



Public Service Commission

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

DATE: January 5, 1998

TO: Evelyn H. Sewell, Chief of Fiscal Services, Division of Administration

CC: Division of Records and Reporting
Division of Communications (Lewis)

FROM: Charles J. Pellegrini, Staff Counsel, Division of Legal Services

RE: Docket No. 971306-TI - Initiation of show cause proceedings against Heartline Communications, Inc. for violation of Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries; Rule 25-4.019, F.A.C., Records and Reports in General; and Rule 25-24.480(2)(a)(b), F.A.C., Records and Reports; Rules Incorporated.

In Order No. PSC-97-1529-PCO-TI, issued December 5, 1997, the Commission required Heartline Communications, Inc., (Heartline) to show cause within 20 days of the order why it should not be fined in the amounts of \$10,000 for apparent violation of Rule 25-4.043, Florida Administrative Code; \$15,000 for apparent violation of Rule 25-4.019, Florida Administrative Code; and \$500 for apparent violation of Rule 25-24.480(2), Florida Administrative Code, or have its certificate, Certificate No. 3494, canceled. The Commission's order was mailed to Heartline at P.O. Box 53029, Houston, Texas 77502-3029 on December 5, 1997, by certified mail. It was returned on December 23, 1997, with the notation "moved, left no address." The order provided that if Heartline failed to respond, the fines would be deemed assessed.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS _____

Collection efforts are unlikely to be productive. Hence, this matter is submitted to your office for approval to forward the account to the Department of Banking and Finance, Comptroller's Office, for appropriate disposition.

The events leading to this point are outlined below for your convenience:

1. In Order No. PSC-97-1529-PCO-TI, the Commission granted Heartline Certificate No. 3494 on October 26, 1993, to provide interexchange telecommunications services.
2. Commission staff made test calls on February 7, 1997, to evaluate the company's quality of service.

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3. The company failed to supply billing information for the test calls
4. Commission staff requested the billing information on May 12, June 5, July 17, and July 29, 1997, without success. On October 3, 1997, it was learned that Heartline's telephone number was no longer in service.

On January 7, 1997, in Order No. PSC-97-0030-FOF-TI, the Commission approved a transfer of control from Heartline to Total National Telecommunications, Inc., (TNT). TNT filed a petition on September 12, 1997, for liquidation under Chapter 7 of the Bankruptcy Code in U.S. Bankruptcy Court, Southern District of Texas.

Please find the following documents attached hereto:

- a. Order No. PSC-97-1529-PCO-TI
- b. Order No. PSC-97-0030-FOF-TI