agent for AT&T.
2. LDM altered the LOA. A copy of the original LOA is shown in Attachment J, Page 57, and the altered copy is shown in Attachment I, Page 58.
3. The LOA was signed September 18, 1995, but the customer's carrier was not switched until January 22, 1996, over four months later.
4. Mr. Miller advised he never received an information package or postcard.
5. Mr. Miller called LDM on March 18, 1996 upon receipt of a bill but Mr. Miller said LDM did not return his call until April 5, 1996.

#### **Lack of Explanation**

##### **• ATTACHMENT J**

The final example shows a lack of response from LDM. On January 22, 1996, Michael Gaiffe, called the Commission and advised he discovered his service had been switched when he received his bill. LDM responded that full credit was provided, yet gave its standard response that, "...we believe LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice."

LDM's responses to complaints include a section titled, "General Allegations" which "recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing." LDM stated that it "prefers having prospective customers solicited in person by sales representatives employed by LDM." The company also states that it "ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM, its underlying carriers, and in accordance with applicable federal, states, and general laws." (Attachment A, Page 13)

Based on the number of consumer complaints the Commission has received, staff believes that LDM does not have adequate safeguards to protect consumers from being switched without authorization. For example, LDM provided staff with a copy of a proposed, revised script for its "telephone sales pitch." (Attachment K, Pages 64 and 65) While the new version is an

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improvement, it does not appear to comply with Commission Rule 25-4.118 (6) (b) and (c), Florida Administrative Code. The proposed, revised script does identify LDM in the beginning, but it fails to state that the purpose of the call is to solicit a change of the customer's interexchange carrier. Instead, the sales representative discusses itemizing the "Connect America Plan" on the customer's local telephone bill and only getting one bill instead of two. Finally, the script does not state that the customer's preferred carrier cannot be changed without the customer's authorization.

In conclusion, staff believes there is sufficient cause to order LDM to show cause why it should not be fined or have its certificate cancelled. Further, a show cause order is appropriate to help assure that Florida consumers receive adequate protection from future slamming by having the company demonstrate to the Commission that it is in compliance with the Commission's rules. In the event the company is fined, the monies should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. Fines levied in past orders for similar violations range from \$2,000 to \$100,000.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** No, this docket should remain open pending resolution of the show cause process.

**STAFF ANALYSIS:** If the Commission approves the staff recommendation on Issue 1, an order to show cause will be issued. LDM Systems, Inc., must respond, in writing, to the allegations set forth in the show cause order within 21 days of the issuance of the order. The company's response must contain specific allegations of facts and law. In the event the company is fined, the monies should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.



Name JONES, DEWEY

Company LDM SYSTEMS, INC.

Request No. 1187971

Address AMY JONES

Attn. LOUIS A. STEINER 118797

By KMT Time 9:53 AM Date 03/26/96

8411 NORTH LYNN AVE

Consumer's Telephone # (813)-931-1757

To CO. Time FAX Date 03/26/96

City/Zip TAMPA 33604 County HILL

Can Be Reached \_\_\_\_\_

Type S Form Phone

Account Number \_\_\_\_\_

Note diabetes

Category \_\_\_\_\_

Company Contact \_\_\_\_\_

Limited Response N

Infraction LS-13B

Closed by NEP Date 04/24/96

Reply Received T

The customer called in reference to being switched without their authorization. Please send the Commission proof of authorization. NOTE: The customer said that they discovered that their service was switched as a result of being solicited by National Diabetes Association. The customer said that they did donate a portion of their bill because they were informed that they would still be with AT&T. Please investigate and advise. NOTE: AT&T advised the Commission to contact LDM. Refer to 100536.

4/3/96 - Report with cc to customer.

4/8/96 - Customer received a letter from company's attorney. She is very upset about the language of the letter. She said it is a complete lie and denies giving permission to switch. The agent told her it she was an AT&T representative and a portion of her long distance usage would go to Nat'l Diabetes Foundation. She insisted that she did not want to be switched. She questioned agent and agent promised her no change would occur to her service. Letter is not true. Agent said that in order to implement the donation program customer would have to give her birth date, but again insisted nothing would change in her telephone service. So customer gave her birth date.

File closed.

## CONSUMER REQUEST

# FLORIDA PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-  
904-413-6100

PLEASE RETURN THIS FOI  
WITH REPORT OF ACTION

Kenya Thompkins

DUE: 04/10/96

**EARLY, LENNON, PETERS & CROCKER, P.C.**

ATTORNEYS AT LAW

800 COMMERCE BUILDING

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NICOLETTE S. HANNA

OF COURSE,  
VINCENT T. EARLY  
WON C. BULLOCK  
THOMPSON BENNETT

J. C. BROWN / BURDE  
1995 25.

Also admitted in Iowa  
Also admitted in California and North Carolina

April 2, 1996

**VIA FACSIMILE AND FIRST CLASS MAIL.**

Ms. Kenya Thompkins  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Consumer Request No: 118797 I  
Complainant: Jones, Dewey

Dear Ms. Thompkins:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request.

Complainant filed this Consumer Request alleging that LDM switched Complainant's long distance service without authority. LDM denies all wrongdoing in this matter. LDM will not change a customer's long distance service without verifying the order in accordance with one of the four confirmation procedures established by the Federal Communications Commission ("FCC").

**OPERATIVE FACTS**

1. An agent from Telerep solicited Complainant to participate in a program which contributes a portion of the Customer's long distance paid usage charges to the National Diabetes Foundation, Inc. ("NDFI"). NDFI is registered in Florida as the National Diabetes Health and Fitness Foundation, Inc.
2. Individuals named Dewey and Amy Jones authorized the changing of Complainant's long distance service.
3. On or about November 1, 1995, an independent third party from Veritel verified the order to change Complainant's long distance service.

Apr-03-96 04:09P

**EARLY, LENDON, PETERS & CROCKER, P.C.**

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Ms. Kenya Thompkins  
April 2, 1996

4. In evidence of the verification, the independent third party obtained the year of birth of Ms. Amy Jones. Ms. Jones' year of birth is 1968.

**GENERAL ALLEGATIONS**

The Consumer Complaint filed in this matter relates to an order to switch Complainant's long distance service solicited by an independent sales representative on behalf of LDM through telemarketing. LDM offers telecommunications services to the public as an aggregator, distributor and reseller employing the underlying transport facilities of certain common carriers, including AT&T and Sprint. LDM enables customers to take advantage of discounts once available only to the largest users.

LDM recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing. In fact, LDM prefers having prospective customers solicited in person by sales representatives employed directly by LDM. However, competition in the market place dictates that LDM engage independent agents to solicit sales through telemarketing, despite the obvious misunderstandings which can be avoided by marketing entirely through the former.

LDM institutes several safeguards in an effort to protect consumers from problems inherent with soliciting orders in this manner. LDM ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM, its underlying carriers, and in accordance with applicable federal, states, and general laws. As stated hereinabove, LDM's procedures require obtaining the customer's consent prior to submitting any order to change long distance services to LDM's underlying carrier, or to the LEC.

Moreover, under current policy, when soliciting through telemarketing, LDM will submit the order to change the customer's long distance services to the LEC, or underlying carrier, only after the expiration of the fourteen (14) day period subsequent to the mailing of the information package to the customer pursuant to a request to change long distance services by said customer, in accordance with the FCC Rules.

**CONCLUSION**

In this instance, Complainant subscribed to the service provided through LDM. Complainant's order was verified using an independent



**EARLY, LENNON, PETERS & CROCKER, P.C.**

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Ms. Kenya Thompkins  
April 2, 1996

third party. In evidence of the authorization, the independent third party verified the switch obtaining the appropriate verification data.

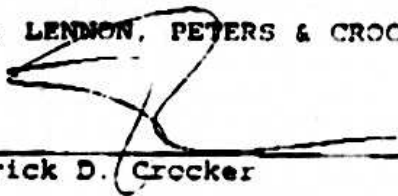
LDM regrets Complainant's experience with the service offered through LDM. However, we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice. Accordingly, the above captioned Consumer Request is without merit and should be dismissed.

Notwithstanding, as a one-time customer courtesy, LDM will credit the Complainant in the amount of \$6.58, which constitutes the entire balance due and owing at this time.

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By   
Patrick D. Crocker

PDC/bks

c: Stephen Steiner  
Dewey Jones

Request No. 1232231  
By JRD Time 9:02 AM Date 04/25/96  
To CO Time FAX Date 04/25/96  
Type S Form Phone  
Category \_\_\_\_\_  
Infraction LS-138  
Closed by MEP Date 05/14/96  
Reply Received I

Company LDM SYSTEMS, INC.  
Attn. LOUIS A. STEINER 123223  
Consumer's Telephone # (813)-634-4248  
Can Be Reached \_\_\_\_\_  
Note diabetes  
Unlisted Response N  
City/Zip BUSKIN 33573 County HILL  
Account Number \_\_\_\_\_  
Company Contact \_\_\_\_\_

Customer says her PIC was switched without her authorization. She says that when she was called by the National Diabetes Foundation nothing was ever said about changing long distance companies. Please contact customer to discuss the circumstances surrounding this PIC change and provide the PSC with proof of authorization: LOA or tape.  
5/10/96 Mrs. Goldberg called and said that the letter she received said they had an authorization from Henry Goldberg. Mr. Goldberg died May 25, 1995.

1 5/10 Report as letter to customer.  
1 File closed.  
UR 1

**CONSUMER REQUEST**

**FLORIDA PUBLIC SERVICE COMMISSION**

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL 32399-0850  
904-413-6166

PLEASE RETURN THIS FC  
WITH REPORT OF ACTION

Richard Durbin  
DUE: 05/10/96

**EARLY, LENNON, PETERS & CROCKER, P.C.**

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NICOLETTE G. HAHN

† Also admitted in Iowa  
‡ Also admitted in California and North Carolina



OF COUNSEL  
VINCENT T. EARLY  
HON. C. M. BRALLEN  
THOMPSON BENNETT  
JOSEPH J. BURGH  
(1926 - 1982)

May 3, 1996

**VIA FACSIMILE AND FIRST CLASS MAIL**

Mr. Richard Durbin  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: **Consumer Request No: 123223 I**  
**Complainant: Goldberg, Sadie**

Dear Mr. Durbin:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request.

Complainant files this Consumer Request alleging that LDM switched Complainant's long distance service without authority. LDM denies all wrongdoing in this matter. LDM will not change a customer's long distance service without verifying the order in accordance with one of the four confirmation procedures established by the Federal Communications Commission ("FCC").

**OPERATIVE FACTS**

1. An agent from Telerep solicited Complainant to participate in a program which contributes a portion of the Customer's long distance paid usage charges to the National Diabetes Foundation, Inc. ("NDFI"). NDFI is registered in Florida as the National Diabetes Health and Fitness Foundation, Inc.
2. An individual named Henry Goldberg authorized the changing of Complainant's long distance service.
3. On or about November 9, 1995, an independent third party from Veritel verified the order to change Complainant's long distance service.



**EARLY, LENNON, PETERS & CROCKER, P.C.**

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Mr. Richard Durbin  
May 3, 1996

4. In evidence of the verification, the independent third party obtained the year of birth of Ms. Sadie Goldberg. Ms. Goldberg's year of birth is 1914.

**GENERAL ALLEGATIONS**

The Consumer Request filed in this matter relates to an order to switch Complainant's long distance service solicited by an independent sales representative through telemarketing. LDM offers telecommunications services to the public as an aggregator, distributor and reseller employing the underlying transport facilities of certain common carriers, including AT&T and Sprint. LDM enables customers to take advantage of discounts once available only to the largest users.

LDM recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing. In fact, LDM prefers having prospective customers solicited in person by sales representatives employed directly by LDM. However, competition in the market place dictates that LDM engage independent agents to solicit sales through telemarketing, despite the obvious misunderstandings which can be avoided by marketing entirely through the former.

LDM institutes several safeguards in an effort to protect consumers from problems inherent with soliciting orders in this manner. LDM ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM, its underlying carriers, and in accordance with applicable federal, states, and general laws. As stated hereinabove, LDM's procedures require obtaining the customer's consent prior to submitting any order to change long distance services to LDM's underlying carrier, or to the LEC.

Moreover, when soliciting through telemarketing under this program, LDM submitted the order to change the customer's long distance services to the LEC, or underlying carrier, only after confirming the order through an independent third party in accordance with the FCC rules.

**CONCLUSION**

In this instance, Complainant subscribed to the service provided through LDM. Complainant's order was verified using an independent third party. In evidence of the authorization, the independent third party verified the switch obtaining the appropriate

**EARLY, LENNON, PETERS & CROCKER, P.C.**

Page 3

Mr. Richard Durbin  
May 3, 1996

verification data.

LDM regrets Complainant's experience with the service offered through LDM. However, we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice. Accordingly, the above captioned Consumer Request is without merit and should be dismissed.

Notwithstanding, as a one-time customer courtesy, LDM will credit the Complainant in the amount of \$43.25, which constitutes a 25% reduction on the entire balance due and owing and reimbursement for switching charges.

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By \_\_\_\_\_  
Patrick D. Crocker

PDC/bks

c: Stephen Steiner  
Sadie Goldberg

Name REMOM, GROVER

Company LDM SYSTEMS, INC.

Request No. 1149281

Address WILLA REDMON CALLED

Attn. LOUIS A. STEINER 114928

By RMM Time 10:55 AM Date 03/04/96

8513 DEE CIRCLE

Consumer's Telephone # (813)-677-4239

To CO Time FAX Date 03/04/96

City/Zip RIVERVIEW 33569 County HILL

Can Be Reached \_\_\_\_\_

Type S Form Phone

Account Number \_\_\_\_\_

Note diabetes

Category \_\_\_\_\_

Company Contact \_\_\_\_\_

Limited Response N

Infraction LS-13B

Closed by NEP Date 04/16/96

Reply Received L

The customer said her service was switched to LDM from Sprint without her authorization. The customer would like her calls rerated, and she would like credit for any switching fees. Please provide proof of authorization, and follow up by the date below.

3/30 report received.

4/3 hardcopy

Closed by letter.

- 19 -

### CONSUMER REQUEST

## FLORIDA PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-8850  
904-413-6100

PLEASE RETURN THIS FC WITH REPORT OF ACTIO

Ruth W. McHargue

DUE: 03/19/96

Attachment C  
Page 1 of 5



PAGE 7 OF 8

TELEPHONE NUMBER 813 677-4239 Customer ID 860509  
BILL DATE February 4, 1996

OAN billing  
inquiries call  
800 892-8424

**LONG DISTANCE CALLS**

Billing for OAN Services, Inc.

**OAN Services, Inc. Regulated Service**

Billing for LDM Systems - 1-500-646-4230

**Regulated Calls**

**Direct Dialed Calls**

Date	Time	Place called	Number called	Period	Min.	Amount
1 Dec 18	7:50 pm	San Pedro CA	310 514-2576	Eve	1	\$ .25
2 Dec 18	7:51 pm	New York NY	212 923-8115	Eve	1	.25
3 Dec 18	8:50 pm	San Pedro CA	310 514-2576	Eve	1	.25
4 Dec 18	10:59 pm	San Pedro CA	310 514-2576	Eve	1	.25
5 Dec 20	12:44 am	San Pedro CA	310 514-2576	Night	1	.25
6 Dec 21	12:22 am	San Pedro CA	310 514-2576	Night	29	7.25
7 Dec 23	10:45 pm	Beckley WV	304 253-2545	Night	1	.25
8 Dec 25	6:38 pm	New York NY	212 923-8115	Eve	6	1.50
9 Dec 26	7:32 pm	Huntington WV	304 522-7050	Eve	4	1.00
10 Dec 26	7:37 pm	Huntington WV	304 522-7050	Eve	40	10.00
11 Dec 26	8:20 pm	Beckley WV	304 253-2545	Eve	25	6.25
12 Dec 30	6:27 pm	Detroit MI	313 382-1207	Night	41	10.25
13 Dec 30	8:54 pm	Detroit MI	313 388-7460	Night	42	10.50
<b>Total</b>						<b>\$ 48.25</b>

For questions concerning your bill, call the number listed at the top of this page.  
The calls on this page were forwarded by OAN Services, Inc., the clearinghouse agent for LDM Systems.

Taxes and Fees on OAN Services, Inc. Regulated Services	Amount
14 Federal excise tax (3.00% of \$49.36)	\$ 1.48
15 Florida interstate gross receipts tax (2.30% of \$48.25)	1.11
<b>Total</b>	<b>\$ 2.59</b>

<b>OAN Services, Inc. regulated service charges</b>	<b>\$ 50.84</b>
<b>Total long distance/OAN Services, Inc.</b>	<b>\$ 50.84</b>

T 7

15 1316 8136774239 860509 01 09 F1210\*11BR11A1 0001740 3F000131285

-96 04:51P

**EARLY, LENNON, PETERS & CROCKER, P.C.**

ATTORNEYS AT LAW  
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 NICOLETTE S. HANN

OF COUNSEL  
 VINCENT T. EARLY  
 RON C. HULLER  
 THOMPSON BENNETT  
 JOSEPH J. BURGIS  
 11826 1992

† Also admitted in Iowa  
 ‡ Also admitted in California and North Carolina

March 20, 1996

**VIA FACSIMILE AND FIRST CLASS MAIL**

Ms. Ruth W. McHargue  
 Florida Public Service Commission  
 2540 Shumard Oak Boulevard  
 Tallahassee, FL 32399-0850

Re: Consumer Request No: 1149281  
 Complainant: Ramon, Grover

Dear Ms. McHargue:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request.

Complainant files this Consumer Request alleging that LDM switched Complainant's long distance service without authority. LDM denies all wrongdoing in this matter. LDM will not change a customer's long distance service without verifying the order in accordance with one of the four confirmation procedures established by the Federal Communications Commission ("FCC").

**OPERATIVE FACTS**

1. An agent from Telerep solicited Complainant to participate in a program which contributes a portion of the Customer's long distance paid usage charges to the National Diabetes Foundation, Inc. ("NDFI"). NDFI is registered in Florida as the National Diabetes Health and Fitness Foundation, Inc.
2. An individual named Wills Redmon authorized the changing of Complainant's long distance service.
3. On or about November 21, 1995, an independent third party from Veritel verified the order to change Complainant's long distance service.

Mar-29-96 04:51P

**EARLY, LENNON, PETERS & CROCKER, P.C.**

Page 2

Ms. Ruth W. McHargue  
March 20, 1996

4. In evidence of the verification, the independent third party obtained the year of birth of Ms. Willa Redmon. Ms. Redmon's year of birth is 1926.

**GENERAL ALLEGATIONS**

The Consumer Request filed in this matter relates to an order to switch Complainant's long distance service solicited by an independent sales representative through telemarketing. LDM offers telecommunications services to the public as an aggregator, distributor and reseller employing the underlying transport facilities of certain common carriers, including AT&T and Sprint. LDM enables customers to take advantage of discounts once available only to the largest users.

LDM recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing. In fact, LDM prefers having prospective customers solicited in person by sales representatives employed directly by LDM. However, competition in the market place dictates that LDM engage independent agents to solicit sales through telemarketing, despite the obvious misunderstandings which can be avoided by marketing entirely through the former.

LDM institutes several safeguards in an effort to protect consumers from problems inherent with soliciting orders in this manner. LDM ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM, its underlying carriers, and in accordance with applicable federal, states, and general laws. As stated hereinabove, LDM's procedures require obtaining the customer's consent prior to submitting any order to change long distance services to LDM's underlying carrier, or to the LEC.

Moreover, when soliciting through telemarketing under this program, LDM submitted the order to change the customer's long distance services to the LEC, or underlying carrier, only after confirming the order through an independent third party in accordance with the FCC rules.

**CONCLUSION**

In this instance, Complainant subscribed to the service provided through LDM. Complainant's order was verified using an independent third party. In evidence of the authorization, the independent third party verified the switch obtaining the appropriate



**EARLY, LENNON, PETERS & CROCKER, P.C.**

Ms. Ruth W. McHargue  
March 20, 1996

Page 3

verification data.

LDM regrets Complainant's experience with the service offered through LDM. However, we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice. Accordingly, the above captioned Consumer Request is without merit and should be dismissed.

Notwithstanding, as a one-time customer courtesy, LDM will credit the Complainant with the amount of \$27.66, which includes a switching fee along with a 25% discount of the entire balance due and owing at this time.

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By:

  
Patrick D. Crocker

PDC/ldt

cc: Stephen Steiner

**EARLY, LENNON, PETERS & CROCKER, P.C.**

**ATTORNEYS AT LAW**  
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TALLAHASSEE, FLORIDA 32307-4763  
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GORDON C. MILLER**

**BLAKE D. CROCKER  
ROBERT E. TAYLOR  
CORRINE I. WRIGHT  
PATRICK D. CROCKER  
ANDREW J. VOORHEES**

**OF COUNSEL  
VINCENT T. EARLY  
RON C. HAMILTON  
TUDORPOO BENNETT  
JOSEPH J. BURGH  
(1985-1992)**

November 22, 1995

Ms. Nancy Pruitt  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Capital Circle Office Center  
Tallahassee, Florida 32399-0864

Re: **LDM SYSTEMS INC.**

Dear Ms. Pruitt:

In accordance with our previous conversation, LDM SYSTEMS INC. will not accept any orders in Florida involving the National Diabetes Foundation or National Diabetes Health and Fitness Foundation effective immediately.

Furthermore, I shall meet with both you and Rick Moses on December 6, 1995 to discuss various issues including the Company's progress in resolving the consumer complaints generated by this program.

Thank you for the Better Business Bureau article along with your patience in this matter

Please contact me with any questions or concerns.

Very truly yours,

**EARLY, LENNON, PETERS & CROCKER, P.C.**

By \_\_\_\_\_  
Patrick D. Crocker

cc: Stephen Steiner

Name BYERS ENGINEERING COMPANY

Company LDM SYSTEMS, INC.

Request No. 088650P

Address JIM BRETTMAN (MANAGER)

Attn. LOUIS STEINER 88650P

By SAS Time 1:00 PM Date 09/21/95

700 SOUTH PALAFOX STREET, #135

Consumer's Telephone # (904)-434-6357

To CO Time FAX Date 09/21/95

City/Zip PENSACOLA 32501 County ESC

Can Be Reached (904)-434-6357

Complaint Type LS-13B

Account Number \_\_\_\_\_

Qai

Note telemarketing

Has consumer contacted company? Yes  No \_\_\_\_\_ Who \_\_\_\_\_

Justification Y

Closed by NEP Date 04/11/95

Reply Received T

Mr. Brettman says that the long distance service was changed from AT&T without his authorization, and he found out about the change when he received his local company's bill with about \$300 of the LDM charges. He says that the rates are much higher than AT&T's rates, and he wants the unauthorized connection investigated. (PLEASE PROVIDE ME WITH A DETAILED WRITTEN REPORT INCLUDING APPLICABLE CREDITS FOR THE LONG DISTANCE CALLS AND SWITCHING FEES AFTER YOUR CONTACT WITH THE CUSTOMER.)

09-22 Final report received (TIMELY)

10/24 request copy of tape.

No tape sent

Copy of tape sent to Rick Moses in CMU. On tape telemarketer states that this was a rate reduction plan. "I'm not switching you over either, I'm just giving you a 20%-30% rate reduction."

### CONSUMER REQUEST

## FLORIDA PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-1  
904-413-6100

PLEASE RETURN THIS FOI WITH REPORT OF ACTION

Shirley Stokes

DUE: 10/06/95

Attachment #  
Page 1 of 4

**EARLY, LENNON, PETERS & CROCKER, P.C.**

ATTORNEYS AT LAW  
 808 COMMERCIAL BUILDING  
 KALAMAZOO, MICHIGAN 49007-4782  
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 LAWRENCE H. GIBBONS

DALE B. BROOKS  
 GEORGE I. WRIGHT  
 ROBERT W. VALLEN  
 PATRICK D. BROOKS  
 ANDREW J. WRIGHT

DE CONRAD  
 VINCENT V. GAIN,  
 C. J. HULLER  
 THOMAS R. BARNETT  
 ANDREW J. BIRDE  
 (1995-1997)

**VIA FAX AND FEDERAL EXPRESS**

September 22, 1995

Ms. Shirley Stokes  
 Florida Public Service Commission  
 2340 Shumard Oak Boulevard  
 Tallahassee, FL 32309-0850

Re: Request No.: 88658P  
 Complainant: Bycrs Engineering Company/Mrs Brattman

Dear Ms. Stokes:

We are the attorneys for LDM SYSTEMS INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission, and have conducted an investigation in accordance with your request.

Complainant files this Consumer Request alleging that LDM switched Complainant's long distance service without authority. LDM denies all wrongdoing in this matter. LDM will not change a customer's long distance service without obtaining the customer's consent and verifying the order in accordance with one of the four confirmation procedures established by the Federal Communications Commission ("FCC").

**OPERATIVE FACTS**

1. On or about February 13, 1995, a sales representative from QAI, Inc. solicited the order to change Complainant's long distance service.
2. An individual named Jim Brattman authorized the changing of Complainant's long distance service.



September 22, 1995  
 Letter Ms. Stokes  
 Page 2

3. Thereafter, LDM mailed an information package containing a postage prepaid postcard confirming the order to change long distance service in accordance with 47 C.F.R. Part 64, § 64.110(d) Verification of Orders for Long Distance Service Generated by Telemarketing

### **GENERAL ALLEGATIONS**

The Consumer Request filed in this matter relates to an order to switch Complainant's long distance service solicited by an independent sales representative on behalf of LDM through telemarketing. LDM offers telecommunications services to the public as an aggregator, distributor and reseller employing the underlying transport facilities of certain common carriers, including AT&T and Sprint.

LDM recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing. In fact, LDM prefers having prospective customers solicited by a sales representative employed directly by LDM. However, competition in the market place dictates that LDM engage independent agents to solicit sales through telemarketing, despite the obvious misunderstandings which can be avoided by marketing entirely through the former.

LDM institutes several safeguards in an effort to protect consumers from problems inherent with soliciting orders in this manner. LDM ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM and its underlying carrier and in accordance with applicable federal, state and general law. As stated hereinabove, LDM's procedures require obtaining the customer's consent prior to submitting any order to change long distance services to LDM's underlying carrier, or to the LEC. Moreover, under current policy, when soliciting through telemarketing, LDM will submit the order to change the customer's long distance services to the LEC, or underlying carrier, only after the expiration of the fourteen (14) day period subsequent to the mailing of the information package to the customer pursuant to a request to change long distance services by said customer, in accordance with the FCC Rules.

### **CONCLUSIONS**

In this instance, we aver that Complainant subscribed to the service provided through LDM. Thereafter, LDM confirmed the order by providing Complainant with an information package allowing Complainant fourteen (14) days to cancel the order.

LDM regrets Complainant's experience with the service offered through LDM. However, we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice. Accordingly, the above captioned Consumer Request is without merit and should be dismissed. Notwithstanding, LDM will credit Complainant for switching charges, along with providing a credit in an amount equal to the difference in usage charges incurred through LDM and the Complainant's preferred carrier. The Complainant agreed to provide this office with copies of the appropriate telephone bills. Finally, we are requesting that QAI, Inc. provide a copy of the taped verification data. We will submit a copy to the Commission upon receipt of same.

September 22, 1995  
Letter Ms. Stokes  
Page 3

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

BY:

  
Patrick D. Crocker

Attorneys for LDM

cc: Stephen Steiner

Name KINARD-JOHNSON CONSTRUCTION COMPAN

Company LDM SYSTEMS, INC.

Request No. 1049471

Address CLAIRE WETZEL, OFFICE MANAGER

Attn. LOUIS STEINER 1049471

By SAS Time 1:18 PM Date 01/11/96

569 BROWARD STREET

Consumer's Telephone # (904)-388-1858

To CO Time FAX Date 01/11/96

City/Zip JACKSONVILLE 32204 County DUV

Can Be Reached (904)-388-1858

Type S Form Phone

Account Number \_\_\_\_\_

Note telemarketing IGC

Category \_\_\_\_\_

Company Contact \_\_\_\_\_

Limited Response N

Infraction LS-13B

Closed by NEP Date 06/10/96

Reply Received L

Ms. Wetzel says that her long distance service was changed from BizTel without authorization, and she found out about the change when she received a telephone call from BizTel today. She objects to the unauthorized connection. (PLEASE INVESTIGATE AND PROVIDE A DETAILED WRITTEN REPORT INCLUDING LOA/TAPE AND APPLICABLE CREDITS FOR THE SWITCHING FEES AND LONG DISTANCE CALLS AFTER YOUR CONTACT WITH THE CUSTOMER.)

04-05 FAXED TO CO. Please fax a report to 904/413-6362 by April 9, 1996.

05-30 FAXED TO CO. PLEASE DO NOT TAKE THIS REQUEST LIGHTLY. THE PSC'S RULES REQUIRE A REPORT WITHIN 15 DAYS OF THE COMPLAINT, AND THE DUE DATE WAS JANUARY 29, 1996. THEREFORE, I NEED TO RECEIVE A REPORT IMMEDIATELY!

5/31 Report as letter with cc to customer. Tape provided to CMU.

Customer- "I don't know what all this is about."

Telemarketer- "The person that you spoke with is offering the one step billing program for your local company."....

"This consolidates both of your bills."

## CONSUMER REQUEST

# FLORIDA PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399  
904-413-6100

PLEASE RETURN THIS FC WITH REPORT OF ACTION

Shirley Stokes

DUE: 01/29/96

PAGE: 2

When the customer asks what is IGC, he is told IGC "has a contract with your local telephone company."

At the end of the conversation, the telemarketer asks for birthdate and states that "this will authorize IGC to be his billing carrier utilizing Southern Bell."

Tape Does Not Mention Switching Service.

File closed.



**EARLY, LENNON, PETERS & CROCKER, P.C.**

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KALAMAZOO, MICHIGAN 49007-4752  
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BLANE D. CROCKER  
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ANDREW J. VERBRICHT  
NICOLETTE S. MANN

OF COUNSEL  
VINCENT T. EARLY  
HOWEN CH. MULLEN  
THOMPSON STREET

JOSEPH J. BURKE  
1100 1001

Also admitted in Iowa  
Also admitted in California and North Carolina

May 30, 1996

**VIA FACSIMILE AND FIRST CLASS MAIL**

Ms. Shirley Stokes  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: **Complainant: Kinard Johnson Construction**  
**Consumer Request No.: 104947 I**

Dear Ms. Stokes:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request.

Complainant files this Consumer Request alleging that LDM switched Complainant's long distance service without authority. LDM denies all wrongdoing in this matter. LDM will not change a customer's long distance service without verifying the order in accordance with one of the four confirmation procedures established by the Federal Communications Commission ("FCC").

**OPERATIVE FACTS**

1. On or about December 18, 1995 a sales representative from IGC solicited the order to change the Complainant's long distance service.
2. An individual named Henry Kinard, Jr. authorized the changing of Complainant's long distance service.
3. Thereafter, an independent third party verified the order to change Complainant's long distance service.
4. In evidence of verification, the independent third party obtained the date of birth of Mr. Henry Kinard, Jr. Mr. Kinard's date of birth is February 26.

May-31-96 05:11P

Page 4 of 5

**EARLY, LEDDON, PETERS & CROCKER, P.C.**

Page 4

Mr. Shirley Stokes  
May 30, 1996

**GENERAL ALLEGATIONS**

The Consumer Complaint filed in this matter relates to an order to switch Complainant's long distance service solicited by an independent sales representative on behalf of LDM through telemarketing. LDM offers telecommunications services to the public as an aggregator, distributor and reseller employing the underlying transport facilities of certain common carriers, including AT&T and Sprint. LDM enables customers to take advantage of discounts once available only to the largest users.

LDM recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing. In fact, LDM prefers having prospective customers solicited in person by sales representatives employed directly by LDM. However, competition in the market place dictates that LDM engage independent agents to solicit sales through telemarketing, despite the obvious misunderstandings which can be avoided by marketing entirely through the former.

LDM institutes several safeguards in an effort to protect consumers from problems inherent with soliciting orders in this manner. LDM ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM, its underlying carriers, and in accordance with applicable federal, state, and general laws. As stated hereinabove, LDM's procedures require obtaining the customer's consent prior to submitting any order to change long distance services to LDM's underlying carrier, or to the LEC.

Moreover, when soliciting through telemarketing under this program, LDM submitted the order to change the customer's long distance services to the LEC, or underlying carrier, only after confirming the order through an independent third party in accordance with the FCC Rules.

**CONCLUSION**

In this instance, we aver that Complainant subscribed to the service provided through LDM. Thereafter, LDM confirmed the order by using an independent third party. In evidence of the authorization, the independent third party verified the switch obtaining the appropriate verification data.

LDM regrets Complainant's experience with the service offered through LDM. We believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and

May-31-96 08:11P

**EARLY, LENNON, PETERS & CROCKER, P.C.**

Page 3

Ms. Shirley Stokes  
May 30, 1996

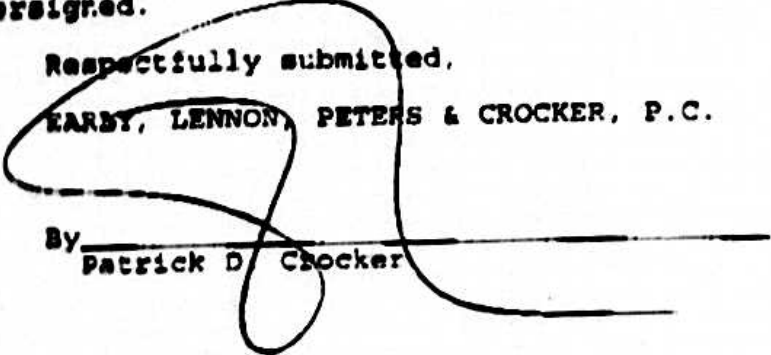
applicable industry practice. Accordingly, the above captioned Consumer Request is without merit and should be dismissed.

Notwithstanding, as a one-time customer courtesy, LDM will credit the Complainant in the amount of \$20.77, which constitutes the entire balance due and owing and reimbursement for switching charges.

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By   
Patrick D. Crocker

PDC/bks

c: Stephen Steiner  
Kinard Johnson Construction

Name OLIVIA LEE

Company LDM SYSTEMS, INC.

Request No. 1252481

Address 5738 SW 72 STREET

Attn. LOUIS STEINER 1252481

By KES Time 4:05 PM Date 05/13/96

SOUTH MIAMI

Consumer's Telephone # (305)-669-1605

To CO Time FAX Date 05/13/96

City/Zip MIAMI 33143 County DADE

Can Be Reached \_\_\_\_\_

Type S Form Phone

Account Number \_\_\_\_\_

Note telemarketing

Category \_\_\_\_\_

Company Contact \_\_\_\_\_

Limited Response N

Infraction LS-13B

Closed by NEP Date 06/10/96

Reply Received T

Customer, Miriam Bagnara, said that the company has been switching her service several times since last fall. Each time she is switched back to her carrier and shortly thereafter the company switches her again. She has been in constant contact with the company, but this problem persists. She would like the company to stop changing her service and explain why it is doing it. Customer has left many messages, but no one returns her calls. Please investigate, provide proof of authorization for the switching, contact customer, and advise.

1  
5/23 Report with cc to Olivia Lee. NOTE: the report says that Olivia Lee agreed to the switch. However there is no one there called Olivia Lee. It is the name of the business.

5/28 Hardcopy

6/7 Closed by phone with Mrs. Bagnara. She said an attorney, Khakd Kanaan, from LDM played the tape of her mother, Mrs. Miriam Oliva, informing LDM they could send written information or rate but did not give permission to switch.

Customer said she never got information packet. She did get a postcard, only, CONFIRMING, service and asking if additional service was requested. At bottom of the postcard was a spot to mark if the customer had changed her mind. She said she wrote that she never requested the service. She said the LDM attorney told her that LDM ignored the card.

## CONSUMER REQUEST

# FLORIDA PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-0850  
904-413-6100

PLEASE RETURN THIS FC WITH REPORT OF ACTION

Kate Smith

DUE: 05/29/96



PAGE: 2

6/7 Contacted Southern Bell and was told service was switched on 11/24/95 and returned to MCI on 5/14.

6/8 Customer faxed additional information including copy of letter to Khaled Kanaan stating credits had not been issued.

TO LDM: Customer has not received credits. Please provide credits. Please send copy of tape to Nancy Pruitt at PSC.

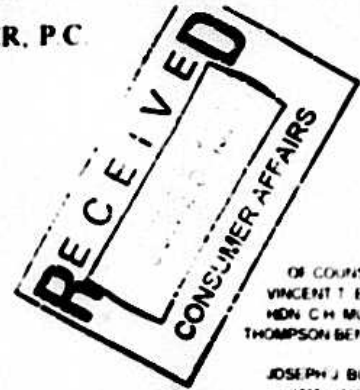
6/14 Received letter from LDM issuing credits in the amount of 205.83. No tape.

6/25 Letter from LDM and tape. Tape does not appear to be complete. There is no identifying information and no authorization given to switch service.

- 35 -

**EARLY, LENNON, PETERS & CROCKER, P.C.**

ATTORNEYS AT LAW  
900 COMERICA BUILDING  
KALAMAZOO, MICHIGAN 49007-4752  
TELEPHONE (616) 381-8844  
FAX (616) 349-8525



OF COUNSEL  
VINCENT T. EARLY  
MON. CH. MULLEN  
THOMPSON BENNETT

JOSEPH J. BURGE  
(1010 1007)

GEORGE H. LENNON  
JOHN T. PETERS JR.  
DAVID G. CROCKER  
HAROLD E. FISCHER JR.  
LAWRENCE M. BRENTON  
GORDON C. MILLER

BLAKE D. CROCKER  
ROBERT M. TAYLOR  
CORENNI WRIGHT  
PATRICK D. CROCKER  
ANDREW J. VORBRICH

June 20, 1996

Ms. Nancy Pruitt  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: **Complainant:** Olivia Lee  
**Request No:** 125248 I

Dear Ms. Pruitt:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request. Enclosed is a tape confirming the billing information and verification data for the Complainant.

Should you have any questions or concerns, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER P.C.

By  
Patrick D. Crocker

PDC/kk

cc: Stephen Steiner

**EARLY, LENNON, PETERS & CROCKER, P.C.**

ATTORNEYS AT LAW  
989 COMERICA BUILDING  
KALAMAZOO, MICHIGAN 49007-4752  
TELEPHONE (616) 381-8844  
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LAWRENCE M. BRENTON  
GORDON C. MILLER

BLAKE D. CROCKER  
ROBERT M. TAYLOR  
PATRICK D. CROCKER  
ANDREW J. VOBRICH\*\*  
NICOLETTE G. NAJEM\*\*

OF COUNSEL  
VINCENT T. EARLY  
RON C. MULLEN  
THOMPSON BENNETT

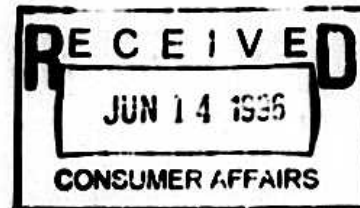
JOSEPH J. BURGE  
(1926 - 1992)

\*Also admitted to Iowa.  
\*\*Also admitted to California and North Carolina.

June 12, 1996

**VIA FIRST CLASS MAIL**

Kate Smith  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850



Re: Complainant: Olivia Lee  
Request No: 125248 I

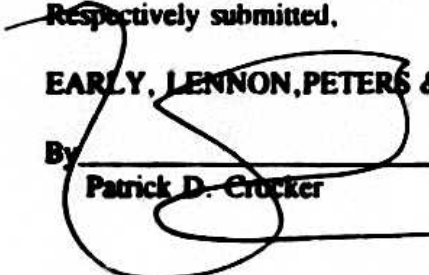
Dear Ms. Smith:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request. Notwithstanding as a one time customer courtesy LDM will credit Complainant in the amount of \$205.83, which constitutes the entire balance due and owing at this time.

Should you have any questions or concerns, please contact the undersigned.

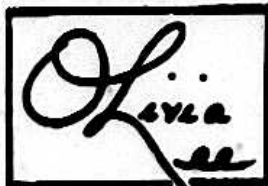
Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By   
Patrick D. Crocker

PDC/kk

cc: Stephen Steiner  
Nancy Pruitt  
Miriam O. Bagnara



VIA FACSIMILE

June 8, 1996

Khaled Kanaan, Esq.  
EARLEY, LENNON, PETERS  
& CROCKER  
900 Comerica Bldg.  
Kalamazoo, MI 49007

RE: LDM SYSTEMS - OLIVIA LEE - Unauthorized Transfer/Charges

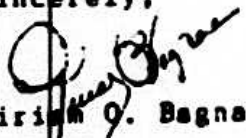
Dear Khaled,

I have just received my Southern Bell statement for the billing period ending May 25th with charges from LDM totalling \$84.44.

This is once again very upsetting since on May 17th you promised that a credit totalling \$121.39 would appear on my next statement. Not only did I not receive any credit - Now I have additional charges! LDM now needs to credit me \$205.83.

Please call me Monday morning with an explanation.

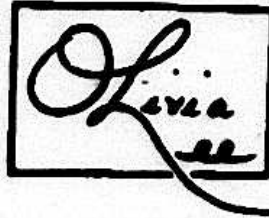
Sincerely,

  
Miriam Q. Bagnara

cc: Nancy Pruitt, Public Service Commission

- 38 -





VIA FACSIMILE

Ph #  
616 381-8944

May 17, 1996

Khaled Kanaan, Esq.  
EARLEY, LENNON, PETERS  
& CROCKER  
900 Comerica Building  
Kalamazoo, MI 49007

Re: LDM Systems - Unauthorized transfers

Dear Khaled,

This will serve to summarize our telephone conversation of this morning.

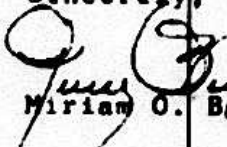
As I explained, LDM (via computer) fraudulently transferred my long distance service from MCI to them on various occasions. Approximately six months ago I received a postcard and letter thanking me for choosing LDM. I immediately returned it marked "We never ever requested or accepted this!" They completely ignored my message and have been billing me since December, 1995.

I cannot express enough the aggravation this has caused me. The amount of time I have spent trying to resolve this situation with Southern Bell and MCI has been enormous.

I appreciate your offer for LDM to issue a credit for all the months billed. The total amount to be credited is \$121.39.

I am hopeful we can resolve this situation once and for all.

Sincerely,

  
Miriam O. Bagnara

LDM - Billing

Dec 95 28.07  
Jan 28.03  
Feb 1.05  
Mar 23.52  
April 10.04  
121.39



LDM Systems Inc.  
254 S Main Street  
New City, NY 10956

Tel 800 646 4230  
Fax 914 638 0430

11/09/95

OLIVIA LEE  
OLIVIA LEE  
5738 SW 72ND ST  
S MIAMI, FL 33143

Dear OLIVIA LEE,

Thank you for your recent telephone conversation with our representative, and for choosing our **CONNECT AMERICA DISCOUNT PROGRAM!**

By selecting LDM's (Long Distance Management) **CONNECT AMERICA PROGRAM** as your provider of service, you are taking advantage of the volume buying power of the thousands of companies in the group, thereby allowing us to pass significant savings on to you.

As your business communications partner, LDM's **CONNECT AMERICA PROGRAM** offers you access to high-quality long distance services utilizing the nation wide fiber optic network of one of the four largest long distance carriers in the country. The **CONNECT AMERICA PROGRAM** also offers **Local Telephone Company billing**. This means that you will be receiving only one monthly bill from your Local Telephone Company, which will include your itemized long distance charges, identified as LDM. The great news is that **this billing service is free** for all customers whose monthly long distance charges exceed \$15. For those customers whose charges are less than \$15, there will be a nominal \$2.50 charge to cover the costs of billing.

Once on line, you will enjoy the following benefits of long distance calling using the **CONNECT AMERICA PROGRAM**:

- ! Savings of 30% off AT&T MTS rates
- :: Flat rate pricing anywhere in the United States.
- !!! One monthly bill from your Local Telephone Company
- !!!! Domestic calls of less than 30 seconds are FREE

Attached is a list of the telephone lines we are provisioning on our **CONNECT AMERICA** service. If there are any discrepancies please notify us immediately.

Enclosed is a postage paid return addressed postcard. If you want to cancel your savings on the **CONNECT AMERICA PROGRAM**, please return it to us at once. If we don't hear from you within 14 days, we will process your order on the **CONNECT AMERICA PROGRAM**, and your savings will appear on your Local Telephone Company bill

**Your Satisfaction is our Guarantee!!**

**Thank you for choosing LDM's CONNECT AMERICA PROGRAM.**

111

**LINE CORRECT AMERICA PROGRAM  
ONE STEP LOCAL TELEPHONE COMPANY BILLING**

Main Telephone Number (305) 669-1665  
Company Name Olivia Lee  
Location Address 1738 Sunset Drive  
Billing Address (if diff.) \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Authorized Person \_\_\_\_\_

Additional Telephone Lines	
( )	-
( )	-
( )	-
( )	-
( )	-
( )	-

I want to know more. Please send me information immediately about additional services offered by LMA.

- 800 Service
- Calling cards
- Please add lines as shown
- Please correct my address as shown above
- ~~Discontinue~~ please cancel my savings

CONSUMER COMPLAINTS: CONTACT THE POC AT 2825 N STREET NW ROOM 202 WASHINGTON, DC 20034

*never accepted  
we need it  
requested by Olivia Lee*

111

**EARLY, LENNON, PETERS & CROCKER, P.C.**

ATTORNEYS AT LAW

800 COMERICA BUILDING  
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 GORDON C. HALLER

BLAKE D. CROCKER  
 BOBBY M. TAYLOR  
 PATRICK D. CROCKER  
 ANDREW J. VORBRICH  
 BRIGIETTE G. HANNA

OF COURSE:  
 VINCENT Y. EARLY  
 RON C. H. MILLER  
 THOMPSON BRADY\*

JOSEPH J. BURKE  
 \*1989-1992

\*Also admitted in Iowa  
 †Also admitted in California and North Carolina

May 23, 1996

**VIA FACSIMILE AND FIRST CLASS MAIL**

Ms. Kate Smith  
 Florida Public Service Commission  
 2540 Shumard Oak Boulevard  
 Tallahassee, FL 32399-0850

Re: Consumer Request No: 125248 I  
 Complainant: Olivia Lee

Dear Ms. Smith:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Complaint filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request.

Complainant files this Consumer Complaint alleging that LDM switched Complainant's long distance service without authority. LDM denies all wrongdoing in this matter. LDM will not change a customer's long distance service without verifying the order in accordance with one of the four confirmation procedures established by the Federal Communications Commission ("FCC").

**OPERATIVE FACTS**

1. On or about November 3, 1995 a sales representative from Promark solicited the order to change the Complainant's long distance service.
2. An individual named Olivia Lee authorized the changing of Complainant's long distance service.
3. Thereafter, LDM mailed an information package containing a postage prepaid postcard confirming the order to change the long distance service in accordance with 47 C.F.C. Part 64, § 64.1100(d) Verification of Orders for Long Distance Service Generated by Telemarketing.



**EARLY, LEONON, PETERS & CROCKER, P.C.**

Page 2

Ms. Kate Smith  
May 23, 1996**GENERAL ALLEGATIONS**

The Consumer Complaint filed in this matter relates to an order to switch Complainant's long distance service solicited by an independent sales representative on behalf of LDM through telemarketing. LDM offers telecommunications services to the public as an aggregator, distributor and reseller employing the underlying transport facilities of certain common carriers, including AT&T and Sprint.

LDM recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing. In fact, LDM prefers having prospective customers solicited in person by sales representatives employed directly by LDM. However, competition in the market place dictates that LDM engage independent agents to solicit sales through telemarketing, despite the obvious misunderstandings which can be avoided by marketing entirely through the former.

LDM institutes several safeguards in an effort to protect consumers from problems inherent with soliciting orders in this manner. LDM ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM, its underlying carriers, and in accordance with applicable federal, states, and general laws. As stated hereinabove, LDM's procedures require obtaining the customer's consent prior to submitting any order to change long distance services to LDM's underlying carrier, or to the LEC. Moreover, under current policy, when soliciting through telemarketing, LDM will submit the order to change the customer's long distance services to the LEC, or underlying carrier, only after the expiration of the fourteen (14) day period subsequent to the mailing of the information package to the customer pursuant to a request to change long distance services by said customer, in accordance with the FCC Rules.

**CONCLUSION**

In this instance, we aver that Complainant subscribed to the service provided through LDM. Thereafter LDM confirmed the order by providing Complainant with an information package allowing Complainant 14 days to cancel the order. Complainant has not contacted LDM to cancel its service.

LDM regrets Complainant's experience with the service offered through LDM. Notwithstanding, we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice. Accordingly, the

May-23-96 03:51P

**EARLY, LENNON, PETERS & CROCKER, P.C.**

Page 3

Ms. Kate Smith  
May 23, 1996

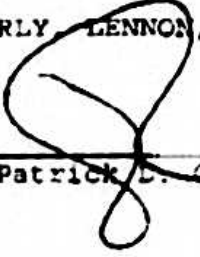
above captioned Informal Complaint is without merit and should be dismissed.

Notwithstanding as a one-time customer courtesy LDM will reimburse Complainant for the full amount due and owing. The amount of credit in this instance is \$121.39.

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By   
Patrick D. Crocker

PDC/bks

c: Stephen Steiner  
Olivia Lee

Name SCHOFIELD, ROGER

Company LDM SYSTEMS, INC.

Request No. 096109P

Address 14429 TANGELWOOD DRIVE

Attn. LOUIS STEINER 096109P

By SAS Time 8:35 AM Date 11/17/95

Consumer's Telephone # (813)-593-3388

To CO Time FAK Date 11/17/95

City/Zip LARGO 34644 County PIN

Can Be Reached (813)-584-9902

Complaint Type IS-13A

Account Number \_\_\_\_\_

Note sweet/diabetes

Has consumer contacted company? Yes  No  Who \_\_\_\_\_

Justification Y

Closed by NEP Date 04/25/96

Reply Received L

Mr. Schofield says that his long distance service was changed without his authorization, and he found out about the change last month. He says that although his account showed his preferred company Sprint, he found out that LDM buys blocks of service from Sprint. Also, he says that he works for the local telephone company, GTE, in the switching section. He recalls a representative telling him at a Shark Teeth Festival about signing up for some type of charity, and he emphasized to the representative that he didn't want his long distance service changed. (PLEASE PROVIDE A DETAILED WRITTEN REPORT INCLUDING LOA/TAPE AND APPLICABLE CREDITS FOR THE SWITCHING FEES AND LONG DISTANCE CALLS AFTER YOUR CONTACT WITH THE CUSTOMER.)

E  
U 12-05 Julie from the company's attorney office called at 10:03 a.m. She says that she is still working on the complaint, and she should have a report by December 11. I also explained that the due date was yesterday.

04-03 FAXED TO CO. THE REPORT DUE DATE WAS DECEMBER 4, 1995, BUT I HAVEN'T RECEIVED THE REPORT. PLEASE FAX A REPORT TODAY AT 904/413-6362.

04-05 FAXED TO CO. PLEASE FAX ME A REPORT.

04-16 PLEASE SEND ME A REPORT BEFORE I SEEK FURTHER ACTION AGAINST THE COMPANY FOR NOT RESPONDING TO THIS COMPLAINT. I NEED TO RECEIVED A WRITTEN REPORT IMMEDIATELY!

04-16 Report with info on diabetes campaign.

## CONSUMER REQUEST

# FLORIDA PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-0850  
904-413-6100

PLEASE RETURN THIS F WITH REPORT OF ACTIC

Shirley Stokes

DUE: 12/04/95

PAGE: 2

04-17 File in Nancy's box

04-24 Mr. Schofield called at 1:15 p.m. to thank me for my assistance, and he also reiterated his concerns about the deceptive information. He also stated that the co. had scratched out something and wrote in LDM.

File closed.

-46-



**EARLY, LENNON, PETERS & CROCKER, P.C.**

ATTORNEYS AT LAW

600 COMMERCIAL BLVD. SUITE 2000  
KALAMAZOO, MICHIGAN 49007-4733  
TELEPHONE (616) 331-0044  
FAX (616) 340-0773GREGORY H. LENNON  
JOHN T. PETERS, JR.  
DAVID G. CROCKER  
NAROLD S. FISCHER, JR.  
LAWRENCE M. BRINTON  
GORDON C. WILLERBLAKE D. CROCKER  
BARRY M. TAYLOR  
PATRICK H. CROCKER  
ANDREW J. VOBRICKY  
NICOLETTE G. HARRISOF COUNSEL  
VINCENTY EARLY  
MON C. B. MILLER  
THOMPSON DENNEYJEROME J. BISHOP  
(1976-1992)\* Also admitted to practice  
in the states of California and North Carolina

April 12, 1996

**VIA FACSIMILE AND FIRST CLASS MAIL**Ms. Shirley Stokes  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850Re: Consumer Request No: 096109 P  
Complainant: Schofield, Roger

Dear Ms. Stokes:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request.

Complainant filed this Consumer Request alleging that LDM switched Complainant's long distance service without authority. LDM denies all wrongdoing in this matter. LDM will not change a customer's long distance service without verifying the order in accordance with one of the four confirmation procedures established by the Federal Communications Commission ("FCC").

**OPERATIVE FACTS**

1. An agent from Telerep solicited Complainant to participate in a program which contributes a portion of the Customer's long distance paid usage charges to the National Diabetes Foundation, Inc. ("NDFI"). NDFI is registered in Florida as the National Diabetes Health and Fitness Foundation, Inc.
2. An individual named Roger Schofield authorized the changing of Complainant's long distance service.
3. On or about August 13, 1995, a signed LOA verified the order to change Complainant's long distance service. Same is attached as Exhibit A.

Ms. Shirley Stokes  
April 12, 1996

4. A memo describing the Sharks Tooth Festival follows as Exhibit B.

#### GENERAL ALLEGATIONS

The Consumer Request filed in this matter relates to an order to switch Complainant's long distance service solicited by an independent sales representative through telemarketing. LDM offers telecommunications services to the public as an aggregator, distributor and reseller employing the underlying transport facilities of certain common carriers, including AT&T and Sprint. LDM enables customers to take advantage of discounts once available only to the largest users.

LDM recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing. In fact, LDM prefers having prospective customers solicited in person by sales representatives employed directly by LDM. However, competition in the market place dictates that LDM engage independent agents to solicit sales through telemarketing, despite the obvious misunderstandings which can be avoided by marketing entirely through the former.

LDM institutes several safeguards in an effort to protect consumers from problems inherent with soliciting orders in this manner. LDM ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM, its underlying carriers, and in accordance with applicable federal, states, and general laws. As stated hereinabove, LDM's procedures require obtaining the customer's consent prior to submitting any order to change long distance services to LDM's underlying carrier, or to the LEC.

Moreover, when soliciting through telemarketing under this program, LDM submitted the order to change the customer's long distance services to the LEC, or underlying carrier, only after confirming the order through an independent third party in accordance with the FCC rules.

#### CONCLUSION

In this instance, Complainant subscribed to the service provided through LDM. Complainant's order was verified using an independent third party. In evidence of the authorization, the independent third party verified the switch obtaining the appropriate verification data.

LDM regrets Complainant's experience with the service offered through LDM. However, we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice. Accordingly, the above captioned Consumer Request is without merit and should be dismissed.

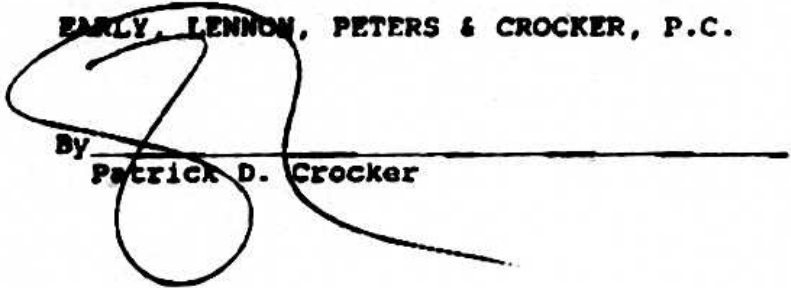
Ms. Shirley Stokes  
April 12, 1996

Notwithstanding, as a one-time customer courtesy, LDM will credit the Complainant in the amount of \$3.25 which constitutes the entire balance due and owing at this time.

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By   
Patrick D. Crocker

PDC/bks

c: Stephen Steiner



NATIONAL DIABETES  
FOUNDATION, INC.

16317 1st Street East  
Post Office Box 8171  
St. Petersburg, Florida  
33728-8171

(813) 391-9050

- Dedicated To:
- Research
  - Identification
  - Information
  - Education

A NONPROFIT  
FOUNDATION

DEFEAT DIABETES™ Long Distance Telephone Program

1. Marketing Representative Name: Ann. Wiggins
2. Contact Name: Roger Schfield
3. Telephone Billing Name: Roger Schfield
4. Telephone Billing Address: 14429 Tanglewood Dr  
LARGO FL  
34646
5. Telephone Number: 813 593 3388
6. Current Long Distance Carrier: Sprint
7. In lieu of you signature and to authorize that we have spoken, may I please have either the last four digits of your Social Security Number, or your date of birth: 1945
8. Date: 8/19/95
9. Time: 2:15 pm

This will authorize your long distance carrier LDM/ to rebate a percentage of your monthly long distance bill directly to the National Diabetes Foundation to help fight against diabetes. There is no additional cost to you.

Roger Schfield  
(Your Signature)

405  
FAXED  
1396  
P.C.



11/27/1995 18:39 16133982144

DEFEAT DIABETES FDN

PAGE 06

PAGE 1

**SHARKS TOOTH FESTIVAL - POST/PRODUCTION REPORT**

**RE: NATIONAL DIABETES FOUNDATION, DESOTO SPEEDWAY, FLORIDA SHARKS  
CO-SPONSORSHIP OF HOSPITALITY TENT AND YOUTH ACTIVITY**

**FROM: ANDY HOOKER/PRODUCTION COORDINATOR**

The sponsorship fees for the participation in this youth activity were waived by the chairman of the festival, due in fact to negotiation by myself and a favor owed by the festival to me. The average fee for sponsorship participation and for what we were able to do would have been an average of \$750.00 per sponsor. (TOTAL: \$2,250.00)

I also waived my production fee for this event which would have been a total of \$2,000.00 for the total package. My expenses were covered by the National Diabetes Foundation, Inc. i.e. Hotel for (3) nights, meals, transportation and phone bills.

The expense cost for the Hospitality Tent and Youth Activity, which was underwritten by the National Diabetes Foundation totaled \$2,100.00 which included: Tent rental, Booth for the tent, Signs, Tables, Basketball, "Little Sharks" hoop set-up, Supplies, plus hotel and meal expense for staff, transportation and phone expense. NDF also covered the cost for the prizes for the "Little Sharks" "Hoop Shoot" and the 3 for 5 "Big Sharks" "Hoop Shoot".

The Florida Sharks provided the large basketball hoop, T-Shirts for give-aways, and VIP/Regular Game Passes for the "Big Sharks" Hoop Shoot prizes. Desoto Speedway provided the "Little Face Car" for two days, The "Official Pace Car" on Sunday, Passes for "Night At The Races" Prize Drawing and T-Shirts and Hats for more Give-aways.

Festival officials estimated that 40,000 people came thru the main gate over the (2) days.

The Youth Activity area in which we were set-up saw an estimated 25,000 pass thru with the greater percent being parents with small children and teens.

An estimated 15,000 people passed thru our tent.

Our working staff spoke with an estimated 10,000 people. (Many of these people asked who/what the Florida Sharks were? Questions about Desoto Speedway).

The National Diabetes Foundation handed out 10,000 brochures and Diabetes Screening Tests.

253 players for "Big Sharks" Hoop Shoot and 400 16 and under for the "Little Sharks" Hoop Shoot.

All (3) sponsors received pre-festival tags on radio and TV spots along with a write-up in the Festival Program which was handed out to 40,000 plus. (This program was also distributed to media and other outlets around the state).

There were (25) announcements made per day from the Main Stage-PA, mentioning our area and the sponsors.

Promotional Highlights were as follows:

"Mr. Diabetes" along with his sidekick "Mr. Phyto-Bear" ran in the SR road race Sunday morning.

On Sunday afternoon "Fleg" the Florida Sharks Mascot made an appearance for 30 minutes at the Main Stage, handing out Sharks T-Shirts and dancing with some little children. The exposure to the Sharks name and logo was estimated at 6,000 festival goers at this appearance.

Also on Sunday at 4PM the "Night at the Races" Prize Drawing was held at the Main Stage. Winners were announced over the PA. The Official Race Car made a grand entrance in front of the Main Stage to kick off the Prize Drawing. It was also at this time that T-shirts and hats were given out. The exposure for the ten minutes was estimated at 8,000 festival goers.

Follow-up:

Andy Mandell has already made thank you phone calls to the festival organizers.

Andy Necker will be mailing thank you letters on behalf of the three sponsors.

**NOTE:** Another addition to our Hospitality Tent was the participation of Dwight and Susan Havener, representing Surprise International, Inc. (whose products reflect the recommendations of the National Diabetes Foundation, Inc., for proper nutrition), along with the "Defeat Diabetes" (TM) Long Distance Telephone Program. Both groups had space made available to them by the National Diabetes Foundation, Inc.

## • PRIZE DRAWING •

NAME: Roger SchofieldADDRESS: 14429 Tangwood  
Land O Lakes FL 34646PHONE #: 593 3388

## • PRIZE DRAWING •

NAME: Steven KelleherADDRESS: 5119 Island Gate  
St. Cloud FL 34282PHONE #: 8371-2763

## • PRIZE DRAWING •

NAME: Debbie Florida  
Lewards RdADDRESS: 1080 VenicePHONE #: 493-7144

## • PRIZE DRAWING •

NAME: Hazel YoungADDRESS: 208 S. Tampa  
Tampa FL 33608PHONE #: 813-875-3307

## • PRIZE DRAWING •

NAME: David WolffADDRESS: 8688 Woodbridge  
Sarasota FLPHONE #: 781-2139

## • PRIZE DRAWING •

NAME: Betty Anne RidgwayADDRESS: 2511 Laurelwood  
Sanford FL 34234PHONE #: 957 1140

## • PRIZE DRAWING •

NAME: Richard CriseADDRESS: 2510 LeGorce Dr.PHONE #: 407-0372

Name SUN COAST CHEMICALS OF DAYTONA, INC.

Company LDM SYSTEMS, INC.

Request No. 1192901

Address GEORGE MILLER

Attn. LOUIS A. STEINER 1192901

By SMM Time 2:26 PM Date 03/27/96

77 HARGROVE GRADE

Consumer's Telephone # (904)-446-4000

To CO Time FAX Date 03/27/96

City/Zip PALM COAST 32137 County FLA

Can Be Reached (904)-446-4000

Type S Form Phone

Account Number \_\_\_\_\_

Note misleading LOA

Category \_\_\_\_\_

Company Contact \_\_\_\_\_

Limited Response N

Infraction LS-13F

Closed by NEP Date 05/10/96

Reply Received L

Customer was switched from AT&T to LDM on 1-23 without authority. He wants switching charges reimbursed, rates adjusted, & to know what proof of authority they claim to have in switching.

4/29 Report with cc to customer

5/03 Hard copy

5/08 Correspondence from customer indicating misleading LOA and noting

alterations to the LOA were deleted.

6/07 Closed by phone.

## CONSUMER REQUEST

# FLORIDA PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-  
904-413-6100

PLEASE RETURN THIS FO  
WITH REPORT OF ACTION

Stella Maloy

DUE: 04/11/96

Attachment 1  
Page 1 of 8





**Sun Coast Chemicals of Daytona, Inc.**  
New Evolutions Product Line

May 8, 1996

Ms. Stella Maloy  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: **Complaint No# 1192901**  
**Sun Coast Chemicals of Daytona, Inc.**  
**against LDM Systems, Inc.**

Dear Ms. Maloy,

With regard to our conversation of May 6, 1996 and the letter from LDM attorney's dated April 16, 1996, please be advised of the following.


1. LDM's sales representation from Preferred Accounts used a document they obtained through misrepresenting themselves and then altered the document. (see copy of original and altered copy attached). Preferred Accounts, LDM's representative also wanted to process this changed document until January 22, 1996, with no notification.
2. LDM never did verify this change to Sun Coast Chemicals long distance service, and no information package was ever received. I would like to request proof that this was sent.
3. In addition, LDM never confirmed the order and no information package allowing fourteen (14) days to cancel was ever ~~sent to~~ or received by Sun Coast Chemicals. In fact, the first notification I ever received that our long distance service had been changed was when I received an invoice on March 18, 1996. I immediately tried to contact LDM repeatedly, and no one returned my calls until April 5, 1996. Also, on March 18, 1996, I immediately re-changed my long distance service back to AT&T, where it has been my intention to be all along.

- 55 -

In conclusion, I believe LDM's representative used deceptive business practices to obtain a document, then altered same, and LDM did not comply with the regulations to verify the validity of this change in service by them, or their representative.

Please let me know if any additional information is needed, and I would appreciate being kept informed of the progress and results of my complaint.

Sincerely,

  
George Miller  
Controller

10:55 FAX 904 445 0228  
**PREFERRED  
ACCOUNTS  
PLAN**

SUNCOAST CHEM

Attachment 1  
Page 4 of 8

utilizing the AT&T  
Worldwide Network

TO George Miller  
REF NUMBER: 001

FROM: Debbie Humphrey  
1-800-375-1818 EXT 121

(A)

This discount is in addition to any discount already with AT&T Network  
To whom it may concern:

We hereby authorize our account to be placed onto the Preferred Accounts Plan™ exclusively utilizing the AT&T Network. We understand that services are provided by LDM Systems Inc., pursuant to LDM FCC tariff #1. There are no installation fees or long-term commitments of any kind. We will be billed directly from AT&T and remit our payments directly to AT&T. It is also our understanding that we will receive an average 35% discount on Interstate Direct Dialed Long Distance outbound calls. Get a 55% discount with the SDN™ calling card. These rates are on file with the FCC under AT&T's tariff #1.

This discount plan shall remain in effect until cancelled in writing to Preferred Accounts Discount Plan.

X

<u>George Miller</u>	<u>CONTROLLER</u>	<u>GEORGE E. MILLER</u>	<u>9.18.93</u>
AUTHORIZED SIGNATURE	TITLE	PRINT NAME	DATE
<u>904 446 4000</u>			
MAIN PHONE NUMBER		FAX NUMBER	3-DIGIT NUMBER
<u>Sun Coast Chemical</u>			
COMPANY NAME as it appears on bill		BILLING NAME / DBA	
<u>77 Hodgson Circle</u>			
INSTALLATION ADDRESS		MAILING ADDRESS if different	
<u>Deer Coast Florida</u>	<u>32137</u>		
CITY	STATE ZIP	CITY	STATE ZIP

(A)

credit July billing for 25%

The discount plan can only be processed after you fax the signed form to: 1-800-222-1836

- 57 -

(A)

Original document signed after Debbie Humphrey represented herself as AT&T. Her notes to persuade me have been altered on her rest &

# PREFERRED ACCOUNTS PLAN

George Miller

001

Using the AT&T Worldwide Network

John Humphrey

121

## LETTER OF AGENCY

(A)

To whom it may concern:

We hereby authorize our account to be placed on Preferred Accounts Plan<sup>SM</sup> exclusive Network. We understand that services Systems Inc., pursuant to LDM FCC an installation fee or long-term commission will be billed directly from AT&T and directly to AT&T. It is also our understand receive an average 35% discount on Long Distance outbound calls. Get a 5: SDN<sup>SM</sup> calling card. These rates are on AT&T's tariff #1.

placed onto the utilizing the AT&T provided by LDM #1. There are no is of any kind. We nt our payments ling that we will state Direct Dialed discount with the with the FCC under

This discount plan shall remain in effect writing to Preferred Accounts Discount

and cancelled in an.



George Miller CONTRACTOR GEN. 904 446 4000

E.F. Miller 9.18.95 446

904 446 4000  
PLAT PHONE NUMBER

FAX NUMBER

ACCOUNT NUMBER

Sun Coast Chemical  
COMPANY NAME as it appears on bill

BILLING NO.

TAX

47 Hodgson Circle  
BUSINESS ADDRESS

CITY

STATE ZIP

Dunwoody Florida 32137  
CITY STATE ZIP

STATE ZIP

(A)

The discount plan can only be processed after you fax the signed form to:

800-222-1836

(A)

Faxed from J. Humphrey of Preferred Accounts 4/9/96 (notes have been verbalized)



**EARLY, LENNON, PETERS & CROCKER, P.C.**

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LAWRENCE M. BRENTON  
GORDON C. MILLER

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ROBERT M. TAYLOR  
PATRICK D. CROCKER  
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NICOLETTE S. MAHNI

OF COUNSEL  
VINCENT T. EARLY  
MON. C. H. MULLEN  
THOMAS J. BIRNITT

JOSEPH J. BURGE  
1926-1992

† Also admitted in Iowa  
‡ Also admitted in California and North Carolina

MAY 3

April 16, 1996

**VIA FACSIMILE AND FIRST CLASS MAIL**

Ms. Stella Maloy  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: **Consumer Request No: 119290 I**  
**Complainant: Sun Coast Chemicals of Daytona**

Dear Ms. Maloy:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request.

Complainant filed this Consumer Request alleging that LDM switched Complainant's long distance service without authority. LDM denies all wrongdoing in this matter. LDM will not change a customer's long distance service without verifying the order in accordance with one of the four confirmation procedures established by the Federal Communications Commission ("FCC").

**OPERATIVE FACTS**

1. On or about September 28, 1995, a sales representative from Preferred Accounts solicited the order to change Complainant's long distance service.
2. An individual named George E. Miller authorized the changing of Complainant's long distance service.
3. Thereafter, LDM obtained a signed LOA order to change the long distance service in accordance with 47 C.F.C. Part 64, § 64.1100(d) Verification of Orders for Long Distance Service Generated by Telemarketing. The same is attached as Exhibit A.

**EARLY, LENNON, PETERS & CROCKER, P.C.**

Page 2

Ms. Stella Maloy  
April 16, 1996

### **GENERAL ALLEGATIONS**

The Consumer Complaint filed in this matter relates to an order to switch Complainant's long distance service solicited by an independent sales representative on behalf of LDM through telemarketing. LDM offers telecommunications services to the public as an aggregator, distributor and reseller employing the underlying transport facilities of certain common carriers, including AT&T and Sprint.

LDM recognizes certain reliability problems associated with soliciting orders through independent sales agents, especially through telemarketing. In fact, LDM prefers having prospective customers solicited in person by sales representatives employed directly by LDM. However, competition in the market place dictates that LDM engage independent agents to solicit sales through telemarketing, despite the obvious misunderstandings which can be avoided by marketing entirely through the former.

LDM institutes several safeguards in an effort to protect consumers from problems inherent with soliciting orders in this manner. LDM ordinarily requires independent sales agents by contract to solicit orders in accordance with the terms and conditions established by LDM, its underlying carriers, and in accordance with applicable federal, states, and general laws. As stated hereinabove, LDM's procedures require obtaining the customer's consent prior to submitting any order to change long distance services to LDM's underlying carrier, or to the LEC. Moreover, under current policy, when soliciting through telemarketing, LDM will submit the order to change the customer's long distance services to the LEC, or underlying carrier, only after the expiration of the fourteen (14) day period subsequent to the mailing of the information package to the customer pursuant to a request to change long distance services by said customer, in accordance with the FCC Rules.

### **CONCLUSION**

In this instance, Complainant subscribed to the service provided through LDM. Thereafter LDM confirmed the order by providing Complainant with an information package allowing Complainant 14 days to cancel the order. Complainant failed to contact LDM to cancel its service.

LDM regrets Complainant's experience with the service offered through LDM. However, we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and

EARLY, LENNON, PETERS & CROCKER, P.C.

Page 3

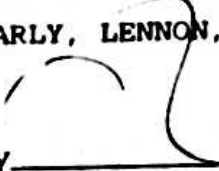
Ms. Stella Maloy  
April 16, 1996

decisions, and applicable industry practice. Accordingly, the above captioned Consumer Request is without merit and should be dismissed.

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By   
Patrick D. Crocker

PDC/bks

c: Stephen Steiner  
Sun Coast Chemicals of Daytona

Name GATFFE, MICHAEL

Company LDM SYSTEMS, INC.

Request No. 1068471

Address 706 CAMROSE DR.

Attn. LOUIS A. STEINER 106847

By RMM Time 11:31 AM Date 01/22/96

City/Zip BRANDON 33510-2157 County HILL

Consumer's Telephone # (813)-654-7557

To CO Time FAX Date 01/23/96

Account Number \_\_\_\_\_

Can Be Reached (813)

Type S form Phone

Company Contact \_\_\_\_\_

Note no explanation

Category \_\_\_\_\_

Limited Response Y

Infraction LS-131

Closed by NEP Date 03/18/96

Reply Received T

Customer said his service was switched in Oct. '95 without authorization. Customer said he found out when he received his bill. Customer said his service was with Sprint and he had a "pic freeze" on his account. Please investigate and send a response by the date below.

1-22 fax error - refaxed on 1-23

2/5 report. Closed by letter.

62-1

### CONSUMER REQUEST

## FLORIDA PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-  
904-413-6100

PLEASE RETURN THIS FORM WITH REPORT OF ACTION

Ruth W. McHargue

DUE: 02/07/96

Attachment J  
Page 1 of 2



**EARLY, LENNON, PETERS & CROCKER, P.C.**

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MON. C.H. MULLIN  
THOMPSON BENNETT

JOSEPH J. BURKE  
(1926-1992)

\*Also admitted in Iowa

\*\*Also admitted in California and North Carolina

January 31, 1996

**VIA FACSIMILE AND FIRST CLASS MAIL**

Ms. Ruth W. McHarque  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Consumer Request No: 106847 I**  
**Complainant: Gaiffe, Michael**

Dear Ms. McHarque:

We are the attorneys for LDM SYSTEMS, INC. ("LDM"). We are in receipt of the above captioned Consumer Request filed with the Florida Public Service Commission ("Commission"), and have conducted an investigation in accordance with your request.

LDM regrets Complainant's experience with the service offered through LDM. However, we believe that LDM acted in good faith, consistent with relevant statutory provisions, FCC rules and decisions, and applicable industry practice. Accordingly, the above captioned Consumer Request is without merit and should be dismissed.

Notwithstanding, as a one-time customer courtesy, LDM will credit the Complainant in the amount of \$111.05, which constitutes the entire balance due and owing at this time.

Should you have any questions or concerns relating to this matter, please contact the undersigned.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.

By \_\_\_\_\_  
Patrick D. Crocker

PDC/bks  
c: Stephen Steiner

- 63 -

## ☉ TELEPHONE SALES PITCH

Good morning/Good afternoon (name of customer)! This is LDM Operator # \_\_\_\_\_.

(Customer's name), your long distance calls can now be itemized on your (name of local telephone company) bill through *THE LDM "CONNECT AMERICA PLAN"* utilizing Sprint's long distance network.

This means (name of company) will no longer receive two bills for your local and long distance calls.

In addition, through *THE LDM "CONNECT AMERICA PLAN"*, (name of company) rate per minute will be reduced to 19.5¢ compared to 25¢ to 30¢ on average you may be paying now.

Furthermore, any domestic long distance calls 30 seconds or less will no longer be charged to your account.

I will need to record your billing information to place you on LDM's One Step Billing, billed through (name of local telephone company), if you don't mind.

## ☉ TELEPHONE SALES PITCH

**I REMEMBER, DO NOT START THE TAPE UNLESS YOU ARE SURE YOU HAVE A SALE.**

**☛ THE FOLLOWING MUST BE RECORDED ON TAPE TO BE A VALID SALE!!!**

**(CUSTOMER NAME) AS I SAID, I NEED TO RECORD YOUR BILLING INFORMATION.**

- 1) Your company name is...
- 2) How much is your monthly long distance portion of your bill \_\_\_\_\_?...
- 3) Your address is... **(NO P.O. BOXES)**
  - A) Your city...
  - B) Your zip code...
- 4) Your main phone number is...
  - A) Do you have any other lines such as fax, modems or hunt numbers which need to be changed to LDM?
  - B) How about any other locations?
- 5) Your full name is...

**(Name of customer) as I said, your company will no longer be charged for any calls less than 30 seconds, which will reduce the charges on your bill, okay.**

**\*\*\* THE AUTHORIZATION MUST BE WORD FOR WORD!!! \*\*\***

**(Name of customer), you are authorizing your company to be placed on the Long Distance Management Connect America Plan, correct?**

**(Name of customer), you will be receiving a "WELCOME ABOARD" package from LDM within 10 days.**

**Have a nice day and enjoy LDM's "CONNECT AMERICA PLAN".**