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January 29, 1997

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

BY HAND DELIVERY

Re: Docket No. 960841-T1

Dear Ms. Bayo:

Enclosed for filing is the original and fifteen copies of LDM Systems, Inc.'s Response and Offer of Settlement in the referenced docket.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,


Norman H. Horton, Jr.

- ACK _____
- AFA _____
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause)	
proceedings against LDM Systems, Inc.)	Docket No. 960841-T1
for violation of Rule 25-4.118, F.A.C.,)	Filed: January 29, 1997
Interexchange Carrier Selection)	
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RESPONSE AND OFFER OF SETTLEMENT

LDM Systems, Inc. (LDM), herewith submits its response and offer of settlement of all outstanding unauthorized PIC change allegations filed with the Commission in order to resolve the show cause order and to avoid the attendant costs and expenses of protracted litigation.

1. On October 21, 1996, the Commission issued order No. PSC-96-1297-FOF-T1 directing LDM to respond to a show cause with respect to unauthorized PIC changes. LDM has been certificated and operating in Florida since 1992 and prior to December 1995, PSC reports reflect no complaint activity with respect to LDM. In the instant case, LDM terminated its arrangements with the contractor which led to the majority of consumer complaints prior to the issuance of the show cause order. Similarly, LDM ceased telemarketing in the state prior to issuance of the order and is not currently telemarketing in Florida and recent Commission reports reflect no new complaint activity. Further, LDM has reviewed consumer correspondence and has refunded in excess of \$15,000 to customers.

2. LDM does not believe that the company has refused to comply with any rule or order of this Commission nor has there been a willful violation of any rule or order. LDM believes that it could demonstrate compliance with the rules of this Commission; however, to do so requires an expensive, protracted proceeding. To avoid such a protracted proceeding, LDM offers the following by way of settlement of this case, in addition to those actions taken prior to this time.

a. LDM will review all pending unresolved consumer requests and make such adjustments, including refunds, as are necessary;

b. LDM will review and revise its internal operating policies to insure that the Commission receives timely responses to any future consumer inquiry;

c. LDM has stated its intent to resume telemarketing in Florida and has submitted proposed scripts. LDM will modify this script so that it is clear to the customer that verification of a change order is performed by an independent verification company that is not affiliated with LDM;

d. LDM will make a contribution to the general revenue fund of the State of Florida of \$30,000, with no admission of any liability or wrongdoing. The voluntary contribution will be made not later than 30 days after the Commission order accepting this settlement becomes final;

e. LDM will continue to comply with the rules and regulations of the FPSC.

Based on the foregoing, LDM Systems, Inc. requests the Commission to enter its order accepting the offer of settlement.

Respectfully submitted,



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