

ORIGINAL

DOCKET NO. 951232-TI [Telecommunications Services, Inc.]

**WITNESS: Direct Testimony of Brian Sulmonetti, Appearing on Behalf of Respondent,
Telecommunications Services, Inc., as an adverse witness.**

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FPSC-RECORDS/REPORTING

BEFORE THE STAFF OF THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 951232-TI

COPY

In Re: Dade County Circuit Court referral
of certain issues in Case No. 92-11654 CA 11
(Transcall America, Inc., vs. Telecommunications
Services, Inc., and Telecommunications Services,
Inc., vs. Transcall America, Inc. and Advanced
Telecommunications Corp.) That are within the
Commission's jurisdiction,

- - - - - x

1515 So. Federal Hwy
Boca Raton, Florida
March 26, 1998
10:00 a.m. - 3:10 p.m.

DEPOSITION OF BRIAN SULMONETTI

Taken before ROBERT WOLINSKY, CM,
Registered Professional Reporter and Notary Public
for the State of Florida at Large, pursuant to
Notice of Taking Deposition filed in the above
cause.

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APPEARANCES

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BY: BETH KEATING, ESQ.
BY: JOHN BOWMAN, ESQ.
On behalf of the PSC

ALSO PRESENT: Kathy L. Welch, C.P.A.

I N D E X

	<u>Witness</u>	<u>Direct</u>	<u>Cross</u>	<u>Red. Rec.</u>
BRIAN SULMONETTI		3	150	

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1 Thereupon--

2

BRIAN SULMONETTI

3 was called as a witness by the Defendant and,
4 having been first duly sworn, testified as follows:

5

DIRECT EXAMINATION

6 BY MR. PARSONS:

7

Q. Mr. Sulmonetti, my name is Wes Parsons,
8 and I represent Telecommunications Services, Inc.
9 in a proceeding before the Public Service
10 Commission. This is your deposition today. I'll
11 have a number of questions for you. If you don't
12 understand any question, please let me know, I'll
13 try to make it understandable. Is that agreeable,
14 sir?

15

A. Yes.

16

Q. Could you tell me your full name,
17 please?

18

A. Brian Sulmonetti.

19

Q. Where do yo' live, sir?

20

A. Boca Raton.

21

Q. Could I have a street address?

22

A. 1515 -- excuse me, that's work. 856
23 Oleander Street, Boca Raton, Florida 33486.

24

Q. Where do you work, sir?

25

A. Here in Boca Raton for WorldCom

1 WorldCom's.

2 Q. At the 1515 South Federal Highway
3 address?

4 A. Yes.

5 Q. What is your position currently with
6 WorldCom?

7 A. Director of regulatory affairs.

8 Q. Could you tell me which WorldCom entity
9 you work for? Is it WorldCom, Inc.?

10 A. Yes.

11 Q. What do you do, sir, as director of
12 regulatory affairs for WorldCom, Inc.?

13 A. My region is the entire eastern half of
14 the United States. I have people that work for me,
15 and myself. We are the main liaison between the
16 company and the Public Service Commissions in all
17 the states, as we are regulated by each state, and
18 also have legislative duties as part of that.

19 Q. Do your duties encompass the Eastern
20 United States, include Florida?

21 A. Yes.

22 Q. Do you have some responsibility in
23 connection with the filing of tariffs by WorldCom?

24 A. I have some tangential, that's a
25 separate department, and the whole regulatory area,

1 but over time I have had direct responsibility for
2 tariffing. But now I don't have direct, but I
3 work -- there's people in my office that work on
4 tariffs, that I always interface with.

5 Q. Could you describe for me your current
6 tangential responsibility for tariffs?

7 A. If the commission has a question about
8 a tariff, they call me. I have to answer it. I do
9 the interpretation.

10 Q. Do you have any responsibility for
11 contracting between WorldCom and other carriers?

12 A. No.

13 Q. Who would have that responsibility
14 within WorldCom, currently?

15 A. Contractual relationships between other
16 IXC's?

17 Q. Yes.

18 A. Because we have to make sure which type
19 carrier we're talking about. We have a carrier
20 sales department that handles that.

21 Q. How long has the carrier sales
22 department had that responsibility?

23 A. I'm not sure. You know, each
24 company -- I mean, currently it is in WorldCom. I
25 mean, four companies ago, I can't -- it could have

1 been carrier sales, it could have been engineering,
2 you know, marketing, so...

3 Q. Have you personally ever had any
4 responsibility for contractual relationships with
5 interexchange carriers?

6 A. No.

7 Q. Let me go into your history a little
8 bit, sir.

9 Did you attend college?

10 A. Yes.

11 Q. Where did you attend college?

12 A. American University in Washington, D.C.

13 Q. Did you receive a degree?

14 A. Yes.

15 Q. When was that?

16 A. 1979.

17 Q. What degree did you receive?

18 A. A BA in political science and
19 economics. I also received an MA in development
20 banking in 1983 from the same university.

21 Q. Did you work part-time --

22 A. Yes.

23 Q. -- during your tenure at American
24 University?

25 A. Excuse me, I am sorry. I answered your

1 question before -- what's your question?

2 Q. Did you work part-time during your
3 tenure at American University?

4 A. Undergrad, yeah, I was on work study.
5 Graduate -- I had a full-time job. I
6 was part-time in the graduate program.

7 Q. What was the full-time job, sir?

8 A. Gosh. I coached wrestling. I also
9 worked at a bank.

10 Q. What did you do after you received your
11 MA from American University in 1983?

12 A. Also when I was there I worked for a
13 trade association called American Council for
14 Capital Formation, and I left that job and started
15 sometime in 1983 with MCI, in their litigation
16 support department.

17 Q. What did you do in litigation support?

18 A. Basically, a paralegal.

19 Q. How long were in litigation support
20 with MCI?

21 A. Until 1985.

22 Q. Did you know Doug Bonner?

23 A. No.

24 Q. What did you do after leaving
25 litigation support at MCI in 1985?

1 A. I went to -- still with MCI, I went
2 into -- I moved to Texas to work in the carrier
3 relations department.

4 Q. How long were you in the carrier
5 relations department in Texas?

6 A. About a year and a half.

7 Q. What were your duties there, sir?

8 A. I was the interface between MCI, at the
9 time, and -- region, the south Texas region. I was
10 located in Houston -- and the local exchange
11 carriers in that region, which included
12 Southwestern Bell.

13 Q. When you say "interface," what does
14 that mean?

15 A. I analyzed their tariffs and so forth.
16 And anytime we had problems, I was the person to go
17 and try to resolve them. Very day-to-day kind of
18 operational things. Not a big strategic.

19 Q. Did you have any responsibility for
20 MCI's relationship during this period with
21 interexchange carriers?

22 A. No.

23 Q. Have you ever had any responsibility at
24 MCI or at any of the WorldCom companies for
25 relationships with interexchange carriers?

1 A. In terms of selling service, no. But,
2 I mean, my job was regulatory. I have to interface
3 with all interexchange carriers on a fairly regular
4 basis; MCI, ATT, small carriers, large carriers.

5 Q. Let me ask you, shifting gears for a
6 moment to the current situation with WorldCom, does
7 WorldCom order its business relationships with IXC's
8 by tariff or by contract or something else, a
9 mixture?

10 A. I don't understand your question.
11 Order -- sell? I don't understand what you're
12 saying.

13 Q. Let me back up a minute.
14 WorldCom currently has business
15 relations with interexchange carriers?

16 A. That is true.

17 Q. Are those relationships governed by
18 tariff or by contract, or some other sort of
19 arrangement?

20 A. They are governed by contract, but in
21 our contract it always says that you're subject to
22 the tariff, because we're a regulated entity, so we
23 have to be subject to the appropriate and
24 applicable tariffs.

25 Q. In your mind, would it be possible for

1 WorldCom, currently, to enter into business
2 relationships with an IXC that is not subject to
3 tariff, but only subject to contract?

4 A. Not being a lawyer, I would say no.

5 Q. Has it come to your attention in your
6 business, in your duties at WorldCom, that any
7 contract that WorldCom or any of the companies
8 acquired, entered into, was not subject to tariff?

9 MR. GIMBEL: To the extent that answer
10 calls for an interpretation of the provision
11 of the contract, some kind of legal
12 conclusion, obviously he's not a lawyer, but
13 if you can otherwise answer, he's free to
14 answer.

15 THE WITNESS: I mean, we're regulated
16 by FCC and all the state commissions, so they
17 have regulatory authority over our contracts
18 and our tariffs and so forth. And I would
19 agree that, yes, they're subject -- our
20 relationships can be subject to tariffs.

21 BY MR. PARSONS:

22 Q. Have you ever encountered a contract
23 binding WorldCom, now I'm including WorldCom, it's
24 predecessor companies, that was not subject to
25 tariff with an IXC?

1 A. Me personally, no, because I'm in
2 regulatory, so...

3 Q. Okay. When you say, "I'm in
4 regulatory," you mean those sort of contracts would
5 not necessarily come to your attention?

6 A. If they existed, but I don't think they
7 existed.

8 Q. Currently, when WorldCom enters into a
9 business arrangement with an IXC, if I understand
10 you correctly, that arrangement would be
11 memorialized as a contract which would be subject
12 to WorldCom's tariff?

13 A. Yes.

14 Q. Do you ever have the situation where
15 the contract, itself, is filed as a tariff with the
16 state commission or the FCC?

17 A. FCC recently changed rules. Awhile
18 back we had to file all our contracts. We had
19 contractual tariffs. It was a ruling based on
20 AT&T's suit, and I don't want to get into all the
21 ramifications, but we had to tariff them for a
22 while. But since then they have detariffed, not
23 deregulated, but detariffed, at the FCC, pretty
24 much all services. So that's where we're at,
25 current regulation.

1 Q. Where are you at in Florida?

2 A. In Florida, we're still under a rule
3 that requires us -- it doesn't require us to file a
4 tariff on a contract between carriers, but they --
5 meaning the commission -- has the ability to
6 request a copy of it to look at.

7 Q. You say you're not required to file a
8 tariff -- pardon me a contract as a tariff. Are
9 you precluded from filing a contract as a tariff?

10 A. I don't know. I've never really
11 thought about it. I don't know.

12 Q. Would WorldCom ever file a contract as
13 a tariff, even though it was not required to with
14 the Florida PSC?

15 A. Well, by the rules of the PSC, we have
16 to file any rates that we charge end-users. So,
17 yes, we would file what we charge end-users now.
18 Contracts between carriers are the specific thing
19 that's not required to be filed.

20 Q. Would you do it, anyway?

21 A. We haven't.

22 Q. I've been asking you and you've been
23 testifying about the current situation. Has the
24 situation changed during your tenure at the
25 WorldCom companies, or has it always been this way,

1 to your mind?

2 A. In Florida, I don't remember when the
3 rule went into effect, but ever since the rule went
4 into effect.

5 Q. You say you don't remember when the
6 rule went into effect. Was it after 1990?

7 A. No, it was long before that, I think.
8 I don't remember exactly.

9 Q. Is it fair to say that situation is
10 stable in Florida --

11 A. Yes.

12 Q. -- in regard...

13 Are you an expert on tariffs, sir?

14 A. I don't know what you mean by
15 "expert." Yes, I'm very familiar and
16 knowledgeable.

17 Q. I don't have any specific definition
18 I'm using. Let me see if I can ask it a different
19 way. Is your business tariffs?

20 A. Is my -- my company's business? Yeah.
21 We're regulated, so we do have to file tariffs
22 where required.

23 Is it my personal business?

24 Q. Yes, sir. Are you personally a person
25 who has a skill, and that skill is tariffs for

1 telephone companies?

2 A. If you're asking if I could file one, I
3 probably couldn't, because I don't know how to work
4 a word processor that fast. But if you want to
5 know, and I am asked by a lot of people to go look
6 in at tariffs and finding terms, conditions and all
7 that, yes, I know where to look, and I have to give
8 my opinion on it many times.

9 Q. Let me go back to where I left off with
10 your working at MCI at, I think, through 1986.

11 A. Yeah.

12 Q. What did you do after that, sir?

13 A. 1987 I started with a company called
14 Microtel here in Boca Raton.

15 Q. What were your duties, sir?

16 A. Carrier relations manager.

17 Q. Is that the same sort of thing you were
18 doing in Texas?

19 A. Yes.

20 Q. Were you working at Microtel when it
21 was acquired by WorldCom?

22 A. There was a few intervening
23 acquisitions, but, yes.

24 Q. You've been with WorldCom since then?

25 A. Yes, and its predecessors.

1 Q. Starting with carrier relations manager
2 in Microtel in 1987, could you walk for me through
3 the companies you worked for and what your
4 positions were?

5 A. Sure. About mid '87 I moved to
6 regulatory manager, because the director had
7 retired. So I was regulatory manager for Microtel.

8 Then we merged with ATC, and I
9 continued to be regulatory manager for ATC. As ATC
10 acquired other companies, I took on more states,
11 responsibilities. Microtel was just a Florida
12 base.

13 Then we moved, you know. As ATC
14 acquired us, we had more and more states. So when
15 I say regulatory manager, I'm only focusing on
16 state responsibility, because we've always had a
17 separate federal department. Where was I? ATC.

18 Then ATC was acquired by a company
19 called LDDS. Again, I was still -- before it was
20 acquired by LDDS, I was promoted to director of
21 regulatory. Then LDDS purchased us, and I
22 continued to be director of regulatory. Then we
23 had more acquisitions, and eventually changed the
24 name to WorldCom. And the current position I'm in
25 is director of regulatory for the entire eastern

1 region. That brings you up to today.

2 Q. Are you familiar with the proceeding
3 that's currently before the commission, sir,
4 Transcall versus Telecommunications Services,
5 Inc.?

6 A. Yes.

7 Q. How did you become familiar with the
8 case?

9 A. Since I was regulatory manager back --
10 I can't remember the date, T.S.I. filed a
11 regulatory complaint against us, so that went to
12 me.

13 Q. Have you been the person on this case
14 at WorldCom and its predecessors since then?

15 A. Yes.

16 Q. What do you understand this case to be
17 about?

18 A. A simple matter of collection. T.S.I.
19 owes us money.

20 Q. Have you seen the counterclaim --

21 A. Yes.

22 Q. Any of the counterclaims filed by
23 T.S.I.?

24 A. Uh-huh.

25 Q. Have you done an evaluation of the

1 counterclaims?

2 A. No. Personally, I have not.

3 Q. Are you concerned at all about any
4 liability on the part of WorldCom for the
5 allegations of the counterclaim?

6 MR. GIMBEL: To the extent the witness
7 is not a lawyer, and that requires an analysis
8 of legal defenses as well as legal claims --
9 again, it's a deposition, so he can -- I'm not
10 instructing him not to answer, but --

11 THE WITNESS: What was your question
12 again? I am sorry.

13 BY MR. PARSONS:

14 Q. The question was, are you concerned
15 about the allegations in T.S.I.'s counterclaim?

16 A. As with any complaint, we're always
17 concerned with allegations made by anybody.

18 Q. Although you have not evaluated the
19 allegations, has anyone at WorldCom evaluated the
20 allegations?

21 A. Yes. Our legal counsel.

22 Q. Anyone other than legal counsel?

23 A. Probably our in-house legal counsel,
24 too.

25 Q. Anyone else?

1 A. No.

2 Q. Has any investigation of the
3 allegations been done, other than in-house and
4 outside legal counsel?

5 A. Not that I know.

6 MR. GIMBEL: If you know.

7 THE WITNESS: Not that I'm aware of.

8 BY MR. PARSONS:

9 Q. Were you involved in the investigation
10 of the Dohan case of the nine-second problem?

11 A. I was involved in the case, yes.

12 Q. Who headed that investigation?

13 A. Our outside counsel.

14 Q. Did you have corporate persons
15 responsible for the investigation?

16 A. I guess I don't understand. I mean, I
17 dealt with getting any information that legal
18 counsel needed for Dohan, you know. I guess I
19 don't understand your question.

20 Q. Was there a gentleman named Dan Merritt
21 you were familiar with?

22 A. Yes.

23 Q. Did he produce a report on the
24 nine-second problem?

25 A. Yes, he did.

1 Q. Did Dan Merritt investigate any charges
2 of overbilling other than the nine-second
3 increment, to your knowledge?

4 A. I'm not aware of any.

5 Q. Has anyone other than legal counsel for
6 WorldCom investigated allegations of overbilling by
7 my client, T.S.I.?

8 A. Not that I'm aware.

9 Q. Have you read the counterclaim filed by
10 T.S.I. in this case, sir?

11 A. Probably. A while back.

12 Q. Do you recall seeing a list of about a
13 dozen difficulties that T.S.I. had with its billing
14 and business relationships with Transcall and ATC?

15 A. Vaguely. I mean, if you could show it
16 to me, maybe.

17 Q. In vaguely recalling that, do you have
18 any recollection whether any steps were taken by
19 WorldCom to determine whether any of the
20 overbilling claimed in those allegations had taken
21 place?

22 MR. GIMBEL: I'm sorry. Can you read
23 that back?

24 (The question referred to was read by
25 the reporter as above recorded.)

1 THE WITNESS: I think legal counsel
2 looked into it.

3 BY MR. PARSONS:

4 Q. Anyone else, sir?

5 A. Not that I'm aware of. I mean, legal
6 counsel may have had someone look.

7 Q. Why didn't WorldCom, itself, not its
8 legal counsel, investigate charges of overbilling
9 by T.S.I.?

10 A. Because it was filed as a litigation
11 matter, so we just take a strategy that this is a
12 case, and we have to take very careful steps in the
13 matter.

14 Q. Nevertheless, in Dohan there was an
15 investigation outside of legal counsel. So with
16 that in mind, why wasn't this case treated
17 similarly to Dohan?

18 MR. GIMBEL: Well, I'm going to object
19 to the form of the question, because you're
20 making subjective descriptions and calls on
21 what was or wasn't done, so I object to the
22 form of the question.

23 If you can answer that, Brian, you're
24 free to answer.

25 BY MR. PARSONS:

1 Q. It's a simple why question. I would
2 like to restate it if I could.

3 Why wasn't there a corporate
4 investigation of T.S.I.'s claims, as there
5 apparently was a corporate investigation in Dohan?

6 A. I think the Dohan investigation was
7 directed by legal counsel. I mean, I don't -- so,
8 I guess I don't understand your corporate
9 direction. I mean, legal counsel doing it means
10 the corporate is investigating itself, so I just
11 don't understand your question.

12 Q. Was there an investigation directed by
13 counsel, of T.S.I.'s allegation, that nevertheless
14 involved non-lawyers within WorldCom?

15 A. I don't recall right now.

16 Q. You don't recall whether there was or
17 there wasn't?

18 A. Yes.

19 Q. Who would know, other than legal
20 counsel, whether there was such an investigation?

21 A. Just legal counsel.

22 Q. If there were such an investigation,
23 would you as a person responsible within WorldCom
24 for this lawsuit, know about it?

25 A. No, not... because I was responsible

1 for the regulatory aspects of this. But this is a
2 litigation matter, because you had collections and
3 all these other issues into it, so...

4 Q. So you're only responsible for this
5 case insofar as it involves regulatory matters?

6 A. Yes, working with the PSC.

7 Q. Is there someone out at WorldCom that
8 has some other sort of responsibility,
9 non-regulatory, for this case?

10 A. I mean our general counsel, but, I
11 mean, he has responsibility for all litigation.

12 Q. Any non-lawyer person?

13 A. Not that I'm aware of.

14 Q. Who within WorldCom, other than general
15 counsel, would know who has responsibility for this
16 matter within WorldCom?

17 A. No, I don't know.

18 Q. Have you been deposed before, sir?

19 A. Yes.

20 Q. How many times?

21 A. Two or three -- four.

22 Q. Were one of those matters the Dohan
23 proceeding?

24 A. Yes.

25 Q. What were the others?

1 A. Let's see. A couple PSC matters, I
2 can't remember. Yeah. A couple personal matters.

3 Q. The personal matters did not involve
4 WorldCom or its predecessors?

5 A. Correct.

6 Q. The two PSC matters, was one of those
7 the 1991 refund matter?

8 A. No.

9 Q. What were the other two matters?

10 A. Testimony given in UTLD. I think in
11 Georgia I did something on voice mail, regulation
12 of voice mail. Regulatory cases.

13 Q. The other one?

14 A. I just said, Georgia regulatory case.

15 Q. They were both Georgia regulatory?

16 A. No, one was Florida, I am sorry. The
17 UTLD. And the other one was -- what did I
18 say -- Georgia. Uh-huh.

19 Q. Mr. Sulmonetti, I'm going to ask you to
20 look at the exhibit marked as Boca No. 1 in the
21 depositions. Your name appears on it as a
22 deponent. Let me ask you if you're here pursuant
23 to this amended notice of deposition today?

24 A. Yes.

25 Q. We also asked pursuant to a procedural

1 rule, for the person most knowledgeable about
2 documents produced to T.S.I. by ATC Transcall. Are
3 you that person as well, sir?

4 A. Yes.

5 Q. We've also asked pursuant to the same
6 rule, for a person knowledgeable about the
7 corporate history of ATC Transcall, and
8 particularly the liabilities thereof. Are you that
9 person, sir?

10 A. Yes.

11 Q. Is there any person within WorldCom who
12 would be more knowledgeable than you about either of
13 the two areas?

14 A. No one on the document list. I mean,
15 obviously, there's a lot of people that know the
16 corporate history, but...

17 Q. You're one of the most knowledgeable?

18 A. Yes.

19 MR. PARSONS: Could you mark this our
20 next exhibit.

21 (Informal discussion off the record.)

22 (Thereupon a document was marked
23 Boca Exhibit No. 4 for Identification to the
24 deposition.)

25 BY MR. PARSONS:

1 Q. Did you do anything to prepare for this
2 deposition today, sir?

3 A. Other than speak with counsel?

4 Q. Other than speaking with counsel, did
5 you speak with anyone within WorldCom?

6 A. No.

7 Q. Did you read anything to prepare for
8 the deposition?

9 A. Just went over the chronology that we
10 filed in our interrogatories.

11 Q. Did you reread the interrogatory
12 answers?

13 A. Not all of them.

14 Q. Those are your answers in the
15 interrogatories?

16 A. Yes.

17 Q. Did you read any prior deposition
18 testimony?

19 A. No.

20 Q. Did you read either of the expert
21 reports prepared by T.S.I. in this case?

22 A. No.

23 Q. Did you speak with Joel Holop?

24 A. No.

25 Q. Did you speak with Mr. Sickle?

1 A. No. On this case, no.

2 Q. Do you know Clara Reynardus Thompson?

3 A. Yes.

4 Q. Is Ms. Thompson ill?

5 A. Yes.

6 Q. Could you tell me the nature of the
7 illness?

8 A. I guess about a year or so ago she
9 got -- she was in our office in Dallas, and one of
10 those big double doors, things, fell on top of her
11 head, knocked her out, and gave her a severe
12 concussion. And -- I don't know, whatever the
13 doctor -- bruised brain, whatever.

14 Q. That was a year ago?

15 A. Uh-huh.

16 Q. Has she worked since then?

17 A. Nope.

18 Q. Have you seen her in the last few
19 weeks?

20 A. No.

21 Q. Do you have an understanding of what
22 her current condition is?

23 A. Just, other than through her husband.

24 Q. You know her husband, sir?

25 A. Yes.

1 Q. What has he told you?

2 A. That she's still going to therapy to
3 try to get memory and functionality back. She
4 can't read. She just started driving. She can't
5 even watch T.V. because the focus -- she can't
6 focus.

7 Q. Where does she live?

8 A. Here in Boca.

9 Q. Are you aware of any written statements
10 or recorded statements that have been made in this
11 proceeding, other than the depositions that have
12 taken place?

13 A. No.

14 Q. You haven't given a written statement,
15 yourself, sir?

16 A. Oh, no.

17 Q. Have you seen anyone else's written
18 statement?

19 A. Not that I'm aware of.

20 Q. Have you worked on any prefiled
21 testimony for the commissioner?

22 A. No.

23 Q. I've handed your counsel a copy of
24 Transcall's responses to interrogatories in this
25 case. Could you look at those, sir.

1 A. Sure.

2 Q. Let me ask you if Exhibit 4 are in fact
3 the responses to the interrogatories?

4 A. Yes, they are.

5 Q. Response No. 1 tells me that you and
6 Mr. Gimbel contributed the information used in
7 formulating your responses; is that right?

8 A. Correct.

9 Q. Was there anyone else who contributed
10 information?

11 A. No.

12 Q. Did you have an understanding, sir,
13 when you were contributing information, that you
14 were suppose to sign these interrogatories under
15 oath?

16 A. Yeah, I think -- I don't know what the
17 procedural thing is.

18 Q. What happened here?

19 MR. GIMBEL: I prepared them, I signed
20 them, I filed them.

21 MR. PARSONS: Are you the witness,
22 Mr. Gimbel?

23 MR. GIMBEL: I mean I prepared them.
24 When I say I "prepared them," I prepared them
25 as indicated, with --

1 THE WITNESS: I mean, I trusted legal
2 counsel to tell me what I needed to do, so...

3 BY MR. PARSONS:

4 Q. Let me ask you now, then, do you swear
5 that the responses in Exhibit No. 4 are true?

6 A. Yes.

7 Q. Could you look at question No. 2 for
8 me, please.

9 A. Yes.

10 Q. You testified in Exhibit 4 that there
11 is \$640,323.39 with interest from May 17, 1992,
12 specified as damages in the complaint. Is that
13 correct, sir?

14 A. Yes.

15 Q. What did you do to satisfy yourself
16 that that was a correct amount to testify to in the
17 exhibit?

18 A. We went and looked at a summary sheet
19 developed, and picked it out.

20 Q. How did you know it was correct?

21 A. Because our billing is correct.

22 Q. Have you ever seen that there were
23 errors in the billing of WorldCom?

24 A. Of course, yes.

25 Q. For example, Dohan was a significant

1 error in billing of ATC and Transcall, was it not?

2 A. Uh-huh.

3 Q. That's a yes?

4 A. Yes.

5 Q. You need to say yes or no.

6 A. I am sorry. I apologize.

7 Q. Did you know at the time that you
8 answered this interrogatory, that T.S.I. had
9 alleged there were significant errors in the
10 billing from ATC and Transcall?

11 A. Yes.

12 Q. Did you take any steps to satisfy
13 yourself that the errors alleged by my client had
14 no impact on the \$640,323 number?

15 A. Yeah; because there was lots of credits
16 issued throughout the time of their relationship
17 with Transcall, Telus; credits given back and forth
18 all throughout the whole process, so I was fully
19 comfortable that this is the correct amount,
20 because of all the stuff that was given in credits.

21 Q. You had read the counterclaim at the
22 time that you had answered the interrogatories,
23 sir?

24 A. I don't -- no, I didn't.

25 Q. Did you take any steps to satisfy

1 yourself that the credits given completely
2 satisfied the errors alleged by my client?

3 A. I guess I don't understand your
4 question. I mean, make myself-- answer -- rephrase
5 the question. I guess I don't understand what
6 you're saying.

7 Q. I'll be happy to.

8 You testified that there were credits
9 given by WorldCom or its predecessors.

10 A. Yes.

11 Q. What did you do, if anything, to
12 satisfy yourself that the credits given satisfied
13 the errors alleged by T.S.I. in this counterclaim?

14 MR. GIMBEL: Well, to the extent the
15 question implies that the credits were given
16 as a result of the counterclaim, I object.
17 The credits were granted way before the
18 lawsuit surfaced.

19 BY MR. PARSONS:

20 Q. You can answer, sir.

21 A. Yeah, I satisfied myself. I looked at
22 the documentation and I also spoke to Mary Jo
23 Daurio, and I firmly believe that we've given those
24 credits to deserved -- or probably more than it
25 deserved at the time.

1 Q. What did Ms. Daurio tell you?

2 A. That she gave all these credits that
3 were listed.

4 Q. Did you do anything else besides review
5 the bills and talk to Ms. Daurio to satisfy
6 yourself in that regard?

7 A. No.

8 Q. There's a second sentence in the
9 answer. It says summary sheet FRS. Can you tell
10 me what that means?

11 A. Yes. It was -- that was the summary
12 sheet that I looked at.

13 Q. What does FRS mean?

14 A. I assume it's initials for Floyd Self.
15 I'm not sure.

16 Q. Is the summary sheet something that
17 surfaced in this proceeding so far, sir?

18 A. I don't know. I can't remember.

19 Q. Is it something attached to the
20 complaint?

21 A. I don't know.

22 Q. Can you look at question 3 for me,
23 please. You testified that persons with primary
24 knowledge are yourself, Ms. Daurio and
25 Ms. Reynardus Thompson?

1 A. Yes.

2 Q. Have any of the other witnesses which
3 you say may be identified, actually been identified
4 as of today?

5 A. None that I'm aware of.

6 Q. Has WorldCom consulted any witnesses,
7 any persons, about being expert witnesses in this
8 proceeding?

9 MR. GIMBEL: If you know.

10 THE WITNESS: Not that -- I'm assuming
11 legal counsel has, but I'm not aware of it.

12 BY MR. PARSONS:

13 Q. Have you personally talked to any
14 persons being considered as expert witnesses?

15 A. No.

16 Q. Have you heard any names other than
17 from legal counsel?

18 A. No.

19 Q. Do you know if anyone in-house within
20 WorldCom has been considered or consulted as an
21 expert witness?

22 A. Not that I'm aware of.

23 Q. Do you know where Dan Merritt is today?

24 A. I think he's in Austin, Texas.

25 Q. Do you know who he works for?

1 A. IXC Communications, something like
2 that. I don't... I think that's the name. I don't
3 know.

4 Q. Do you recall a residential street
5 address for him?

6 A. No.

7 Q. Is he a married man?

8 A. Yes.

9 Q. What is his wife's name?

10 A. I have no idea.

11 Q. If you could turn the page to question
12 No. 6, sir. I won't read the question again, but
13 if you could read it to yourself so I can ask you
14 questions about it, please.

15 A. Yes.

16 Q. Your answer to the question is, "See
17 the attached chronology of corporate transactions
18 and history," which I see attached here.

19 So I understand by looking at the
20 chronology, the answer to question No. 6 will be
21 found in it; is that right?

22 A. Yes.

23 Q. Let me ask the question in a short form
24 and see if I can cut through the chronology a
25 little bit. What entity currently owns the

1 liabilities of Transcall that were accrued between
2 July 1, 1989 and July 1, 1992?

3 MR. GIMBEL: To the extent the answer
4 calls for a legal conclusion, I would object.

5 THE WITNESS: I mean, Transcall still
6 is a corporate entity, so I assume they still
7 have it.

8 BY MR. PARSONS:

9 Q. No one has acquired the liabilities of
10 Transcall?

11 A. I -- I don't know the answer to that.

12 Q. What entity currently is subject to the
13 liabilities of ATC for the period July 1, 1989
14 through July 1, 1992?

15 MR. GIMBEL: Same objection.

16 THE WITNESS: ATC -- ATC was merged in
17 with LDDS.

18 BY MR. PARSONS:

19 Q. So the answer is LDDS?

20 A. Uh-huh.

21 Q. You need to say yes or no.

22 A. You're right.

23 Yes.

24 Q. Was LDDS, itself, merged into another
25 company?

1 MR. GIMBEL: Same objection.

2 THE WITNESS: Yeah. There at the end
3 there, it shows it was merged into a new LDDS
4 doing business, a corporation.

5 BY MR. PARSONS:

6 Q. I see two LDDSS mentioned. Which one
7 is subject to the liabilities of ATC?

8 A. The second one on the list.

9 Q. Metro Media Communications, LDDS Metro?

10 MR. GIMBEL: Same objection.

11 THE WITNESS: That is doing business as
12 name --

13 BY MR. PARSONS:

14 Q. The corporate name, excuse me, is LDDS
15 Communications, Inc.?

16 A. Correct. A Georgia corporation.

17 Q. What is the relationship between that
18 company and WorldCom, Inc., if there is one?

19 A. That company eventually changed its
20 name to WorldCom.

21 Q. So putting all this together, am I
22 correct that the liabilities that ATC was subject
23 to, are now, by virtue of these mergers, the
24 liability of WorldCom, Inc.?

25 MR. GIMBEL: You say ATC. Do you mean

1 Transcall d/b/a ATC, or do you mean ATC --

2 MR. PARSONS: I've been referring --

3 MR. GIMBEL: -- the defunct

4 corporation? Which?

5 BY MR. PARSONS:

6 Q. The d/b/a, ATC.

7 A. Transcall d/b/a?

8 Q. Yes, sir.

9 A. It's still a separate company, a wholly
10 owned subsidiary of WorldCom.

11 Q. So your answers have been about the
12 defunct ATC?

13 A. Right. Because that's what you asked
14 me.

15 Q. Who owns Transcall America, Inc.,
16 currently?

17 MR. GIMBEL: Same objection.

18 THE WITNESS: WorldCom.

19 BY MR. PARSONS:

20 Q. Is WorldCom, Inc. the 100 percent
21 shareholder of Transcall America, Inc.?

22 A. Yes.

23 Q. Are there any intermediate tiers or
24 subsidiaries?

25 A. Not that I'm aware.

1 Q. Is Transcall America, Inc. an operating
2 company?

3 A. It's a company. It doesn't have any
4 customers, I guess.

5 Q. Does it have any assets?

6 A. I assume so. I don't -- I don't know
7 that for a fact.

8 Q. Who are the officers of Transcall
9 America, Inc.?

10 A. Probably the same as WorldCom's.

11 Q. Who are the directors?

12 MR. GIMBEL: If you know.

13 THE WITNESS: I don't know.

14 BY MR. PARSONS:

15 Q. Does Transcall American, Inc. have a
16 tariff on file with the Florida Public Service
17 Commission?

18 A. Yes.

19 Q. Does it have a tariff on file with the
20 FCC?

21 A. No.

22 Q. At one point Transcall America, Inc.
23 did have a customer?

24 A. Yes.

25 Q. Apparently, it doesn't now. So what

1 happened in the meantime to the company?

2 A. I think the customer moved to LDDS, its
3 tariff and so forth, after the ATC merger.

4 Q. Was there an asset purchase of the
5 assets of Transcall America, Inc.?

6 A. I don't know. I really don't know off
7 the top of my head.

8 Q. Is there a person who would know the
9 answer to that question?

10 A. Yeah, there probably is. I don't -- I
11 mean, legal counsel could probably tell us.

12 Q. You mentioned that Transcall America,
13 Inc. doesn't have any customers. Does it have any
14 other sorts of assets?

15 A. I'm not sure.

16 Q. Does it have any liabilities besides
17 any possible liability in this case?

18 MR. GIMBEL: Objection to the extent it
19 calls for a legal conclusion as to the
20 liabilities.

21 THE WITNESS: I don't know.

22 BY MR. PARSONS:

23 Q. Are the assets and liabilities of
24 Transcall America, Inc., consolidated with the
25 assets and liabilities of WorldCom, Inc. in public

1 filings?

2 A. I don't know the answer to that one.

3 Q. Do you know if there's any arrangement
4 for the liabilities of Transcall America, Inc. to
5 be honored by WorldCom, Inc.?

6 A. I don't know the answer to that. I
7 mean -- no, I don't know.

8 Q. Who would know about the questions I'm
9 asking about Transcall America, Inc.?

10 A. Our legal counsel probably could tell
11 us.

12 Q. Anyone outside of legal counsel?

13 A. Probably somebody in finance. I don't
14 know.

15 Q. You don't know who that would be?

16 A. Not off the top of my head.

17 Q. Does Transcall America, Inc. have
18 shareholders meetings?

19 A. I don't know.

20 Q. Why, sir, and I mean this with all due
21 respect, aren't you more knowledgeable about the
22 corporate history of ATC Transcall, and
23 particularly the liabilities thereof?

24 A. I think I answered your question. To
25 the best of my knowledge, I've given you my

1 answers.

2 Q. Do you think you're the right person to
3 testify about the corporate history of ATC
4 Transcall, and particularly the liabilities
5 thereof?

6 A. Yes.

7 Q. Is there someone better than you about
8 that subject?

9 A. I mean, probably somebody, but I don't
10 know who.

11 Q. Do you know if Transcall America, Inc.
12 is an active corporation?

13 A. I mean, it's a corporation. I don't
14 understand what you mean by "active."

15 Q. Is it a Florida corporation?

16 A. Yes.

17 Q. Florida corporations can be active or
18 inactive. Do you know which one Transcall America,
19 Inc. is?

20 A. No.

21 Q. Do you know if it's been dissolved by
22 the Florida Secretary of State?

23 A. No, it hasn't.

24 Q. Do you know if it's been filing its
25 annual reports with the Florida Secretary of State?

1 A. Yes, I assume so. Uh-huh.

2 Q. Why do you assume so?

3 A. I mean, I haven't seen the actual
4 filings, but I know it is a...

5 Q. Do you know who signs the annual
6 report, annual filings with the Florida Secretary
7 of State?

8 A. Somebody in finance. I don't... I can
9 go look if you would like.

10 Q. Did you create the three pages called
11 the LDDS chronology, attached to your interrogatory
12 answers?

13 A. What do you mean, did I create it?
14 Type it? No.

15 Q. I don't mean in the sense of being a
16 typist. Did you draft it?

17 A. No.

18 Q. Who did draft it?

19 A. Legal counsel.

20 Q. After legal counsel drafted it, did you
21 do a review of it, sir?

22 A. Yes.

23 Q. Did you do any revision?

24 A. I don't remember doing any.

25 Q. So when it came to you it was 100

1 percent accurate?

2 MR. GIMBEL: If you remember.

3 THE WITNESS: I don't remember. I
4 think it might have -- no, I don't remember.

5 BY MR. PARSONS:

6 Q. Can you swear as you sit here today,
7 that it's 100 percent accurate?

8 A. Yes.

9 Q. How do you know that?

10 A. I just know.

11 Q. You know because it was given to you by
12 legal counsel?

13 A. Yes. But, I mean, I remember the
14 history, at least from -- I mean -- yes. It was
15 given to me by legal counsel, and I implicitly
16 trust them. Then, since we purchased Telus -- ATC
17 purchased Telus, I'm familiar with everything past
18 that because I was involved. I was part of the
19 corporation.

20 Q. Could you tell me specifically the
21 entry that starts here, to your personal knowledge?

22 A. Well, '88, that's when we merged with
23 Microtel, ATC.

24 Q. So that's July 13, 1988?

25 A. Uh-huh.

1 Q. That's a yes?

2 A. Yes.

3 Sorry.

4 Q. On July 13, 1988, ATC operated through
5 the wholly-owned subsidiary Transcall America,
6 Inc. Could you tell me, what's the relationship of
7 those two companies to Telus, Inc.?

8 A. At that time, none.

9 Q. Was there a relationship that developed
10 later?

11 A. Yes.

12 Q. What was that?

13 A. ATC purchased the parent corporation of
14 Telus.

15 Q. And the company that acquired the
16 assets of Telus was called GTI?

17 A. Yes.

18 Q. Then Transcall America, Inc. purchased
19 the assets of GTI?

20 A. Correct.

21 Q. So Transcall America, Inc., as of April
22 1990, owned the assets of Telus.

23 A. Yes.

24 Q. Starting with April 1990, what
25 happened, if anything, to the assets of Telus that

1 were owned by Transcall America, Inc.?

2 MR. GIMBEL: I'm going to object. I
3 mean, this is asked and answered. The witness
4 told you that. What he told you about
5 Transcall, it's still active, that it's still
6 present. He told you that he believed, to the
7 best of his knowledge, they had some assets.
8 I mean, I can't instruct him not to answer.

9 THE WITNESS: I'm sorry. Read that
10 back.

11 (The question referred to was read by
12 the reporter as above recorded.)

13 THE WITNESS: I'm not sure. I mean,
14 they obviously went into -- the assets went
15 into Transcall Corporation. After that, I'm
16 not sure, you know, what happened to it.

17 BY MR. PARSONS:

18 Q. Was there an asset purchase of the
19 assets of Transcall America, Inc. after April 1990?

20 A. Asset purchase of who, of Transcall?

21 Q. Of Transcall America, Inc.'s assets.

22 A. Not that I'm aware of.

23 Q. As far as you know, then, any assets
24 that were owned by Transcall America, Inc. as of
25 April 1990 would still be owned by Transcall

1 America, Inc.?

2 A. As far as I know.

3 Q. Would the liabilities that were the
4 subject to which Transcall America, Inc. was
5 subject as of April 1990, still be subject of
6 Transcall America, Inc.?

7 A. Could be, yeah.

8 Q. You don't have any reason to think
9 otherwise?

10 A. No.

11 Q. Why hasn't Transcall America, Inc. been
12 merged into WorldCom, Inc.?

13 A. I don't know.

14 Q. Now, you were with LDDS, sir, at the
15 time that it acquired ATC?

16 A. No. I was with ATC when LDDS acquired
17 us.

18 Q. At that time you became the director of
19 regulatory affairs?

20 A. Uh-huh. Yes.

21 Q. Going backward for a moment, you were
22 with Microtel in mid 1987 when Microtel merged with
23 ATC?

24 A. Yes.

25 Q. Are you familiar with regulatory

1 affairs of ATC, then, from mid 1987, forward?

2 A. Yes. I mean, my state regulatory.

3 Q. Would that state include Florida?

4 A. Yes.

5 Q. Let me ask you, sir, to look at Exhibit
6 No. 3 marked in these depositions.

7 For staff, the document that the
8 witness has been shown is a copy of Transcall's
9 complaint.

10 Have you seen Exhibit 3 before today,
11 sir?

12 A. Yes. A long time ago.

13 Q. Under what circumstances did you see
14 Exhibit 3?

15 A. I don't remember. I mean, it was
16 probably -- I was probably given a copy at some
17 time.

18 Q. What did you say?

19 A. I said I was probably given a copy.

20 Q. Could you turn to the first exhibit to
21 Exhibit 3, itself, which are a set of invoices.

22 A. Oh. Because they're not labeled. B,
23 okay.

24 Q. Do you recognize the invoices,
25 Mr. Sulmonetti?

1 A. Yes.

2 Q. What are they?

3 A. It's an invoice to Telecommunications
4 Services, Inc.

5 Q. Were there invoices that predated the
6 first invoice dated October 2, 1991?

7 A. I don't remember. My recollection is
8 they had service before that, but...

9 Q. Do you know why these invoices start
10 with the invoice dated October 2, 1991?

11 A. No.

12 Q. Are these the documents you looked at
13 in satisfying yourself of the \$640,000 amount due
14 from T.S.I.?

15 A. Yes.

16 Q. If you could turn to the last invoice.
17 Do you, in fact, see that number at the bottom of
18 the page?

19 A. Absolutely.

20 Q. Let me ask you to go through,
21 one-by-one, these invoices. And if the credits
22 that you indicated, covered any errors of WorldCom
23 covered in these invoices, could you point them out
24 to me?

25 A. Repeat your question. I wasn't

1 really... I am sorry.

2 Q. Sure. With regard to Exhibit A to the
3 complaint, could you please go through the pages
4 for me, one-by-one, starting with the first page,
5 and point out to me those credits that were
6 provided by ATC to my client, that allegedly
7 covered any errors in billing.

8 A. One titled Exhibit A, there's a credit
9 there, 51,000.

10 Q. What's the date, sir, of the invoice?

11 A. 3-28 -- well, that's the
12 service -- excuse me, invoice date 5-2-92.

13 Q. Anything else?

14 A. I didn't see anything else.

15 Q. Is a credit for \$51,000 the universe of
16 credits that you were speaking of when you
17 testified that you believe that T.S.I. had gotten
18 the credits it was entitled to?

19 MR. GIMBEL: Object to the form of the
20 question. Assumes facts not in evidence. It
21 assumes those were the only credits granted
22 T.S.I. It assumes the witness even knows.

23 MR. PARSONS: I object to the
24 objection. I think you're making your
25 objection, Mr. Gimbel, in a suggestive

1 fashion, which as I'm sure you know, is not
2 countenanced by 1.310.

3 MR. GIMBEL: Object to the form of the
4 question, sir.

5 BY MR. PARSONS:

6 Q. You can answer.

7 A. The question was what, again?

8 Q. Is the \$51,000 credit that you pointed
9 out, the complete universe of credits that you were
10 speaking of when you testified that you believe
11 that T.S.I. had gotten the credits it was entitled
12 to?

13 A. To the best of my knowledge, that's
14 all. And there may be more, but that's -- because
15 I was just looking at this.

16 Q. Well, I think you answered the question
17 both ways, with all due respect.

18 Were there more that you were referring
19 to in your answer, or was there only this one?

20 A. This one.

21 Q. Could you turn the page to the next
22 exhibit to the complaint, which is captioned "An
23 Agreement By and Between Telus Communications, Inc.
24 and Telecomm Services, Inc." Have you seen this
25 document before, sir?

1 A. Yes.

2 Q. Under what circumstances did you first
3 see it?

4 A. I don't remember, but probably when
5 T.S.I. raised their complaints with us.

6 Q. Did the agreement ever come to your
7 attention at the time that Microtel merged with
8 ATC?

9 A. No; because this is an agreement
10 between Telus and T.S.I., long before Microtel.

11 Q. Did it come to your attention that the
12 Telus assets were acquired by GTI, or later, when
13 GTI itself was acquired?

14 A. No.

15 Q. Why didn't the agreement come within
16 the province of regulatory affairs?

17 A. I would have no need for it. I mean,
18 there was no problems, so...

19 Q. You say there were no problems. In
20 fact, weren't there considerable problems in the
21 sense of T.S.I. complaints about billing errors?

22 A. I was unaware of any; let's just say
23 that. Other people may have.

24 Q. Have you read the agreement, sir?

25 A. Probably a long time ago, sir.

1 Q. Are you qualified to answer questions
2 about the agreement, in your mind?

3 A. Ask me, we'll see.

4 Q. Before I start asking, let me ask the
5 question this way. Is there someone more qualified
6 than you, currently at WorldCom, who can answer
7 questions about the agreement?

8 A. Probably not.

9 Q. If you could turn to the second page
10 where you'll see --

11 A. Of what?

12 Q. I am sorry. One more (indicating).

13 You'll see in paragraph 3, in the
14 second sentence, that billing would extend to
15 actual mailing of each invoice by Telus to all
16 T.S.I. customers. Do you understand that to be the
17 actual practice of Telus and T.S.I.?

18 A. That's what the words on the paper
19 -- your question, if I understand it, is that what
20 I understand happened?

21 Q. Yes. Was that the actual practice of
22 the parties?

23 A. I mean, I don't -- I didn't sit there
24 and stuff envelopes, so I don't want to --

25 Q. You don't know?

1 A. Yeah; I don't know.

2 Q. Do you see in paragraph 4 where the
3 agreement indicates that Telus will generate
4 end-of-month reports relevant to traffic
5 distribution and tape output of relevant T.S.I.
6 CDR?

7 A. Uh-huh.

8 Q. Do you know if Telus, in fact, actually
9 did that for T.S.I.?

10 A. I think they provided some greenbar,
11 things like that, information.

12 Q. Did they provide tape output?

13 A. That I don't know. If you consider the
14 greenbar printing of the tape, yeah.

15 Q. But if you don't consider the greenbars
16 printing of the tape, was there tape output
17 provided?

18 A. I don't know.

19 MR. GIMBEL: Object to the form of the
20 question.

21 THE WITNESS: I don't understand.

22 Excuse me. I don't know.

23 BY MR. PARSONS:

24 Q. If you don't know, you can tell me you
25 don't know --

1 A. I don't know.

2 Q. -- because I want your personal
3 knowledge.

4 A. Right.

5 I don't know. That's what I said.

6 Q. Do you see under terms and agreement,
7 where the minimum term of the agreement will be one
8 year which will commence at the signing of this
9 contract?

10 A. Yes.

11 Q. Was that, in fact, your understanding
12 of the contract's minimum term?

13 A. Yes.

14 Q. Did you have an understanding that
15 there was a termination date on the contract, aside
16 from termination by cause for nonpayment or other
17 reason?

18 A. I wasn't aware. I don't know.

19 Q. Do you have an understanding, sir,
20 under what conditions this agreement can be
21 terminated by either party?

22 A. I mean, obviously, there's a
23 cancellation policy in there.

24 Q. Cancellation?

25 A. And then, I mean, obviously, we can

1 terminate for nonpayment as written out, and that
2 you rightfully mentioned earlier. Then there's a
3 standard, you know, unlawful purpose, and all that
4 standard stuff.

5 Q. Putting everything in your answer
6 together, if I could; termination of contract can
7 occur by cancellation by T.S.I., by termination by
8 Telus for nonpayment, or by termination by Telus
9 for unlawful purposes. Is that right?

10 A. Yes.

11 Q. Anything else?

12 A. I can't think of any right now.

13 Q. Was this agreement, in fact, terminated
14 by Telus, or by ATC Transcall?

15 A. I don't understand your question, other
16 than, yes, we did terminate service because of
17 nonpayment.

18 Q. Any other reason?

19 A. No.

20 Q. This is a hypothetical. If payment had
21 been made according to how ATC Transcall viewed
22 proper charges, would this agreement still be in
23 effect?

24 A. Probably.

25 Yeah; but the environment has changed

1 since 1990 whatever, so...

2 Q. I guess what I'm getting at, and maybe
3 it's an obvious question; ATC Transcall or Telus
4 can't terminate this agreement unless T.S.I.
5 doesn't pay, or improperly uses the services; am I
6 right about that?

7 MR. GIMBEL: I object to the form of
8 the question.

9 THE WITNESS: I mean, that's what's in
10 this contract. There's probably other legal
11 reasons why you can cancel a contract, which I
12 can't recall any of them right now. But there
13 probably are other reasons.

14 BY MR. PARSONS:

15 Q. Are you aware of any other contractual
16 document binding T.S.I. and Telus or Transcall or
17 WorldCom, together?

18 MR. GIMBEL: Objection to the form of
19 the question.

20 THE WITNESS: You're saying any other
21 documents? Obviously, we're governed by our
22 tariffs and the respective commissions.

23 BY MR. PARSONS:

24 Q. Other than the tariffs, are there any
25 contractual documents, besides --

1 A. None that I'm aware of.

2 Q. Was the agreement, itself, between
3 Telus and T.S.I., ever filed as a tariff with any
4 government commission?

5 A. No; as it was not required.

6 MR. GIMBEL: Did you say it was not
7 acquired?

8 THE WITNESS: Not required.

9 MR. GIMBEL: I am sorry.

10 BY MR. PARSONS:

11 Q. A demand has been made for attorneys'
12 fees by ATC Transcall in this case. Do you know
13 under what provision of the contract, if any, that
14 demand has been made?

15 MR. GIMBEL: Object to the form of the
16 question.

17 THE WITNESS: I don't know collection
18 law, so -- I mean --

19 BY MR. PARSONS:

20 Q. You don't know, sir?

21 A. No.

22 Q. Now, the contract is between my client
23 and Telus.

24 A. Correct.

25 Q. Now, at some point did another company

1 acquire responsibility for the Telus side of this
2 contract?

3 A. Acquire responsibility?

4 Q. Yes, sir. Did someone step into the
5 shoes of Telus Communications, Inc. under this
6 contract at some point?

7 A. Yes. As we described earlier.

8 Q. That company is?

9 A. Transcall.

10 Q. That is Transcall America, Inc.?

11 A. Correct.

12 Q. Are you appearing today, sir, in any
13 capacity on behalf of Transcall America, Inc.?

14 A. I mean, as a named party to this thing,
15 yes, I guess Transcall.

16 Q. Does Transcall America, Inc. consider
17 this agreement to be a binding commitment, as of
18 today, between my client and Transcall America,
19 Inc.?

20 MR. GIMBEL: I object to the extent it
21 calls -- object to the form of the question.

22 THE WITNESS: I don't know. I don't
23 know the answer to that.

24 BY MR. PARSONS:

25 Q. Is there someone to testify on behalf

1 of Transcall America, Inc., other than yourself,
2 who would be in a position to answer that question?

3 A. The question about?

4 Q. Whether Transcall America, Inc.
5 considers this to be a binding contract.

6 A. I don't know who, off the top of my
7 head.

8 Q. Could you turn further along in the
9 agreement, sir, until you see the bolded underlined
10 word, "indemnification," towards the top? Could
11 you read that paragraph to yourself, sir?

12 A. Yes.

13 Q. What does "indemnification," as used as
14 a caption of this paragraph, mean to Transcall
15 America, Inc.?

16 MR. GIMBEL: Object to the form of the
17 question.

18 THE WITNESS: I mean, I'm not a
19 lawyer. I think the words on the paper are
20 pretty self-explanatory.

21 BY MR. PARSONS:

22 Q. I need to ask some person what the
23 contract means, and you seem to be the one
24 designated to speak about it, so let me ask you,
25 what does "indemnification" mean here?

1 MR. GIMBEL: Asked and answered.

2 THE WITNESS: It means what it says
3 right here on the paper; in no event shall
4 Telus or T.S.I. be liable to the other for
5 incidental, indirect consequential or special
6 damages, or loss of revenues or profits,
7 whether or not either party has been notified
8 of the possibility of such damages.

9 BY MR. PARSONS:

10 Q. I see the words on the paper.

11 Let me for a second ask you not to look
12 at the words on the paper. What does
13 "indemnification" mean to you?

14 A. Indemnification, my personal belief is
15 kind of a hold harmless, you know, of revenues due
16 to some events.

17 Q. Would it be fair to say that
18 indemnification is a right to be made whole for
19 losses from another person?

20 MR. GIMBEL: Object to the form of the
21 question.

22 THE WITNESS: Go through your
23 hypothetical again. I am sorry.

24 BY MR. PARSONS:

25 Q. Sure. It's not a hypothetical.

1 MR. GIMBEL: You don't have to accept
2 his version of what it is.

3 THE WITNESS: Repeat it.

4 BY MR. PARSONS:

5 Q. Sure. Is indemnification, basically, a
6 right to be made whole for losses from another
7 person?

8 MR. GIMBEL: Object to the form of the
9 question.

10 BY MR. PARSONS:

11 Q. Don't look at the words, please.

12 A. Well, I mean, you want me to --

13 Q. Yes. I did this in the wrong order. I
14 should not have shown you that paragraph. I should
15 ask you, sir, as the designated representative of
16 Transcall America, Inc., whether indemnification is
17 a right from another person to be made whole for
18 your own losses?

19 MR. GIMBEL: If you know.

20 THE WITNESS: I'm not a lawyer, so --
21 and I don't really know the answer to that, at
22 this time.

23 BY MR. PARSONS:

24 Q. Do you have insurance --

25 A. Yes.

1 Q. Home insurance, car insurance?

2 A. Yes.

3 Q. Do you have a right to indemnification
4 from your insurance company if you have a car
5 accident or your home burns down?

6 MR. GIMBEL: Object to the relevancy of
7 this line of questioning.

8 THE WITNESS: Yes, obviously.

9 BY MR. PARSONS:

10 Q. Okay. Is it fair to say that
11 indemnification means, at least in regard to your
12 home insurance and your car insurance, the right
13 for you to be made whole for your losses?

14 A. Yeah.

15 MR. GIMBEL: Object to the form of the
16 question.

17 THE WITNESS: Yes. It gives me a right
18 to be made whole. But I don't have the right
19 to say, because I lived in this home, I would
20 have made X millions of dollars because this
21 home happened to be sitting on an oil rig, oil
22 deposit or something like that. No. Just for
23 the actual damages, the actual house that I
24 have to rebuild.

25 BY MR. PARSONS:

1 Q. Okay. Fair enough.

2 Looking back at the words, again, is it
3 fair to say that the paragraph here under
4 indemnification means that neither party has a
5 right to be made whole for its losses from the
6 other party?

7 MR. GIMBEL: Object to the form of the
8 question.

9 THE WITNESS: I guess I don't
10 understand your question, what you mean by
11 "losses." I mean --

12 BY MR. PARSONS:

13 Q. I can't give you a better term than
14 basic ordinary losses.

15 A. I mean, under --

16 Q. Let me withdraw the question and ask it
17 a different way.

18 Is it fair to say that the
19 indemnification paragraph we've been discussing,
20 means that neither party to this contract has the
21 right to indemnification from the other for
22 liabilities to other parties?

23 MR. GIMBEL: Object to the form of the
24 question.

25 THE WITNESS: I'm sorry, take it slow.

1 Try again.

2 BY MR. PARSONS:

3 Q. Sure. You understand that a
4 corporation can be liable to another person,
5 another corporation or a person.

6 A. Correct.

7 Q. Is this paragraph saying that neither
8 company to the contract has any right to
9 indemnification from the other for that
10 corporation's liabilities?

11 MR. GIMBEL: Object to the form of the
12 question.

13 THE WITNESS: I don't know. I believe
14 that what it's referring to is, you know, the
15 idea of something we did caused you to lose
16 future revenues or future profits. No, we
17 have no right to those, so forth.

18 BY MR. PARSONS:

19 Q. Is that consistent with what you said
20 indemnification means to you --

21 A. Uh-huh.

22 Q. -- in at least your own context of car
23 insurance and home insurance?

24 A. Uh-huh.

25 Q. Is that a yes?

1 A. Yes.

2 Q. How do you make that logical leap,
3 sir? Can you explain the logic to me?

4 MR. GIMBEL: Excuse me. I'm going to
5 object. I think you're starting to get a
6 little argumentative. He gave you the answers
7 he gave you as best he could. You may
8 disagree with them, that's fine, but --

9 BY MR. PARSONS:

10 Q. The current question is just me asking
11 you to explain your logic. That's all.

12 A. I was just trying to explain to you, in
13 walking around language, what I thought
14 indemnification, because you had asked those
15 questions. I mean, I'm just kind of giving you a
16 very simple -- since I'm not an attorney -- version
17 of what I think, you know. You get indemnified,
18 you get made whole, but that is it. You can't go
19 asking, well, I might have made all this or I might
20 have done all this or done that. You can't do
21 that.

22 Q. Let me ask you about some of the
23 language used in the paragraph. Let me read it out
24 loud, if I could. "In no event shall Telus or
25 T.S.I. be liable to the other for any incidental,

1 indirect consequential or special damages, or loss
2 of revenues or profits, whether or not either party
3 has been notified of the possibility of such
4 damages."

5 Do you see the phrase, "incidental,
6 consequential or special"?

7 A. Yes.

8 Q. Would you agree with me that those
9 three terms modify the following noun, "damages"?

10 MR. GIMBEL: I object to the form of
11 the question.

12 THE WITNESS: I guess. I mean, I'm not
13 very good at grammar, so, yes, I guess it
14 refers to the word "damages."

15 BY MR. PARSONS:

16 Q. As it's used in this paragraph, not to
17 put you in the grammatical hot seat, but damages is
18 a noun, right?

19 A. I would assume so, yes.

20 Q. And "incidental, consequential and
21 special" are adjectives?

22 MR. GIMBEL: Is that a question?

23 MR. PARSONS: Yeah.

24 MR. GIMBEL: Is this an English class
25 analysis, English 101?

1 THE WITNESS: What do you want me to
2 tell you?

3 BY MR. PARSONS:

4 Q. You have three adjectives, "incidental,
5 consequential and special," modifying a noun,
6 "damages," am I right?

7 A. Correct.

8 MR. GIMBEL: I object to the relevancy
9 of this.

10 BY MR. PARSONS:

11 Q. Then "damages" is itself followed by
12 "or loss of revenues or profits."

13 A. Correct.

14 Q. Which is more nouns.

15 A. Uh-huh.

16 Q. Is it fair to say that the three
17 adjectives, "incidental, consequential and
18 special," modify the following set of nouns or noun
19 phrases, "damages or loss of revenues or profits"?

20 MR. GIMBEL: Objection.

21 THE WITNESS: No, I don't think so.

22 BY MR. PARSONS:

23 Q. Why not?

24 A. I think it just deals with the word
25 "damages," and then, "or loss of revenue or

1 profits," period.

2 Q. Why do you say that?

3 A. Because that's the way I read it.

4 Q. Why doesn't the words, "incidental,
5 consequential and special" also modify loss of
6 revenues or profits?

7 MR. GIMBEL: Objection.

8 THE WITNESS: I don't think it does.

9 BY MR. PARSONS:

10 Q. Is there a reason for you thinking
11 that, sir?

12 A. That's the way I read it.

13 Q. I realize it's the way you read it. I
14 realize what your belief is. My question is, why
15 do you believe that?

16 MR. GIMBEL: Objection. This has been
17 asked and answered.

18 THE WITNESS: I believe it because
19 incidental, consequential and special damages
20 is -- damages can be defined as anything you
21 want. Then it says, "or loss of revenues and
22 profits." And that is revenue, loss of
23 revenues or profits. I mean, two separate
24 things, I look at it as.

25 BY MR. PARSONS:

1 Q. Did you ever focus on the meaning of
2 this paragraph before today, sir?

3 A. Not this paragraph, no. But in my
4 dealings in other stuff -- I mean, we always have
5 this discussion about indemnification, so forth;
6 tariffs, I mean.

7 Q. What other sorts of dealings are you
8 talking about?

9 A. In our tariffs we have this similar
10 language.

11 Q. In your tariff, are there any
12 circumstances under which WorldCom can be liable
13 for loss of revenues or profits?

14 A. No.

15 Q. Do you ever review non-tariff
16 contracts?

17 A. No.

18 Q. Do you understand that the nature of a
19 contract is to bind the parties to perform, or to
20 accept the consequences of nonperformance?

21 MR. GIMBEL: Objection to the form of
22 the question.

23 THE WITNESS: It's my understanding.

24 BY MR. PARSONS:

25 Q. Do you understand this paragraph, in

1 particular, under indemnification, to be saying
2 that there will be no consequences to
3 nonperformance in the nature of loss of revenues or
4 profits?

5 MR. GIMBEL: Object to the form of the
6 question. The contract says what it says.
7 The parties can look to the contract for the
8 language.

9 THE WITNESS: Ask your question again.

10 BY MR. PARSONS:

11 Q. Sure. Do you understand the paragraph
12 under indemnification to be saying that there will
13 be no consequences in the form of damages for loss
14 of revenues or profits from nonperformance under
15 this contract?

16 MR. GIMBEL: Objection to the form of
17 the question.

18 THE WITNESS: My understanding is,
19 there will be no -- there will be no -- excuse
20 me -- you cannot -- anything that happens
21 under this contract, you can't recover losses
22 of revenues or profits.

23 BY MR. PARSONS:

24 Q. You also can't recall incidental,
25 consequential or special damages, right?

1 A. Correct.

2 Q. That's your interpretation?

3 A. Yes.

4 Q. What can you recover under this
5 contract, in your view?

6 A. Direct --

7 MR. GIMBEL: Objection to the form of
8 the question.

9 THE WITNESS: Direct billings, or, you
10 know.

11 BY MR. PARSONS:

12 Q. Refunds?

13 A. Yes.

14 Q. Anything else?

15 A. No.

16 Q. Why do you need a contract if all you
17 can recover is refunds?

18 MR. GIMBEL: Objection to the form of
19 the question.

20 THE WITNESS: I don't know the answer
21 to that.

22 BY MR. PARSONS:

23 Q. If all you can recover is refunds, it's
24 essentially a tariff, is it not?

25 MR. GIMBEL: Objection to the form of

1 the question.

2 THE WITNESS: I mean, that's how
3 most -- I mean, we're in the telecommunication
4 business. That's what we're governed by, is
5 tariff. And that value language is taken out
6 of our tariff and put in the contract. That
7 is the basis of tariff law.

8 BY MR. PARSONS:

9 Q. Fundamentally --

10 A. Because --

11 Q. And one of the things tariffs do, it
12 prevents a customer from getting damages other than
13 a refund.

14 A. Correct.

15 Q. There's typically an exception for
16 malicious conduct, is there not?

17 A. Subject to check. I don't know.

18 Q. Have you ever seen a WorldCom tariff
19 that contains an exception for malicious conduct?

20 A. I would have to go read. I mean...

21 Q. That's not something completely foreign
22 to you as a concept, is it?

23 A. No. No.

24 Q. Would you agree with me that this
25 indemnification clause, at least in your view of

1 what it does, makes this contract a tariff?

2 MR. GIMBEL: Objection to the form of
3 the question.

4 THE WITNESS: I guess I don't
5 understand your question. A contract is -- I
6 mean, a tariff is like a contract. We have
7 tariffs. They contract us with all --
8 multitudes of users.

9 BY MR. PARSONS:

10 Q. Let me ask a better question.
11 Obviously this is a contract. Your client --
12 pardon me, your company is suing my company
13 alleging breach of it. The question is, even given
14 this conceptually, doesn't this indemnification
15 paragraph turn the remedies of the parties into a
16 tariff-like remedy rather than a contractual sort
17 of remedy?

18 MR. GIMBEL: I object to the form of
19 the question. And it precludes that's not
20 what the parties bargained for.

21 THE WITNESS: That's my interpretation,
22 yes.

23 BY MR. PARSONS:

24 Q. You understand, sir, that Transcall
25 America, Inc. is suing my client under this

1 contract?

2 A. Yes.

3 Q. Your company is alleging my client
4 breached this contract?

5 A. Yes.

6 Q. Your company is seeking damages for
7 that breach of contract?

8 A. Yes.

9 Q. Would you call those damages direct or
10 indirect damages?

11 MR. GIMBEL: Objection to the form of
12 the question.

13 THE WITNESS: I don't know.

14 BY MR. PARSONS:

15 Q. Whatever kinds of damages they are,
16 they're not barred, in your view, by the
17 indemnification clause?

18 A. That's correct.

19 Q. Your view of the world is that my
20 client's claim for damages, though, is barred by
21 the indemnification paragraph?

22 MR. GIMBEL: Objection to the form of
23 the question.

24 THE WITNESS: If you're asking for more
25 than refunds on the bill, yes.

1 BY MR. PARSONS:

2 Q. Why doesn't the indemnification
3 paragraph bar refunds in that it bars loss of
4 revenues?

5 MR. GIMBEL: Objection to the form of
6 the question.

7 THE WITNESS: Why does it bar loss of
8 revenues?

9 BY MR. PARSONS:

10 Q. Let me take a step back.

11 If my client gets a refund, that's a
12 revenue to it, isn't it?

13 A. Yeah. But it's for services provided
14 to you. You're not getting -- I mean, we promised
15 X, and for some reason, I don't know, the line went
16 down or something, so we give you X minus 1.

17 Q. Your view of this indemnification
18 clause is that Telus cannot be liable to T.S.I. for
19 loss of revenues, period.

20 A. Right.

21 Q. That there's nothing in this paragraph
22 that says revenues are limited to revenues for
23 services performed, right?

24 MR. GIMBEL: Object to the form of the
25 question.

1 **THE WITNESS:** Revenues to me means, in
2 a broader sense -- I mean, we provided a
3 service, and if for some reason somebody -- an
4 end-user says, "No, you didn't. You owe us
5 credit for something," you get a credit, and
6 that's all they get, credit on that thing. We
7 wouldn't give them a credit because he says,
8 "Well, that phone call was a billion dollar
9 deal and it got cut off in the middle." No,
10 we don't do that.

11 **BY MR. PARSONS:**

12 **Q.** I understand your logic there. Now,
13 that logic does not appear in the indemnification
14 paragraph, does it?

15 **A.** I disagree with you.

16 **Q.** Where does it appear?

17 **A.** "Or loss of revenue or profits". It's
18 right there. Very clear.

19 **Q.** And what word, quote, "or loss of
20 revenues or profits" takes into account your logic
21 about damages?

22 **MR. GIMBEL:** I object to the form of
23 the question. It's been asked and answered.

24 **THE WITNESS:** As I said before, I mean,
25 the way I look at this indemnification is,

1 yes, we would credit you for that call or
2 whatever happened, but not because that you
3 lost a billion dollar deal, no.

4 BY MR. PARSONS:

5 Q. That I understand.

6 A. And this is in there.

7 Q. What word or words within, quote, "loss
8 of revenue or profits," incorporates that view of
9 things?

10 A. Loss of revenues or profits.

11 MR. GIMBEL: Objection to the form.

12 THE WITNESS: If it was in my case you
13 lost a billion dollars, you would have lost a
14 billion dollars revenue.

15 BY MR. PARSONS:

16 Q. All words together mean that to you?

17 A. Yes.

18 MR. GIMBEL: Can we take a little break
19 here?

20 MR. PARSONS: Sure.

21 (Thereupon a brief recess was taken,
22 after which the following proceedings were had:)

23 BY MR. PARSONS:

24 Q. Mr. Sulmonetti, back on the record. I
25 have a hypothetical question for you.

1 A. Sure.

2 Q. Assume that the indemnification
3 paragraph is effective between Transcall America,
4 Inc. and another company, an IXC. The IXC comes to
5 you and says, "There were billing errors. Here's
6 my proof." It's satisfactory to you. The IXC
7 says, "Please give me a refund," and you agree to
8 do so. In your view, is that sort of refund barred
9 by the indemnification paragraph?

10 A. No.

11 MR. GIMBEL: Objection to the form of
12 the question.

13 THE WITNESS: No.

14 BY MR. PARSONS:

15 Q. The IXC now says, "I'm going to take
16 this refund and I'm going to book it as revenues.
17 In fact, it's going to appear on the bottom line as
18 corporate profits, and I'm going to pay taxes on
19 it." Does that change your answer, sir?

20 MR. GIMBEL: Objection to the form of
21 the question.

22 THE WITNESS: No, it does not.

23 BY MR. PARSONS:

24 Q. The IXC then says, "By the way, because
25 I did not get this refund earlier, I did not make a

1 refund to my own customer with whom I had a
2 contract, and he left me. I would like you to make
3 good on the revenues that I was due under my
4 contract with my customer that I did not earn."

5 MR. GIMBEL: Objection to the form of
6 the question.

7 BY MR. PARSONS:

8 Q. Would that be barred by the contract?

9 A. Yes. You can't get those.

10 Q. Does that seem fair to you?

11 A. Under telecommunications tariff
12 regulation, all that, yeah, because, you know, if
13 your local bill is -- I don't know, whatever it is,
14 if they didn't have this kind of indemnification,
15 your local bill would be like a hundred dollars a
16 month.

17 Q. Do you know of any studies that support
18 that conclusion, sir?

19 A. No.

20 Q. Is that purely your own speculation
21 about the way that telecommunications systems
22 operate?

23 A. Yes.

24 Q. To your knowledge, has Transcall
25 America ever paid consequential damages to any IXC

1 or customer in a lawsuit?

2 MR. GIMBEL: Object to the form of the
3 question.

4 THE WITNESS: I don't know.

5 BY MR. PARSONS:

6 Q. Have you personally, on behalf of ATC
7 Transcall, ever discussed this agreement with any
8 person on behalf of T.S.I.?

9 A. Discussed it with T.S.I.?

10 Q. Yes, sir.

11 A. No, not that I'm aware of. Not that I
12 recall.

13 Q. Can you turn the page, please. You see
14 the paragraph beginning, "This agreement shall be
15 binding on"? Could you read that paragraph to
16 yourself, sir.

17 A. Sure.

18 Q. The second sentence reads, "Customer
19 may not assign this agreement, whether by operation
20 of law or otherwise, without the prior written
21 consent of T.S.I., which agreement shall not be
22 unreasonably withheld." Does the term "customer"
23 there refer to Telus?

24 MR. GIMBEL: If you know.

25 THE WITNESS: I don't know. I was

1 trying to see what the definition is. I don't
2 know. Customer is not used anywhere else.

3 BY MR. PARSONS:

4 Q. You see T.S.I., at least, is
5 specifically named in that sentence?

6 A. Yes.

7 Q. So if T.S.I. has to give the prior
8 written consent, is it not logical that customer
9 must be Telus?

10 MR. GIMBEL: Object to the form of the
11 question.

12 THE WITNESS: Logically, but this
13 doesn't make sense, because Telus is not the
14 customer. T.S.I. is the customer.

15 BY MR. PARSONS:

16 Q. Telus, itself, in some relationships,
17 was a customer, was it not?

18 A. Yes. But not in this contract it was
19 not a customer.

20 Q. Do you see the third sentence, "T.S.I.
21 may terminate this agreement: in the event of a
22 change in control of customer without T.S.I.'s
23 prior written consent."

24 Would you agree with me again, since
25 T.S.I. is specifically named there, the customer

1 must be Telus?

2 MR. GIMBEL: Objection to the form of
3 the question.

4 THE WITNESS: You could probably make
5 that logical assumption, but, again, Telus is
6 not the customer in this case, so this is
7 either inartfully worded, drawn, wording, or
8 the drawers of this contract meant something
9 by that.

10 BY MR. PARSONS:

11 Q. Could you look at the very last
12 sentence on that page?

13 A. Where is that? "Exclusive"?

14 Q. Yes, sir.

15 A. Right.

16 Q. The last phrase, "Any amendments hereto
17 must be made in writing and signed by both
18 parties." Are you aware of any amendments, sir?

19 A. Not that I'm aware of.

20 Q. Do you know whether the parties
21 actually did require that amendments be in writing,
22 or were there oral amendments?

23 MR. GIMBEL: I'm going to object.

24 Again, you're leaving out the first phrase
25 which says, "exclusive of any tariff

1 modifications initiated by T.S.I."

2 BY MR. PARSONS:

3 Q. Sure. You can take that into account.

4 A. What was your question again?

5 Q. Weren't there any oral amendments or
6 were, in fact --

7 MR. GIMBEL: If you know.

8 BY MR. PARSONS:

9 Q. -- or were any amendments in writing?

10 A. None that I'm aware of.

11 Q. Could you turn the page until you see a
12 page called "Rates." Were these rates that Telus
13 was supposed to charge to T.S.I.?

14 MR. GIMBEL: If you know.

15 THE WITNESS: No, I don't know, because
16 there's no title to this thing.

17 BY MR. PARSONS:

18 Q. Taking the entire agreement into
19 account, is it logical that these were the rates
20 that Telus was charging to T.S.I.?

21 A. There's other rates in this contract,
22 so...

23 Q. Well, whatever rates, sir, are
24 mentioned in the contract, are those the rates that
25 Telus was supposed to charge T.S.I.?

1 A. Yes.

2 Q. And the rates that appeared on the
3 actual bills to the end-users were different rates;
4 am I correct?

5 MR. GIMBEL: A question?

6 BY MR. PARSONS:

7 Q. It's a question. I said "am I correct"
8 at the end.

9 A. Say that again. I missed -- you said
10 end-users and T.S.I. I got confused.

11 Q. Are the rates that Telus was supposed
12 to charge to end-users, different, rather than the
13 rates that appear in this contract?

14 A. I would assume so, because these rates
15 deal with T.S.I., directly.

16 MR. PARSONS: Can you mark this the
17 next exhibit.

18 (Thereupon a document was marked
19 Boca Exhibit No. 5 for Identification to the
20 deposition.)

21 BY MR. PARSONS:

22 Q. Mr. Sulmonetti, I'm handing to you and
23 your counsel an exhibit marked as Boca No. 5.
24 Please look at that and tell me if you recognize
25 it, sir.

1 MR. GIMBEL: The date on this is hard
2 to read. Is your copy readable?

3 MR. PARSONS: No. It's from your
4 production, if you have the original here.

5 MR. GIMBEL: Bates stamp number comes
6 from where?

7 MR. PARSONS: That's your Bates stamp.

8 MR. GIMBEL: I'm confused. These are
9 the documents that you copied from our office
10 that were Bates stamped?

11 MR. PARSONS: Yes.

12 MR. GIMBEL: So it was your
13 printing -- you took those documents to a
14 printer and they were Bates stamped. That's
15 what you're saying, where they came from?

16 MR. PARSONS: No. The Bates stamp was
17 a Bates stamp you put on your document
18 production to me.

19 MR. GIMBEL: I'm confused. All right.

20 BY MR. PARSONS:

21 Q. The question, if you have it in mind,
22 sir, do you recognize the document?

23 A. No.

24 Q. Do you recognize the handwriting on the
25 document?

1 A. No; other than it says from Clara, I
2 think, Reynardus.

3 Q. You're not sufficiently familiar with
4 her handwriting to recognize it?

5 A. No.

6 Q. Do you see how the first line of actual
7 text says "per our verbal agreement Wednesday,
8 January 15th"?

9 A. Uh-huh. Yes.

10 Q. Do you know of any verbal agreement
11 between Joel Esquenazi and Clara Reynardus or
12 companies they were representing?

13 A. No. I do not know about any verbal
14 agreement.

15 Q. Do you know what Ms. Reynardus is
16 referring to in this apparent memorandum to
17 Mr. Esquenazi?

18 A. Not knowing the dates, no. No, I don't
19 know. Even if I knew the dates, I don't think I
20 would know.

21 MR. PARSONS: Can you mark this the
22 next one.

23 (Thereupon a document was marked
24 Boca Exhibit No. 6 for Identification to the
25 deposition.)

1 BY MR. PARSONS:

2 Q. Mr. Sulmonetti, you and your lawyer
3 have been handed a copy of Exhibit No. 6 in these
4 depositions.

5 Let me ask you if you recognize this
6 document, sir?

7 A. I may have seen it, but I can't recall.

8 Q. Do you know if this document was ever
9 executed?

10 A. According to this document, it was
11 never, because it has no signatures. So I assume
12 it has never been executed.

13 Q. Do you have any information about this
14 document, sir?

15 A. Other than what are the words on the
16 pages.

17 Q. Do you know who prepared this document?

18 A. No, I do not.

19 MR. PARSONS: Mark this, please.

20 (Thereupon a document was marked
21 Boca Exhibit No. 7 for Identification to the
22 deposition.)

23 BY MR. PARSONS:

24 Q. Mr. Sulmonetti, I'm handing you and
25 your lawyer Exhibit No. 7 in the depositions.

1 Could you tell me if you recognize that exhibit,
2 sir?

3 A. I don't recall. I don't recognize it.

4 Q. Do you see how in the first line,
5 Mr. Esquenazi writes, "Please accept this letter as
6 a commitment to our agreed issues for service
7 contract"?

8 A. Yes.

9 Q. Do you know of any service contract
10 between T.S.I. and ATC or Transcall or Telus to
11 which this document could refer?

12 A. No, I don't know. I make an assumption
13 that it's the previous document you showed me, but
14 I don't know.

15 (Thereupon a document was marked
16 Boca Exhibit No. 8 for Identification to the
17 deposition.)

18 BY MR. PARSONS:

19 Q. Mr. Sulmonetti, you're being handed
20 Exhibit No. 8 in these depositions. Could you
21 please look at the first page of that exhibit and
22 tell me if you recognize it?

23 A. No, I don't recognize it.

24 Q. Do you see Mr. Ruddy McGlashan's name
25 at the bottom of the page, sir?

1 A. Yes, I do.

2 Q. Do you recognize Mr. McGlashan's
3 signature on this page?

4 A. Yes, I do.

5 Q. How is it you're able to recognize his
6 signature?

7 A. It's a very unique signature.

8 Q. Was Mr. McGlashan an officer of ATC?

9 A. No, I don't think so.

10 Q. He's signing, apparently, as senior
11 vice-president. Can you tell me what entity he was
12 senior vice-president of as of January 22, 1992?

13 A. Senior vice-president of ATC.

14 Q. Which ATC?

15 (Informal discussion off the record.)

16 BY MR. PARSONS:

17 Q. What ATC entity was Mr. McGlashan
18 senior vice-president of?

19 A. Advanced Telecommunications.

20 Q. In January 1992, was Advanced
21 Telecommunications Corp. the successor on the
22 agreement between Telus and T.S.I.?

23 A. No; because Telus was transferred into
24 Transcall, and Transcall's corporate marketing name
25 was ATC Long Distance, d/b/a ATC Long Distance in

1 Florida.

2 Q. Do you have any idea of why
3 Mr. McGlashan, on behalf of ATC, was agreeing to
4 final changes with Joel Esquenazi?

5 A. I would assume because he's in
6 charge -- he was in charge of this deal.

7 Q. Let me ask you, what deal was being
8 referred to in this letter, to your knowledge?

9 A. I don't have any knowledge.

10 Q. Is it the contract between Telus and
11 T.S.I., or is it something else?

12 A. I would assume it's something else.
13 Probably this earlier thing that you showed me in
14 Exhibit 6, I'm assuming.

15 (Thereupon a document was marked
16 Boca Exhibit No. 9 for Identification to the
17 deposition.)

18 BY MR. PARSONS:

19 Q. Mr. Sulmonetti, you're being handed
20 Exhibit 9 in these depositions. Let me ask you,
21 sir, if you recognize this document.

22 A. No. I don't recognize this particular
23 document.

24 Q. Do you recognize Mr. McGlashan's
25 signature on the first page?

1 A. Yes.

2 Q. Do you know what the document is
3 referring to by "special pricing approval" at the
4 top?

5 A. No. It looks like a form. You have to
6 get signatures signed off in order to make -- to
7 approve that special pricing.

8 Q. Can you tell if the requisite
9 signatures were obtained?

10 A. What do you mean by -- I'm sorry,
11 obtained?

12 Q. Did they get the signatures that were
13 needed on this form?

14 A. I don't see a third one, so I'm not
15 sure.

16 Q. The one that's missing is
17 Mr. Klugman's?

18 A. Right.

19 Q. If you could turn the page -- let me
20 ask you first, have you seen the second or third
21 pages, before?

22 A. No, not this particular --

23 Q. Do you see on the bottom under
24 "recommendation," there's a sentence, quote,
25 "Customer must honor terms of recently

1 renegotiated contract," unquote?

2 A. Yes.

3 Q. Do you know what that is referring to,
4 by "recently renegotiated contract"?

5 A. No.

6 Q. To your knowledge, was the agreement in
7 this proceeding between Telus and T.S.I. ever
8 renegotiated?

9 A. Not to my knowledge. I mean -- no.
10 No.

11 MS. KEATING: This is Beth. I hate to
12 break in, but when you're referring to a
13 particular exhibit, could you possibly give us
14 a little better indication if it's something
15 that we might have already that we could look
16 at?

17 MR. PARSONS: Sure, I would be happy
18 to. I know I was doing that at the beginning,
19 I've just been forgetting recently.

20 MS. KEATING: I appreciate it.

21 MR. SELF: Beth, this is Floyd.

22 I'm assuming that the documents that we've
23 seen -- the last couple at least, that we've
24 talked to A, T, S and B, are probably
25 documents that you have not previously seen

1 renegotiated contract," unquote?

2 A. Yes.

3 Q. Do you know what that is referring to,
4 by "recently renegotiated contract"?

5 A. No.

6 Q. To your knowledge, was the agreement in
7 this proceeding between Telus and T.S.I. ever
8 renegotiated?

9 A. Not to my knowledge. I mean -- no.
10 No.

11 MS. KEATING: This is Beth. I hate to
12 break in, but when you're referring to a
13 particular exhibit, could you possibly give us
14 a little better indication if it's something
15 that we might have already that we could look
16 at?

17 MR. PARSONS: Sure, I would be happy
18 to. I know I was doing that at the beginning,
19 I've just been forgetting recently.

20 MS. KEATING: I appreciate it.

21 MR. SELF: Beth, this is Floyd.
22 I'm assuming that the documents that we've
23 been -- the last couple, at least, that we've
24 talked to, 6, 7, 8 and 9, are probably
25 documents that you have not previously seen.

1 MS. KEATING: Okay.

2 (Informal discussion off the record.)

3 MR. SELF: These are all Bates stamp
4 numbered. They are somewhere in the box.
5 Maybe what we could do, Wes is referring to
6 the Bates stamp numbers.

7 MS. KEATING: That would be very
8 helpful.

9 MR. PARSONS: Could you mark this.
10 (Thereupon a document was marked
11 Boca Exhibit No. 10 for Identification to the
12 deposition.)

13 BY MR. PARSONS:

14 Q. Mr. Sulmonetti, I'm handing you and
15 your lawyer a copy of a document marked as Exhibit
16 10 in these depositions.

17 It appears to be a letter from Joel
18 Esquenazi to Ruddy McGlashan, dated September 15,
19 1992, with handwritten comments. It is Bates
20 stamped 2998.

21 A. Yes.

22 Q. Have you ever seen the letter before,
23 Mr. Sulmonetti?

24 A. No.

25 Q. Do you recognize the handwriting at the

1 top of the letter?

2 A. No.

3 Q. Do you recognize the handwriting at the
4 bottom of the first page of the letter?

5 A. No. It's printing.

6 No, I don't.

7 Q. Who is the Bill Anderson that's
8 referred to in the handwriting?

9 A. He's our general counsel.

10 Q. Were you ever made aware that
11 Mr. Esquenasi was proposing a settlement on the
12 terms in this letter, to ATC?

13 MR. GIMBEL: I object to the form of
14 the question.

15 THE WITNESS: I don't recall.

16 BY MR. PARSONS:

17 Q. You were with ATC as of September 15,
18 1992, sir?

19 A. Yes.

20 Q. This just wasn't your bailiwick?

21 A. Not if it went to our general counsel,
22 no.

23 MR. PARSONS: Could you mark this

24 No. 11.

25 (Thereupon a document was marked

1 Boca Exhibit No. 11 for identification to the
2 deposition.)

3 BY MR. PARSONS:

4 Q. Mr. Sulmonetti, I'm handing you and
5 your lawyer Exhibit No. 11, which is a memo from
6 Ruddy McGlashan to Norman Klugman, dated October
7 29, 1992, Bates No. 2997.

8 A. Yes, I see it.

9 Q. Have you seen the document before
10 today, sir?

11 A. No, I haven't.

12 Q. Do you know anything about the contents
13 of the memo?

14 A. No.

15 Q. Mr. McGlashan writes, quote, "They are
16 not on our network." Do you have any idea what he
17 meant by that?

18 A. He meant that they're not on our
19 network. They're not using our network.

20 Q. Is that because they had been
21 terminated by that time?

22 A. Probably a little of both. Terminated,
23 and they probably moved off our network.

24 Q. Before termination, though, they were
25 on the ATC network?

1 A. Yeah. But they could also be on MCI,
2 ATT, whatever network they want to be on.

3 Q. Do you see how it's reflected that they
4 are now billing 175,000 per month?

5 A. Yes, I see that.

6 Q. Do you know what that refers to?

7 A. Other than what's written there, no.

8 Q. Okay. That would not be on your
9 network, though, the billing?

10 A. Just says they're now billing 175 K per
11 month. I would assume that's what they're billing.

12 Q. To the best of your knowledge,
13 Mr. Sulmonetti, who currently owns the \$640,000
14 account receivable on the last bill from ATC to
15 T.S.I.?

16 MR. GIMBEL: Object to the form of the
17 question.

18 THE WITNESS: I don't know, off the top
19 of my head.

20 BY MR. PARSONS:

21 Q. How would one go about finding out who
22 currently owns that amount due?

23 A. Send us -- I don't know. Send us an
24 interrogatory, we'll go find it.

25 Q. I don't mean what I can do. I mean,

1 what internally ATC or WorldCom could do to find
2 out who allegedly owes the company the money.

3 A. Who owes the money? I mean, T.S.I.
4 owes us the money.

5 Q. I should have said who owns the
6 receivable for the money.

7 A. I guess I can go find out.

8 Q. What would you do to find out?

9 A. Probably call our general counsel,
10 since it's a legal matter.

11 Q. What would you expect them to do to
12 find out the answer to that question?

13 A. I mean, he would go find it.

14 Q. Would you look at the corporate books?
15 Is there a general ledger?

16 A. I -- I don't know.

17 MR. PARSONS: Would you mark this,
18 please.

19 (Thereupon a document was marked
20 Boca Exhibit No. 12 for Identification to the
21 deposition.)

22 BY MR. PARSONS:

23 Q. Mr. Sulmonetti, you're being handed
24 Exhibit No. 12 in these depositions, which is ATC
25 Transcall's response to T.S.I.'s third request for

1 production of documents, filed January 6, 1998.

2 Let me ask you if you've seen these
3 responses before, sir?

4 A. Yes.

5 Q. Were you the person who worked with
6 Mr. Gimbel in framing these responses?

7 A. Yes.

8 Q. Could you turn to page 4 with me, sir,
9 where the actual request and the responses begin?

10 A. I am sorry, page 4? What are you
11 referring to?

12 Q. (Indicating.)

13 A. Okay. Yes, I see.

14 Q. T.S.I. requested all raw call detail
15 record on tapes or disk containing data relating to
16 services provided by Transcall entities to T.S.I.
17 or its customers from July 1, 1989 to July 1,
18 1992.

19 MR. GIMBEL: Just for the benefit of
20 the witness, are you shifting now to the
21 production of documents aspect?

22 MR. PARSONS: Yes.

23 THE WITNESS: Okay.

24 THE WITNESS: I'm sorry, go ahead.

25 MR. GIMBEL: I could tell he was

1 perplexed. Okay.

2 BY MR. PARSONS:

3 Q. Yes. Every now and then we'll shift
4 gears. I'll try to tell you --

5 A. That's fine.

6 Q. Usually it will be obvious what's
7 happening.

8 Your company objected to this request
9 to the extent such request requires them to produce
10 confidential account information. Could you tell
11 me what you mean by that?

12 MR. GIMBEL: Object to the form.

13 THE WITNESS: It says what it says.
14 It's confidential customer information on
15 those call records.

16 BY MR. PARSONS:

17 Q. The information there includes both
18 call detail on T.S.I. calls as well as on other
19 customers?

20 A. Most likely, uh-huh.

21 Q. When you say, "Most likely," have you
22 done anything to determine whether that is indeed
23 the case?

24 A. I haven't done any, but I'm familiar, a
25 switch tape would have lots of information on it.

1 Q. Are we talking about tapes in this
2 response?

3 A. All raw CDR tapes.

4 Q. Not disks, just tapes?

5 A. It's probably one and the same.

6 Q. Is there a complete set of tapes,
7 monthly, from July 1, 1989 through July 1, 1992?

8 A. I don't know.

9 Q. Do you know if there's any tape
10 available for that period of time?

11 A. I think there might be; uh-huh.

12 Q. What tapes are available for that
13 period of time?

14 A. I don't know.

15 Q. Is there a list someplace?

16 A. Most likely.

17 Q. Who has it?

18 A. I would assume legal counsel has it.

19 Q. Have you performed any investigation to
20 determine if the information for T.S.I. could be
21 segregated from the other information on other
22 customers on the tapes so as to be -- not to have a
23 confidentiality concern?

24 A. No.

25 Q. If the information for T.S.I. could be

1 separated from the other customers, does WorldCom
2 have or ATC have any problem with producing just
3 the information on T.S.I. calls?

4 A. I don't know. I mean, we would have to
5 talk to our legal counsel to make sure that we're
6 not violating something, but, I mean, if you
7 want...

8 Q. Is that the only concern preventing
9 production of these tapes now?

10 MR. GIMBEL: Wait. I'm going to step
11 in here now, because it's clear, and we have
12 agreed to produce those tapes to you, to an
13 independent third party, in an effort to try
14 to read them. What we've said, we will not
15 produce them to your client for him to try to
16 read the tapes, because of these things, among
17 other factors, which you and I have
18 discussed.

19 But I just think it's incorrect. The
20 mistaken impression is that we have -- we are
21 not -- somehow we're stonewalling, we are not
22 producing these tapes, when, in fact, we've
23 communicated to you before that you can have
24 the tapes immediately, if you hire someone out
25 to try to read it. We're just not going to

1 turn them over to your client.

2 MR. PARSONS: I understand your
3 statement, Mr. Gimbel.

4 BY MR. PARSONS:

5 Q. My follow-up question, can my client,
6 itself, have copies of the tapes if you could
7 segregate just the T.S.I. call detail record on the
8 tapes?

9 A. First of all, I'm not sure we can
10 segregate them because I have no idea about that
11 stuff. You need to ask someone else that.

12 And second, I'm not sure. I would have
13 to think about it.

14 Q. Do you need time to do that, sir?

15 A. I mean, I think I need to consult with
16 my counsel and decide. This is a litigation, so...

17 Q. You're also the person designated to
18 testify on that area. And I have one chance
19 usually to depose you, that's why I have these
20 questions for you.

21 A. I agree.

22 Q. Do you see request No. 4, sir, wherein,
23 as requested, all written bills and summaries of
24 bills sent by Transcall entities to T.S.I. from
25 July 1, 1989 to present.

1 A. Yes, I see that answer.

2 Q. Your response is, "Transcall and ATC
3 will produce copies of all bills responsive to this
4 request."

5 Now, what I have seen of Mr. Gimbel's
6 office in my visit was several box of greenbars.
7 Were those the documents responsive to this
8 request?

9 A. Yes. They're the summaries of it,
10 yes. Then I think you've seen the written bills
11 that were attached to the complaint.

12 Q. Is that a complete set of all the bills
13 and summaries of bills sent by the Transcall
14 entities to T.S.I.?

15 A. As far as I know.

16 Q. Did ATC or Transcall keep copies of the
17 bills sent to T.S.I., for forwarding to end-users?

18 A. I don't know.

19 Q. Do you know if copies of those bills
20 were kept on microfiche?

21 A. I don't know.

22 Q. Changing gears slightly; in the Dohan
23 case, were there not copies of bills that were kept
24 on microfiche in that case, to end-users?

25 A. Yes, they were our end-users.

1 Q. Well, was it a policy of ATC to keep
2 copies of end-user bills on microfiche?

3 A. Of WorldCom's, yes. Our customers.

4 Q. Why then would not copies of bills to
5 the end-users of T.S.I., that were nevertheless
6 produced by ATC, also not have been on microfiche?

7 A. Because they weren't our customers,
8 they were T.S.I.'s. If T.S.I. wanted them on
9 microfiche, they should have microfiched them.

10 Q. Are you absolutely certain that the
11 bills to T.S.I.'s end-users were not microfiched?

12 A. No. I said I didn't know.

13 Q. Who would know the answer to that
14 question?

15 A. Gosh, I don't know. I mean... I don't
16 know.

17 Q. Physically, in what part of the billing
18 process were the bills microfiched to your own
19 end-users?

20 A. I don't know. I wasn't involved in
21 that process, though.

22 Q. Is there any reason to think that the
23 bills forwarded to T.S.I. going to the end-users
24 were treated any differently in the billing process
25 than the bills going directly to ATC's own

1 end-users?

2 A. I don't know the answer to that, other
3 than the fact that they weren't our customer, so...

4 Q. Do you know where WorldCom keeps
5 microfiche of all bills?

6 A. Yes.

7 Q. Where is that?

8 A. Tulsa.

9 Q. Has anyone from WorldCom gone to Tulsa
10 to look at microfiche to see if there are on the
11 microfiche, copies of the bills to T.S.I.'s
12 end-users?

13 A. I know when we searched in Dohan, we
14 had -- we had somebody look through there. But,
15 no, to answer your specific -- I don't know -- I
16 don't know.

17 Q. Given the charges of billing
18 irregularities by T.S.I. in this case, why hasn't
19 that been done?

20 A. I can't answer you other than the fact
21 that we have given you the bills to T.S.I., and
22 it's a complaint between us and T.S.I.

23 Q. Do you know if there are any plans
24 within WorldCom to look at the microfiche bills in
25 Tulsa to determine if there were copies of the

1 bills to end-users on them?

2 A. None that I'm aware of.

3 Q. Would you look at question No. 5 for
4 me, sir?

5 MR. SELF: May I ask you a question;
6 are you done with this subject?

7 MR. PARSONS: Yeah, for the time being.

8 MR. SELF: Can we go off the record,
9 please?

10 (Informal discussion off the record.)

11 MR. PARSONS: Do you want.

12 (Thereupon a lunch recess was taken,
13 after which the following proceedings were
14 had:)

15 BY MR. PARSONS:

16 Q. Mr. Sulmonetti, before we broke, your
17 counsel had mentioned that there was some review
18 done of microfiche documents prior to they're being
19 placed in storage in Tulsa. Were you involved in
20 that?

21 A. Yes. Counsel and I, over the years,
22 with all the various litigations, have looked
23 through microfiche with the help of some customer
24 service reps, to look through that stuff.

25 Q. Did you do that with regard to T.S.I.

1 end-users?

2 A. Yeah. I mean, we looked in general
3 through it, and did not find anything.

4 Q. Can you describe for me what sort of
5 procedure you used to look for T.S.I. end-users
6 among those microfiche bills?

7 A. Looked -- you know -- how should I say
8 this. Looking at T.S.I.'s -- some of their
9 customer names -- looking for those, we didn't find
10 anything.

11 Q. How were the microfiche bills you
12 reviewed organized?

13 A. Month by month.

14 Q. Within one month, did they go alpha --

15 A. No. It was by, I think, account
16 number.

17 Q. So it was numerical order by account
18 number?

19 A. Yeah. It's very hard to look through
20 them all.

21 Q. Okay.

22 A. So it was a sampling, it wasn't like
23 (indicating).

24 Q. So you took a sampling of T.S.I.
25 end-user customer numbers and looked for those

1 among certain months?

2 A. Yes.

3 Q. Can you give me an idea of how many
4 months you reviewed?

5 A. I don't know. It was a while ago. Not
6 many.

7 Q. Can you give me an idea of how many
8 customer numbers you reviewed?

9 A. No.

10 Q. However many months you looked at and
11 however many account numbers, you never found a
12 bill for a T.S.I. end-user?

13 A. No.

14 Q. How many days did you devote to this
15 process?

16 A. I don't know. In all, totaled over the
17 past three, four years, a couple days.

18 Q. A couple days just for you or a couple
19 days with you and --

20 A. Counsel and so forth.

21 Q. So altogether, you devoted a couple
22 days to this?

23 A. Uh-huh.

24 Q. That's a yes?

25 A. Yes.

1 Q. Do you feel confident, after having
2 done this work, that, in fact, the T.S.I. end-user
3 bills were not being microfiched?

4 A. Yes.

5 Q. Can you tell me the source of your
6 confidence?

7 A. One is, we didn't find any. And two,
8 given they weren't our customers, I'm fairly
9 certain that we wouldn't have -- there was no need
10 to microfiche. They weren't our customers.

11 Q. Where did you come up with the T.S.I.
12 customer numbers?

13 A. From one of those greenbar -- whatever.

14 Q. Did you search more than one customer
15 number?

16 A. I assume we did. I mean, I can't
17 remember.

18 Q. It's possible you just searched one?

19 A. No. More than one.

20 Q. Are you familiar with T.S.I.'s
21 allegation in the lawsuit that ATC solicited
22 T.S.I.'s customers, and, in fact, actually provided
23 services to customers originally developed by
24 T.S.I.?

25 A. I'm aware of the allegation.

1 Q. Are you aware of any specific customers
2 that fit that allegation, sir?

3 A. No.

4 Q. Are you aware of the allegation by
5 T.S.I. that ATC billed directly some end-users
6 developed by T.S.I.?

7 A. I'm aware of the allegation.

8 Q. Do you know of any specific customers
9 for which that was true?

10 A. No.

11 Q. Can you tell me when the microfiche
12 were put back in the storage in Tulsa?

13 A. They moved it from here. It could have
14 been at least two years ago. I don't know the
15 exact date. We could go find out, but a couple
16 years ago.

17 Q. Could that coincide with any event in
18 particular, such as the end of the --

19 A. The elimination of customer services.

20 Q. Customer service was moved to Tulsa?

21 A. (Nods in the affirmative) and San
22 Antonio.

23 Q. The witness nodded yes.

24 A. Oh, I am sorry. I'm just talking to
25 you, not the reporter. Sorry.

1 Q. The Dohan case settled pretty recently,
2 didn't it, sir?

3 A. Yes, it did.

4 Q. Did you have any role in the refunding
5 of money to customers under that settlement?

6 A. Yes, I did.

7 Q. Is my client due a refund under the
8 Dohan settlement?

9 A. I don't think so.

10 Q. What is the class of persons who are
11 due refunds in Dohan?

12 A. I don't know. I mean --

13 MR. GIMBEL: If you know.

14 THE WITNESS: I don't know. I mean, I
15 leave it to my legal counsel to define that
16 class. But, I mean, it was a customer base
17 within a certain time frame.

18 BY MR. PARSONS:

19 Q. Wasn't T.S.I. a customer of ATC during
20 that time frame?

21 A. I think so.

22 Q. Why wouldn't T.S.I. --

23 A. Because you had already filed a lawsuit
24 against us at the time.

25 Q. So if I understand you, T.S.I.

1 presumably would have suffered from the same
2 nine-second problem as all other customers, it's
3 just that because T.S.I. had a lawsuit pending,
4 it's not entitled to a settlement in Dohan?

5 MR. GIMBEL: Object to the form of the
6 question. I'm not sure that's a complete
7 recitation of what he said, but you can answer
8 the question.

9 THE WITNESS: Not being an attorney, I
10 would assume because they sued us, they had
11 their own allegations, which you listed, and
12 we felt that because they're a separate
13 entity, we were dealing with them directly on
14 it. And -- that's all.

15 BY MR. PARSONS:

16 Q. Do you know whether the nine-second
17 problem is a part of T.S.I.'s lawsuit against ATC?

18 A. I don't recall specifically. I don't
19 think, no.

20 Q. You told me you had a role in the
21 refunds in Dohan?

22 A. Yes.

23 Q. Could you tell me exactly what your
24 role is?

25 A. Make sure they get out the door.

- 1 Q. Are they out the door now?
- 2 A. Yes.
- 3 Q. 100 percent?
- 4 A. Yes.
- 5 Q. Is there a list of who got refunds?
- 6 A. Yes. There's a database.
- 7 Q. How many people --
- 8 A. We sent 296,000 checks.
- 9 Q. You're sure that --
- 10 A. Give or take a few.
- 11 Q. You're sure that my client was not
- 12 among those?
- 13 A. Fairly certain.
- 14 Q. Where did the database of 296,000
- 15 customers come from?
- 16 A. Telus' customer base.
- 17 Q. So presumably, originally, T.S.I. was
- 18 listed in that database and had to be removed?
- 19 A. It was an end-user's database. I'm not
- 20 sure if T.S.I. would have even popped up on there,
- 21 but it's possible.
- 22 Q. Who made the decision, if it happened,
- 23 to remove T.S.I. from the database?
- 24 A. Our legal counsel suggested it.
- 25 Q. If T.S.I. had been part of the

1 database, how much of a refund would they have been
2 entitled to?

3 A. \$18.92.

4 Q. How do you figure that?

5 A. We sent -- the settlement was for \$5.5
6 million, and we divided by 296,000 ex-customers and
7 came up with \$18 -- maybe I was wrong -- 73 cents.

8 Q. I'm not familiar with Dohan, so let me
9 ask you: Why would you divide it by the number of
10 customers rather than prorate on the basis of
11 usage?

12 A. That was the way we settled it.

13 MR. GIMBEL: I'm going to object to the
14 form of the question. These are legal
15 questions. These are legal decisions that
16 were made. There are stipulations. There are
17 documents where all of this is laid out. I
18 don't know how much he knows about this.

19 THE WITNESS: I think I answered the
20 question.

21 MR. GIMBEL: Yes.

22 (Informal discussion off the record.)

23 THE WITNESS: That's an estimate, 296.
24 I can give you an accurate count.

25 BY MR. PARSONS:

1 Q. That's close enough.

2 Do you recall the time period, sir,
3 that was covered?

4 A. No. Up to '91, June '91, and back
5 to -- I can't remember the time frame.

6 Q. Over the time frame in Dohan, do you
7 have a sense of how much usage over the Miami
8 switch was accounted for by T.S.I. end-users?

9 A. No.

10 Q. Could it have been more than 10
11 percent?

12 A. I don't know.

13 Q. Do you have a sense of how many T.S.I.
14 end-users were using the Miami switch?

15 A. No.

16 Q. In Dohan, as I ultimately understand
17 it, ATC came to the conclusion that, in fact, there
18 were billing errors made for which a refund was
19 due; am I correct about that?

20 MR. GIMBEL: Objection to the form of
21 the question.

22 THE WITNESS: I don't know if we
23 came -- I mean, we settled the case for a
24 variety of reasons.

25 BY MR. PARSONS:

1 Q. Even before you settled it, as a
2 corporate entity, is it not true that ATC agreed
3 that there were billing errors of the nine-second
4 variety in Dohan?

5 MR. GIMBEL: Object to the form of the
6 question.

7 THE WITNESS: I guess I don't
8 understand. Billing errors -- I can't
9 answer. I can't say yes to that; no. That's
10 too broad of -- I mean, we settled the case,
11 just like anybody settles any kind of
12 litigation.

13 BY MR. PARSONS:

14 Q. Do you agree that as an entity, ATC
15 Transcall overbilled its customers during the Dohan
16 time period, September 1989 through May 1991, by
17 nine seconds per call?

18 MR. GIMBEL: Objection to the form of
19 the question.

20 THE WITNESS: Yes, I think we said
21 that.

22 BY MR. PARSONS:

23 Q. That was, in fact, the corporate
24 position of ATC Transcall, was it not?

25 MR. GIMBEL: Object to the form of the

1 question.

2 THE WITNESS: I believe so.

3 BY MR. PARSONS:

4 Q. Now, in this case, does ATC Transcall
5 have a corporate position whether there was any
6 overbilling of any kind, of my client, in the
7 period 1989 through May 1992?

8 MR. GIMBEL: Object to the form of the
9 question.

10 THE WITNESS: No. I don't think we
11 have come to that conclusion yet.

12 BY MR. PARSONS:

13 Q. At a minimum there must have been a
14 nine-second billing, overbilling; right?

15 MR. GIMBEL: Object to the form of the
16 question.

17 THE WITNESS: But I'm not sure -- I
18 mean, is your question -- yes, was there nine
19 seconds? The answer is yes.

20 Now, whether it is part of T.S.I.'s
21 allegations and whether, you know, they were
22 harmed by it and all that kind of stuff, I
23 can't answer that, because we haven't come
24 down to that. We're not in front of the
25 Commission yet.

1 BY MR. PARSONS:

2 Q. Setting aside the allegation, okay,
3 setting aside whether damages are due, okay, the
4 pure question I'm asking now is, T.S.I. must have
5 been overbilled nine seconds per call during
6 September 1989 through May 1991, because they were
7 routing calls through the Miami switch of Telus,
8 right?

9 MR. GIMBEL: Objection to the form of
10 the question.

11 THE WITNESS: If that is -- if all of
12 T.S.I. customers went through the Miami
13 switch, you could draw that conclusion.

14 BY MR. PARSONS:

15 Q. It would be the right conclusion,
16 wouldn't it?

17 MR. GIMBEL: If you know.

18 THE WITNESS: It would be the right
19 conclusion? You could draw that conclusion.

20 BY MR. PARSONS:

21 Q. Anybody can draw any conclusion, and
22 sometimes they're right and sometimes they're
23 wrong. You're in the position of testifying on
24 behalf of ATC in this proceeding, so I'm asking for
25 your conclusion.

1 As the director of regulatory affairs,
2 isn't it true that logically, my client, as well as
3 the other customers who are routing traffic over
4 the Miami switch, must have been overbilled during
5 that period, nine seconds per call.

6 MR. GIMBEL: Object to the form of the
7 question.

8 THE WITNESS: Yes.

9 BY MR. PARSONS:

10 Q. The corporate position of ATC as to
11 other sorts of overbilling, you don't know yet?

12 MR. GIMBEL: Object to the form of the
13 question.

14 THE WITNESS: The answer is, yes, we
15 don't know yet. But I'm not willing to even
16 concede that the nine seconds is a problem,
17 because of the other issues that we talked
18 about, damages and so forth and all that,
19 because we're not there yet, we're still in
20 litigation. This is part of the allegations.

21 BY MR. PARSONS:

22 Q. As a corporate entity, does ATC have
23 any plans on how it is going to come to a
24 conclusion, whether there actually was overbilling
25 of my client?

1 A. I assume part of the litigation
2 strategy, we're still in the process of determining
3 that.

4 Q. You're going to do it through
5 litigation?

6 A. That's what we're in right now.

7 Q. That's a yes answer?

8 A. Yes.

9 Q. If overbilling of my client is shown to
10 the satisfaction of ATC, will ATC refund the amount
11 of that overbilling to my client?

12 MR. GIMBEL: If you know.

13 THE WITNESS: I don't know.

14 BY MR. PARSONS:

15 Q. There's no corporate position on that?

16 A. Not at this time.

17 Q. Have you personally reviewed any of the
18 greenbars that were sent to my client by ATC?

19 A. I know they're in -- I mean -- I know
20 that they were sent to you. I didn't flip through
21 them all; no.

22 Q. Do you know my client claims that one
23 important source of overbilling is duplicate calls,
24 duplicate billings for the same call.

25 A. If you say that's true.

1 Q. No, I'm asking, do you understand that
2 to be true?

3 A. I understand, yes.

4 Q. Have you ever flipped through a
5 greenbar to see if there are obvious duplicate
6 calls?

7 A. No.

8 Q. Has anybody done that at ATC?

9 A. I don't know.

10 Q. Let me ask you, sir, that's a
11 prominent, important allegation.

12 A. Uh-huh.

13 Q. Why hasn't that been done?

14 A. It may have been done. I said I don't
15 know. It's up to our general counsel, our outside
16 counsel. How they investigate this thing, I'm
17 assuming if there's allegations, our outside
18 counsel is making a review of it as best they know
19 how.

20 Q. Have you ever been advised that the
21 principal of my client, Joel Esquenazi, can take a
22 greenbar he received, and on virtually any page
23 point out what he considers to be obvious,
24 duplicate billings?

25 MR. GIMBEL: Object to the form of the

1 question. I'm going to add that that assumes
2 matters that are not at all clear or in
3 evidence at this point.

4 THE WITNESS: No.

5 BY MR. PARSONS:

6 Q. Do you have Exhibit 12 in front of you,
7 sir?

8 A. Yes.

9 Q. Could you look at request No. 6 on page
10 4.

11 John, we're looking now at Exhibit 12,
12 which is ATC and Transcall's responses to T.S.I.'s
13 third request for production of documents.

14 MR. BOWMAN: Okay, thanks.

15 BY MR. PARSONS:

16 Q. Mr. Sulmonetti, request 6 asked for all
17 documents relating to customer disconnects of
18 T.S.I. accounts, including without limitation to
19 all internal memoranda and documents of Transcall
20 entities relating to incidents when a T.S.I.
21 customer and/or account was disconnected after
22 T.S.I. requested a disconnect of such account.

23 Your response is consistent with
24 general objection No. 3, regarding confidential
25 information, and general objection No. 4.

1 Transcall and ATC further object to this request as
2 vague, overly broad and burdensome.

3 Now, having made that objection, to
4 your knowledge, has ATC ever produced any documents
5 responsive to this request?

6 A. I don't know. I mean, looking at this
7 objection, I doubt we have.

8 Q. Can you tell me why the request is
9 vague, overly broad and burdensome?

10 MR. GIMBEL: Objection. Go ahead.

11 THE WITNESS: I'm not a lawyer so I
12 don't think I can answer this.

13 BY MR. PARSONS:

14 Q. Let me just focus in on one word that I
15 think you would know about.

16 You say, your company says, "It's
17 burdensome." Can you tell me what is burdensome
18 about producing some of those documents?

19 A. Because we all have real jobs out
20 there, and in order to stop them -- we would have
21 to pull people off their real job, and not make
22 money for this company. I mean, it is burdensome.
23 These documents, if they exist, are almost ten
24 years old now.

25 Q. In your mind that's a good reason to

1 refuse to produce the documents?

2 MR. GIMBEL: Objection to the
3 characterization of the answer. He said
4 counsel phrased the objection.

5 THE WITNESS: Yeah, I mean --

6 MR. GIMBEL: Common, Wes, you're more
7 polished than that.

8 BY MR. PARSONS:

9 Q. You can say yes or no.

10 A. I don't think that's what I said. You
11 asked me my walking around, non-lawyer assumption
12 of burdensome. I just told you.

13 Q. If you could focus, sir, on request No.
14 11. T.S.I. requests all documents mentioning or
15 naming T.S.I. and/or any of T.S.I.'s employees from
16 July 1, 1989 to present. There's an objection in
17 response, one ground for which is that to produce
18 every single paper that names T.S.I. or any of its
19 employees is a mammoth undertaking and
20 unreasonable.

21 Let me ask you about that. Aren't
22 there some sort of central files, work files or
23 company files on T.S.I. or on T.S.I.'s employees,
24 especially prominent employees, such as Joel
25 Esquenazi or Carlos Rodriguez?

1 A. I don't know. I mean, you're saying
2 files on employees. I mean, there's no files on
3 employees. I mean... other than our own.

4 Q. Is there a file, for example, within
5 ATC or WorldCom, about Telecommunications Services,
6 Inc.?

7 A. Yeah. I think we produced them all to
8 you.

9 Q. Has that been produced to us?

10 A. If there's one that exists, if there
11 exists one, we produced to you all, everything that
12 we could.

13 MR. PARSONS: Tico, I see you nodding
14 yes. Can you tell me where that was in the
15 production you made to me?

16 MR. GIMBEL: We produced over ten boxes
17 of information to you. You're talking about
18 request No. 11?

19 MR. PARSONS: For example, a central
20 file on T.S.I.

21 MR. GIMBEL: If -- I believe we
22 produced to you Mary Jo Daurio's file. We
23 produced to you the bill'ng invoice file. We
24 produced to you Ruddy McGlashan's file. We
25 produced to you Dennis Sickle's file. We

1 produced to you Brian's files. We produced to
2 you Clara Reynardus' files. We produced to
3 you Sharon Copeland's files. We produced to
4 you -- I can't even think of all the people.

5 And while, I mean -- if you're saying
6 we should have a file that mentions and names
7 T.S.I.'s customers and employees, and that
8 that file should have been maintained from
9 July '89 to present in one particular file,
10 you know, I don't know how the company kept
11 records, but obviously we produced to you, I
12 think I named off maybe six or seven
13 individual files that employees had.

14 Was there a central file? I mean, I
15 think you've got the files that they -- that
16 they produced to us, based upon their document
17 search, and we held nothing back from you, as
18 you know that.

19 MR. PARSONS: Well, that's a question.
20 I have seen work files of individual people,
21 and I have a sense of how corporations and
22 firms work. And while people may have a work
23 file at their desk, or in the credenza outside
24 their office, there usually is a central
25 corporate file where official documents are

1 put. For example, originals of contracts.

2 BY MR. PARSONS:

3 Q. Now, sir, do you know if there was one
4 for my client?

5 A. No, I do not know.

6 Q. Have you ever seen one?

7 A. No.

8 MR. PARSONS: Tico, do you know?

9 MR. GIMBEL: No. I mean, the witness
10 knows how they keep their company records. I
11 mean, I do not.

12 BY MR. PARSONS:

13 Q. Where would an original contract be
14 kept at ATC?

15 A. Well, this was a Telus contract, so I'm
16 not even sure where Telus kept their original
17 contracts.

18 My guess is that -- and I don't
19 know -- my guess, since Ruddy McGlashan signed it,
20 somewhere in his files. He had it.

21 Q. Did ATC have other sorts of official
22 documents, such as promissory notes or title to,
23 say, vehicles?

24 A. I assume so.

25 Q. Where would those be kept?

1 A. I -- I have no idea.

2 Q. Was there a corporate safe at ATC?

3 A. I have no idea.

4 MR. GIMBEL: You know, I mean, I don't
5 want to tell you how to ask your questions,
6 but, I mean, maybe you should ask him where he
7 might normally look to determine that. I
8 mean, I want you to be satisfied you've got
9 the records, because we don't know of any that
10 you don't have.

11 MR. PARSONS: Thank you.

12 MR. GIMBEL: You know, I don't know,
13 maybe there's a place he would go look, or
14 something, for this.

15 BY MR. PARSONS:

16 Q. I'll ask that question. Is there a
17 place where you would go look for a central file on
18 T.S.I.?

19 A. Yeah. I mean, we have a warehouse with
20 a bunch of, you know, files and boxes of files and
21 stuff that we looked for in production of this
22 case. I mean, I still wouldn't say that there's a
23 central file, you know. Whatever was related to
24 T.S.I., we pulled out of that warehouse and gave to
25 counsel to produce, pending their -- after they

1 review it.

2 We went to all the people involved in
3 the case, you know, Mary Jo, Clara, whatever, and
4 myself and Dan Merritt and whoever, to give you the
5 documents that you needed.

6 Q. Could you tell me where the warehouse
7 you mentioned, is?

8 A. Fort Lauderdale.

9 Q. That has files of Telus and ATC in it?

10 A. Yes.

11 Q. At some point you were called upon to
12 find the documents relating to T.S.I.?

13 A. Uh-huh.

14 Q. Is that roughly it?

15 A. Yes.

16 Q. What did you do then?

17 A. I called the guy to open it up and went
18 down there. In fact, we took legal counsel, and we
19 spent a couple days there in a non-air-conditioned
20 room.

21 Q. Did you have an index that you could
22 look at?

23 A. No.

24 Q. How did you know whether any box
25 contained any information relating to T.S.I.?

1 A. We looked at -- they were labeled with
2 the principal's name, like McGlashan, and we looked
3 at all of those. I can't remember if there was any
4 T.S.I. label on the box. If there was, we would
5 have pulled that.

6 Q. So if there was a box labeled
7 McGlashan, you actually opened the box and looked
8 for material on T.S.I.?

9 A. (Nods in the affirmative.)

10 MR. GIMBEL: Speak.

11 THE WITNESS: Yes, we did look.

12 BY MR. PARSONS:

13 Q. How many boxes did you look at?

14 A. I can't tell you how many.

15 MR. SELF: Excuse me a second. Are you
16 asking him how many boxes did he see, or how
17 many boxes did he actually open?

18 BY MR. PARSONS:

19 Q. Did you open.

20 A. Oh, gosh. At least 20 I opened to
21 look, and then we pulled -- I forgot how many, off
22 the shelves, and gave them to counsel to look at
23 extensively.

24 Q. The way you selected the box to pull
25 was that it had a person's name on it that you

1 thought was connected to T.S.I., or maybe there was
2 some box actually labeled T.S.I.?

3 A. Right.

4 Q. Were there any boxes labeled something
5 like central files?

6 A. No.

7 Q. So the boxes either had a person's name
8 on them --

9 A. Uh-huh.

10 Q. -- or they had some sort of other
11 labeling on them?

12 A. Yes.

13 Q. What sort of other labeling was there
14 on the boxes?

15 A. Dates, maybe a billing or something
16 like that. I mean, we were very thorough.

17 Q. Could you tell me what the size -- the
18 number of boxes were? Not just the ones you looked
19 at, but overall.

20 A. The warehouse size?

21 Q. Yes.

22 A. Floor to ceiling, oh, gosh, it was
23 seven or eight shelves up, legal size depth.
24 Probably over 100,000 boxes.

25 Q. Were those all ATC and Telus boxes?

1 A. ATC and all predecessors and
2 subsidiaries.

3 Q. Let me understand, then. You actually
4 looked at what was written on the sides of a
5 hundred thousand boxes?

6 A. I mean, you know, they're all stacked
7 like this. I mean a lot of them said the same
8 thing because they were just billing records, and
9 these dates. A lot of them were CABS bills from
10 Boca exchange carriers, all kinds of stuff
11 unrelated.

12 Q. Let me get a sense of this, then. You
13 actually walked down the aisles of the warehouse
14 looking down eight and seven rows to see if you
15 could see McGlashan, Daurio, T.S.I., et cetera?

16 A. Yes.

17 MR. SELF: Can we go off the record for
18 a minute?

19 (Informal discussion off the record.)

20 (Thereupon a brief recess was taken,
21 after which the following proceedings were had:)

22 BY MR. PARSONS:

23 Q. Could you look at request No. 22,
24 Mr. Sulmonetti?

25 Number 22 asks for all written

1 communications between T.S.I. and the Transcall
2 entities, and documents relating to such written
3 communications.

4 There's an objection. Am I correct
5 that no specific production under No. 22 was
6 undertaken?

7 A. I agree with what we said, you should
8 have your own correspondence.

9 Q. For example, my client would have
10 gotten, in fact, correspondence, if it had been
11 located, and, for example, in Ruddy McGlashan's
12 file or Sharon Copeland's file, et cetera?

13 A. Would we have given it to you?

14 Q. Yes.

15 A. If it was in those files, yes.

16 Q. But there wasn't, for example, a
17 central correspondence file regarding T.S.I.?

18 A. No.

19 Q. Mr. Sulmonetti, do you have any
20 personal knowledge of the billing for calls that
21 were not made by Telus or ATC Transcall to my
22 client?

23 A. No.

24 Q. Do you have any personal knowledge of
25 billing by T.S.I., Transcall or Telus to my client

1 for calls that generated busy signals?

2 A. No.

3 MR. GIMBEL: What was that one?

4 MR. PARSONS: Busy signals.

5 THE WITNESS: No.

6 BY MR. PARSONS:

7 Q. Are you aware of any billing by ATC
8 Transcall or Telus to my client for calls that had
9 connections of such poor quality that they were not
10 useful in communication?

11 A. No.

12 Q. Do you have any personal knowledge of
13 extension errors in the bills supplied by ATC
14 Transcall to my client?

15 A. No.

16 Q. Do you have any personal knowledge of
17 beginning balance errors in bills supplied to my
18 client by ATC Transcall?

19 A. No.

20 Q. Do you have any knowledge of errors in
21 charging for 800 number calls by ATC Transcall to
22 my client?

23 A. No.

24 Q. Are you aware of any billing for travel
25 cards to customers of T.S.I., when the customer did

1 not have travel cards by ATC Transcall?

2 A. No.

3 Q. Are you aware of any billing of my
4 client by ATC Transcall on accounts after the
5 accounts had been cancelled by my client?

6 A. No.

7 Q. Do you recall from the contract, sir,
8 that my client was to be billed in six second
9 increments for a variety of its traffic?

10 A. I don't have it in front of me.

11 (Informal discussion off the record.)

12 THE WITNESS: Can we come back to that
13 question?

14 BY MR. PARSONS:

15 Q. I have another copy. Let me supply you
16 with a copy of the agreement, sir.

17 A. What was your question?

18 Q. Do you recall from the contract that my
19 client was to be billed in six second increments
20 for the international traffic, and also some other
21 traffic?

22 A. I don't remember it being for
23 international traffic.

24 Q. According to this last page, it says
25 six second increments, but it's only for intra-LATA

1 intrastate and interstate, if that is true,
2 accurate?

3 MR. GIMBEL: Has that been determined
4 to be part of the contract?

5 THE WITNESS: No, I'm saying.

6 BY MR. PARSONS:

7 Q. Focusing on that provision regarding
8 intra-LATA and intrastate billing, if it is part of
9 the contract, are you aware of any billing by ATC
10 Transcall of my client in one minute intervals,
11 when it should have been six second increments?

12 A. I'm just aware of that allegation.

13 Q. Have you done any examination of bills
14 or greenbars to determine if the billing to my
15 client was indeed in six second or one minute
16 increments?

17 A. I have not.

18 Q. Are you aware of anyone at WorldCom who
19 has done that?

20 A. Not at this time.

21 Q. I may have asked this at the very
22 beginning, sir, but have you seen either the
23 preliminary or the most recent report of T.S.I.'s
24 expert witnesses?

25 A. I remember seeing it, but I haven't

1 read it.

2 Q. Are you aware that a sampling technique
3 was used in the most recent report?

4 A. No, I -- like I said, it was just
5 sitting there. I hadn't read it.

6 Q. In your involvement in the Dohan case,
7 were you aware that a sampling technique was used
8 to estimate overbilling in Dohan?

9 A. Sampling technique? I think so, yeah.
10 I believe so.

11 Q. Would you consider a sampling technique
12 to be an appropriate method of determining
13 overbilling, if it, indeed, exists?

14 A. If you don't have any other better
15 method.

16 Q. Well, even if you do have a better
17 method in the sense that every single item could be
18 reviewed, would you still consider a sampling to be
19 appropriate where that is simply impractical due to
20 volume?

21 A. Yes.

22 Q. Do you know Joe Ambersley?

23 A. Yes.

24 Q. Do you know what his middle initial or
25 middle name is?

1 A. I have no idea.

2 Q. Do you know his wife's name?

3 A. Maggie, I think.

4 Q. There's two Ambersleys in Pensacola,
5 but I can differentiate between them by their
6 wife's name.

7 MR. GIMBEL: What was it, by the way?

8 MR. PARSONS: Margit. That must be
9 Maggie.

10 BY MR. PARSONS:

11 Q. Are you familiar with some material
12 that was considered confidential material in Dohan,
13 in relating to Dan Merritt's analysis of the
14 nine-second problem?

15 A. I'm familiar.

16 Q. Did that relate to any other sort of
17 overbilling other than the nine-second problem?

18 A. Not that I'm aware.

19 Q. Do you know if Mr. Merritt worked on
20 any other sort of overbilling by Telus or ATC,
21 whether it was reduced to report or not, besides
22 the nine second?

23 A. I don't know.

24 Q. Are you personally aware of any sort of
25 overbilling by Telus or Transcall, other than the

1 nine-second problem?

2 A. No. Not aware. I wanted to answer,
3 not aware.

4 Q. With the exception of, I suppose
5 isolated incidents which Joe Holop told us about,
6 are you aware of any systematic overbilling?

7 A. No.

8 Q. How did the nine-second problem come to
9 light?

10 A. I think from that Dan Merritt report.

11 Q. Do you know what caused Dan Merritt to
12 focus on that problem, from the possibility of
13 there being a timing problem?

14 MR. GIMBEL: Let me just caution the
15 witness to answer the questions completely,
16 but -- and he hasn't asked you for that, but
17 in your responses, just don't relay any
18 communications from your lawyers. That's
19 all. But otherwise, answer as best you can.

20 THE WITNESS: What was the question,
21 again?

22 BY MR. PARSONS:

23 Q. What was the origin of Dan Merritt's
24 investigation of a timing problem?

25 A. I think it was from the Dohan case, and

1 litigation from that.

2 Q. Did the litigation precede any
3 investigation by Transcall or WorldCom?

4 A. I guess I don't understand. You mean
5 precede?

6 Q. What came first, Dan Merritt's
7 investigation or the Dohan lawsuit?

8 A. I think the Dohan did.

9 Q. Do you have a sense whether ATC ever
10 would have known about the nine-second timing
11 problem were it not for the Dohan lawsuit?

12 A. I -- I -- I can't answer that. I mean,
13 it's pretty speculative.

14 Q. Do you have an understanding that --
15 switching gears for a second -- that billing for my
16 client, T.S.I., was done separately from billing
17 from almost every other customer of Telus or
18 Transcall?

19 A. Do I have what?

20 Q. Do you have an understanding that that
21 was the case?

22 A. Separate... yes. I mean, if it was
23 based on the contract, whatever the agreement was.

24 Q. Was there any other IXC at the same
25 time that T.S.I. was an IXC with ATC?

1 A. Is there any other IXCs that bought
2 service from ATC?

3 Q. Yes. At the same time as T.S.I.

4 A. I assume so, yes.

5 Q. Do you know who those or that one was?

6 A. No. There's probably many.

7 Q. Many? Were they all billed separately
8 as T.S.I. was?

9 A. I have no idea.

10 Q. Would Dennis Sickel know about that?

11 A. I don't know. I doubt it.

12 Q. After Microtel acquired ATC and you
13 were in charge of regulatory affairs --

14 A. Other way around.

15 Q. I am sorry, ATC acquired Microtel. Did
16 you ever have companies wanting to do business with
17 ATC and making special rate requests?

18 A. I don't understand your question. You
19 mean -- our carrier salespeople sold to carriers?

20 Q. Okay.

21 A. Whatever they did, I have no idea.

22 Q. Often those carriers would want
23 special, you know, better rates than they would
24 otherwise get?

25 A. It's a competitive market. I would

1 assume so.

2 Q. When an arrangement was made between
3 ATC and another carrier, did that arrangement come
4 to you for determination whether it should be filed
5 as a tariff?

6 A. Did it come to me? No; because once
7 the rule was made, I let everybody know, and that
8 was the end of it.

9 Q. What do you mean by "the rule"?

10 A. In Florida, there was a rule that we
11 didn't have to file contracts with carriers as a
12 tariff.

13 Q. Before that rule was made, then, an
14 arrangement like that would come to you?

15 A. I don't know when the rule was in
16 effect, so, I mean --

17 Q. At some point --

18 A. I am trying to think of when. With the
19 FCC, it also didn't have to file. It would not
20 have been filed there until later in years, like
21 early '90s or whatever.

22 Q. You seemed to identify a particular
23 time when the rule came into effect, and you
24 notified everybody.

25 A. Uh-huh.

1 Q. That's a yes?

2 A. Yes.

3 Q. Before that day, then, did arrangements
4 with other carriers come to you for some sort of
5 processing, such as filing a tariff?

6 A. I can't remember or recall, but my
7 guess is they probably didn't.

8 Q. Wouldn't the rule require that, though,
9 or the lack of the rule require that?

10 A. Yes.

11 Q. How was ATC ensuring compliance with
12 regulation?

13 A. See, I'm trying to figure out when that
14 rule was implemented, because I came on board -- I
15 honestly don't know --

16 Q. Okay.

17 A. -- why we didn't do it.

18 Q. Do you know the Telus contract, between
19 Telus and my client, dated July 7, 1989, was that
20 before or after the rule came into effect?

21 A. I don't know, but it was -- this was
22 entered into before we purchased them, so -- I
23 wouldn't know what they did.

24 Q. Well, if the rule came into effect
25 while you were at ATC -- I am trying to work

1 through this -- would that indicate to you whether
2 the rule was before or after July 7, 1989?

3 A. I don't know. I mean -- I mean, this
4 was signed between Telus and T.S.I., and ATC
5 acquired Telus, so what is your question, then?
6 Did we go back and look at everything that Telus
7 did? I doubt it.

8 Q. Assume with me that the contract was
9 signed before the rule went into effect; okay?
10 Nevertheless, it was not filed as a tariff; that
11 was the corporate position of ATC in this
12 litigation.

13 My question is, assuming that, should
14 ATC have gone back and made the commission aware
15 that Telus made a mistake and did not file this
16 contract as a tariff, although it should have?

17 MR. GIMBEL: You're saying assuming
18 that was the scenario?

19 BY MR. PARSONS:

20 Q. Yes, sir.

21 A. Assuming if it was, but probably the
22 rule came in place by the time -- the new rule came
23 in place and it would have been moot, anyway.

24 Q. It would have been grandfathered?

25 A. (Nods head.)

1 Q. You're saying yes?

2 A. No; I'm saying it would have been
3 moot. We wouldn't have had to file it.

4 Q. You and I looked through most of the
5 contract. Is there anything in the contract, sir,
6 that would in your mind preclude it from having
7 been filed as a tariff, prior to the rule?

8 A. No.

9 Q. What would happen today if you took an
10 interexchange carrier contract to the Public
11 Service Commission of Florida, and said, "I would
12 like to file this as a tariff"?

13 A. It would be processed as a tariff.

14 Q. Has that consistently been the result
15 since 1989? Was it ever different? Would the
16 Florida Public Service Commission ever have kicked
17 it back to you?

18 A. I guess conceivably. I mean, that's
19 their right. They have the authority to regulate
20 us and say no to a rate schedule. But -- I can't
21 remember when, but the law provides our tariffs are
22 presumptively valid, so it has to be a lot to
23 reject it.

24 Q. They never would have rejected it just
25 because it appears to be an agreement between a

1 company, a carrier and an IXC, though?

2 A. Right.

3 Q. Is the corporate position of ATC today
4 that the agreement is in effect, or is not in
5 effect today?

6 A. I don't understand the question.

7 MR. GIMBEL: This agreement
8 (indicating)?

9 MR. PARSONS: I didn't say.

10 THE WITNESS: I don't understand the
11 question.

12 BY MR. PARSONS:

13 Q. You allege there's been a breach of the
14 agreement by my client, and my client has likewise
15 alleged your company breached the agreement.

16 My question though, is the agreement,
17 itself, still in effect or has it been terminated,
18 in your view?

19 MR. GIMBEL: Object to the form of the
20 question. Calls for a legal conclusion.

21 THE WITNESS: I'm not an attorney, but
22 I don't think this contract is good -- I mean,
23 we don't have service between each other,
24 so...

25 BY MR. PARSONS:

1 Q. You're saying it's not in effect?

2 A. Right.

3 MR. PARSONS: Can you mark this?

4 (Thereupon a document was marked
5 Boca Exhibit No. 13 for Identification to the
6 deposition.)

7 BY MR. PARSONS:

8 Q. Mr. Sulmonetti, I'm handing you and
9 your counsel Exhibit No. 13 in this deposition,
10 which appears to be a letter from Richard Alan
11 Harding of ATC long Distance to Joel Esquenazi,
12 dated May 14, 1992, terminating service; Bates
13 2308.

14 Have you seen this letter before,
15 Mr. Sulmonetti?

16 A. No.

17 Q. Are you aware that on or about May 14,
18 1992, ATC terminated service to my client?

19 A. Yes.

20 Q. Are you aware of any notice that my
21 client got that termination was forthcoming, prior
22 to May 14, 1992?

23 A. Yes, I'm aware that he got notices.

24 Q. Written notices?

25 A. Yes; for periods of time.

1 Q. Have you seen those?

2 A. I've seen them, but I can't point them
3 out to you. I remember seeing them.

4 Q. Who are they from?

5 A. I don't remember. Various people.
6 Ruddy, maybe. I don't remember.

7 Q. Anyone else?

8 A. I can't recall.

9 Q. So they should be in Ruddy McGlashan's
10 file?

11 A. Yes.

12 Q. What did they say?

13 A. Pretty much the same thing, you know,
14 if you don't pay your bill, we're going to
15 disconnect you.

16 Q. Did they say, "This is your ten day's
17 notice"?

18 A. I think so.

19 Q. Mr. Sulmonetti, I know of this
20 proceeding, and the Dohan proceeding, which stem
21 from the time when Telus was an operating company
22 prior to it being acquired.

23 Are there any other lawsuits or PSC
24 proceedings stemming from Telus, that WorldCom is
25 handling?

1 A. None that I'm aware of.

2 Q. Are there proceedings or lawsuits that
3 used to be pending, stemming from the Telus period?

4 A. There was an investigation by the
5 attorney general, but it wasn't focused totally on
6 Telus.

7 Q. Anything else?

8 A. None that I'm aware.

9 Q. I have heard a rumor, and I want to ask
10 you if you know whether it's true or not, which is
11 that WorldCom has set aside a set -- I'm struggling
12 for the right word, obviously -- a chest of funds,
13 or a war chest for the settlement, or for a
14 litigation of cases involving the Telus period. Is
15 that true, sir?

16 A. I have no idea.

17 Q. Do you know of any special arrangements
18 that have been made by WorldCom, outside of the way
19 it typically conducts any litigation it's exposed
20 to, for the Dohan and this proceeding?

21 A. None that I'm aware of. I mean, Dohan
22 has been paid.

23 Q. Is there a reserve on the books of ATC
24 or Transcall or WorldCom, for this case?

25 A. I don't know.

1 Q. Is there someone in finance who would
2 know the answer to that question?

3 A. I have no idea. I don't know.

4 (Informal discussion off the record.)

5 MR. PARSONS: Mr. Sulmonetti, I
6 appreciate your being here today. Those are
7 all the questions I have. I think that Public
8 Service Commission staff may have some
9 questions for you, and I'll turn the floor
10 over to you, John.

11 MR. BOWMAN: We do have a couple of
12 questions.

13 CROSS EXAMINATION

14 BY MR. BOWMAN:

15 Q. Earlier, I believe you mentioned the
16 issuance of credits. Is there separate or
17 additional documentation of the credits that were
18 issued to T.S.I. beyond the bills that are attached
19 to the complaint?

20 A. I think -- yes.

21 Q. Where is that documentation?

22 A. Probably with our legal counsel. We
23 could get it for you.

24 Q. I won't ask what it includes if we can
25 get a copy of that.

1 Floyd, is that all right?

2 MR. SELF: Yes, that's fine.

3 MR. BOWMAN: Okay. Can we get that in
4 the form of a late file deposition exhibit?

5 MR. SELF: If you wish -- some of that
6 documentation is at least three boxes worth of
7 stuff. You may want to come to our office and
8 look at it first, to discern what it is that
9 you think you actually need copies of.

10 MR. BOWMAN: Okay. I'm getting
11 acknowledgment from our technical folks up
12 here, so that seems to be okay. If you want
13 to set up a time with Beth, I can start early
14 next week at a mutually acceptable time.

15 MR. SELF: That's fine. These are in
16 the same documents that were produced to Wes.

17 MR. BOWMAN: Do we understand that the
18 greenbar reports have been produced? Were
19 those reports provided by Transcall?

20 THE WITNESS: Yes. You're asking me
21 the question, right?

22 BY MR. BOWMAN:

23 Q. I am.

24 A. Okay.

25 Q. Do you know the source of the reports?

1 Do you know the source of the reports that were
2 sent to the accounting firm of Lopez, Levi &
3 Associates for examination?

4 A. What do you mean, "source"? They came
5 from our company.

6 Q. Just a second.

7 Was there database or magnetic tape,
8 were they in boxes?

9 A. They were -- I mean, magnetic -- they
10 were printouts from a system.

11 Q. Okay.

12 A. Our system.

13 Q. Is there a tape that may still be
14 in existence today? Is there a database that
15 actually -- a database where those reports came
16 from, does it still exist today?

17 A. I don't know the answer to that.

18 Q. Can we get a definitive answer to that
19 at some point?

20 A. Sure.

21 Q. An answer as to whether or not --

22 A. Yes.

23 Q. -- that source exists? Okay. Great.

24 I have a couple more questions. I need
25 one second.

1 Under whose tariff rates did Transcall
2 bill T.S.I.'s customers?

3 A. T.S.I.

4 Q. Did Transcall at any time bill T.S.I.'s
5 customers under Transcall's tariff?

6 A. Not that I'm aware of.

7 MR. BOWMAN: As far as staff is
8 concerned, that's all the questions we have.

9 THE WITNESS: Thank you.

10 MR. GIMBEL: I have none.

11 MR. PARSONS: I have no further
12 questions. So I think we're finished for
13 today.

14 (Informal discussion off the record.)

15 (Thereupon the taking of the deposition
16 was concluded.)

17

18

Brian Sulmonetti

19

20 Sworn to and subscribed before me this

21 _____ day of _____ 1998.

22

23

24

25

CERTIFICATE OF OATH

STATE OF FLORIDA
COUNTY OF DADE

I, the undersigned authority, certify that BRIAN SULMONETTI, personally appeared before me and was duly sworn.

WITNESS my hand and official seal this 30th day of March 1998.

ROBERT WOLINSKY
Notary Public - State of Florida
My Commission expires: 11-14-2001

REPORTER'S DEPOSITION CERTIFICATE

STATE OF FLORIDA
COUNTY OF DADE

I, ROBERT WOLINSKY, Registered Professional Reporter, certify that I was authorized to and did stenographically report the deposition of BRIAN SULMONETTI; that a review of the transcript was requested; and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 30th day of March 1998.

ROBERT WOLINSKY, R.P.R.

EXHIBIT _____
(BS - 4)

BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Dade County Circuit Court referral of)
certain issues in Case No. 92-11654 (Transcall)
America, Inc.d/b/a ATC Long Distance v.)
Telecommunications Services, Inc. and)
Telecommunications Services, Inc. vs. Transcall)
America, Inc., d/b/a ATC Long Distance) that)
are within the Commission's jurisdiction.)

DOCKET NO. 951232-TI
Filed: December 11, 1997

**TRANSCALL'S RESPONSE TO FIRST
SET OF FACT INTERROGATORIES**

1. Please identify all persons who contributed information used in formulating responses to these interrogatories.

**Brian Sulmonetti, WorldCom, Inc.
Albert T. Gimbel, Esq., Messer, Caparello & Self, P.A.**

2. Specify the exact amount of damages that you claim in the pending Complaint, showing your computation.

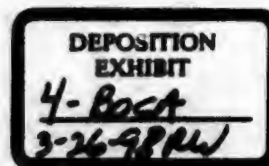
\$640,323.39 with interest from May 17, 1992. Summary sheet - FRS

3. Identify all persons with knowledge of the allegations of the subsisting complaint, and your reply to the answer thereto, and state their knowledge.

Persons with primary knowledge of the allegations contained in the complaint, reply and answer filed by Transcall are: Brian Sulmonetti, Mary Jo Daurio and Clara Reynardus-Thompson. Other witnesses may be identified as discovery progresses.

4. Identify all persons with knowledge of the allegations of the subsisting counterclaim, and your answer and defenses thereto, and state their knowledge.

See response to #3 above.



5. State the residence address and telephone number, and work address and telephone number, of each of the following persons:

ATC objects to providing the personal residence address of current WorldCom employees on the grounds that such address is irrelevant and outside the scope of discovery. The business address of current WorldCom employees are as follows:

**William Anderson
WorldCom, Inc.
P.O. Box 23397
Jackson, MS 39225-3397**

**Joseph P. Holop
6929 North Lakewood Avenue, MD-3.1-107D
Tulsa, Oklahoma 74117**

**Dennis Sickle
LDDS WorldCom Communications
1515 S. Federal Highway, Suite 400
Boca Raton, FL 33432**

**Scott Sullivan
LDDS WorldCom Communications
P.O. Box 23397
Jackson, MS 39225-3397**

**Brian Sulmonetti
LDDS Communications, Inc.
1515 S. Federal Highway, Suite 400
Boca Raton, FL 33432**

The last known addresses of former employees are as follows:

**Dan Merritt
Unknown**

**Joseph Signorelli
23289 Lago Mar Circle
Boca Raton, FL 33433**

**David Resposo
Unknown**

**Rudy McGlashen
Home: 15830 NW 83rd Place
Miami Lakes, FL 33016
305/826-1011**

**Norman Klugman
520 Northland Ridge
Atlanta, GA 30342**

**Raymond H. Yeager, Jr.
Unknown**

**Raymond Creta
Unknown**

6. Identify the entity owning the assets of Transcall from July 1, 1989 through July 1, 1992, and describe how such entity acquired such assets, and identify the entity subject to the liabilities of Transcall to which Transcall was subject from July 1, 1989 through July 1, 1992, and describe how such entity became subject to such liabilities.

See attached chronology of corporate transactions and history.

7. In regard to the written agreement between Transcall and TSI, filed as exhibit A to the complaint,

a. Was such agreement filed with the PSC or FCC as a tariff or otherwise (other than in this case).

No.

b. If not, do you contend that such agreement should have been filed as a tariff or otherwise (other than in this case), and, if so, who do you contend should

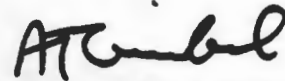
have filed it, and under what legal or administrative authority should it have been filed.

No. There was no requirement on behalf of Transcall to file this agreement and the FPSC made no request for Transcall to do so. See Section 364.07, F.S. (1989), and Rule 25-24.485(1)(a), F.A.C.

8. Please describe the corporate histories of Transcall Entities, specifying how the assets and liabilities of Telus were acquired or relinquished as a result of mergers, purchases, sales, reorganizations, or other corporate transactions.

See response to #6 above.

Respectfully submitted,



ALBERT T. GIMBEL
Messer, Capareello & Self, P.A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720

ATTORNEYS FOR TRANSCALL/ATC

H:\USER\ANM\WC\20\7\TET\TRANS\BT

LDDS CHRONOLOGY

- September 21, 1979:** Teltec Saving Communication Company (Teltec) formed.
- December 6, 1982:** Teltec granted an IXC Certificate (Order No. 11377).
- June 13, 1986:** Tritelco, Inc. d/b/a Long Distance America merged with Dial U.S.A., Inc., a management company owned by certain shareholders of Tritelco. The merger was treated as a pooling of interests, and the merged entity changed its name to Dial U.S.A., Inc. d/b/a Long Distance America (LDA). (Order No. 16215).
- February 9, 1988:** Galesi Telecommunications, Inc.'s (GTI) purchase of Teltec approved by the Florida Public Service Commission (Order No. 18830).
- February 17, 1988:** GTI's acquisition of LDA approved by the Florida Public Service Commission (Order No. 18870).
- March 1, 1988:** Teltec and LDA merge and operate under the name of Telus Communications, Inc. (Telus). Norman Klugman, president of LDA, becomes head of Telus.
- June 6, 1988:** The Florida Public Service Commission (Order No. 19429) approves the following transactions related to the formation of Telus:
- a. Merger of Teltec and LDA;
 - b. Cancellation of LDA;
 - c. Change in the name of Teltec to Telus; and

- d. **Transfer of majority ownership in GTI from Francisco Galesi to Rotterdam Ventures, Inc., a company also under the control of Mr. Galesi.**

- July 13, 1988:** The Florida Public Service Commission approves the merger of Advanced Telecommunications Corp. (ATC) and Microtel (Order No. 19669). ATC is operated through the wholly owned subsidiary Transcall America, inc. (Transcall).
- August 5, 1988:** Effective date of the Florida Public Service Commission Order approving the ATC/Microtel merger.
- August 9, 1989:** ATC and GTI (the parent corporation of Telus) sign an agreement and plan of merger.
- September, 1989:** ATC organizes ATC Acquisition, Inc. (ATC SUB), a wholly-owned subsidiary of ATC for the sole purpose of acquiring GTI.
- November 16, 1989:** ATC SUB merged with GTI. GTI, as the surviving entity, became a wholly-owned subsidiary of ATC.
- December 11, 1989:** Florida Public Service Commission approves the merger of GTI and ATC, and transfer of control of Telus, a subsidiary of GTI, to ATC (Order No. 22287).
- January 8, 1990:** Effective date of the Florida Public Service Commission Order approving the ATC/GTI merger and transfer of control of Telus.
- April 1, 1990:** GTI acquires the assets only of Telus, its wholly owned subsidiary by Asset Purchase Agreement.

- April 1, 1990:** Immediately following, Transcall acquires the assets only of GTI by similar Asset Purchase Agreement.
- August 24, 1990:** ATC files to cancel the Telus certificate and tariff.
- November 14, 1990:** Telus files Articles of Dissolution with the Florida Department of State, Division of Corporations.
- December 5, 1990:** Transcall's amended tariff, which incorporates old Telus services, becomes effective.
- December 12, 1990:** The Telus certificate and tariff canceled by the Florida Public Service Commission. (Order No. 23781; dated 11/19/90)
- May 21, 1991:** GTI files Articles of Dissolution with Delaware Secretary of State.
- May/June 1992:** ATC/LDDS merger announced.
- July 6, 1992:** Application for transfer of control of ATC to LDDS filed with the Florida Public Service commission.
- August 26, 1992:** Florida Public Service Commission approves LDDS/ATC merger (Docket No. 920698-TI; Order No. PSC-92-0877-FOF-TI).
- December 4, 1992:** LDDS/ATC merger completed.
- February 25, 1993:** LDDS announces another merger with Metromedia-Resurgens.
- December 4, 1993:** Metromedia-Resurgens complete their merger with LDDS. The new company (a Georgia corporation) is called LDDS Communications, Inc. d/b/a LDDS Metromedia Communications. (Order No. PSC-93-1267-FOF-TI.)

EXHIBIT _____
(BS - 5)

MEMORANDUM

Post-it brand fax transmittal memo 7871		of pages	5
To		From	
Co		Co	
Dept		Phone	
Fax		Fax	

To: [unclear]
 From: [unclear]
 Subject: letter of intent

In an oral agreement Wednesday, January 15th please find ^{attached} below the terms of our agreement. Please fax your approval back on TSI return. The final draft should be in your hands no later than Thursday, January 30. We will, however, begin processing your orders upon receipt of your letter of intent.

1. Rates: Per ^{ATC} agreement you are now holding. Volume discounts ^{are} retroactive. Although all usage is considered for discount level (up to 6%) only domestic is discounted.
2. ATC will credit TSI's Southern Bell installation charges for 10 T-1's as follows: TSI will produce copies of Southern Bell bills for ATC. ATC will credit one third of the total in each of the 3rd, 6th and 9th full month of billings, with total credits not to exceed \$30,000.00.
3. ATC will expedite internally and with Telco. The following charges will apply:
 - a. Southern Bell expedite charges will be passed through to TSI.
 - b. \$100.00 ^{ATC} expedite charge.

4. ATC is required to credit TSI's account for the following conditions:
 - a. TSI will provide a letter of credit for the amount of the required minimum bill deposit.
 - b. Should TSI default, ATC will retain ownership of TSI's core of customers.
5. Length of Agreement: 4 years
6. Minimums: \$60K by third full month of billing
\$100K by eighth full month
7. Renegotiation Clause: Once TSI reaches \$400K in any given month they may request renegotiation of rates.
8. Dedicated Service: will be placed on a second account, with the 6% volume discount on domestic traffic to apply for all usage.
9. Travel rates are attached.
10. Billing: although ATC will invoice TSI on a monthly basis, ATC will provide a weekly rated mag. copy

ii.

4. ATC is expected to credit TSI's account for the following conditions:
 - a. TSI will provide a letter of credit for the amount of the required "airline" bill deposit.
 - c. should TSI default, ATC will retain ownership of TSI's base of customers.
5. Length of Agreement: 4 years.
6. Minimums: \$60K by third full month of billing
\$100K by eighth full month
7. Renegotiation Clause: Once TSI reaches \$400K in any given month they may request renegotiation of rates.
8. Dedicated Service: will be placed on a second account, with the 6% volume discount on domestic traffic to apply for all usage.
9. Travel rates are attached.
10. Billing: although ATC will invoice TSI on a monthly basis, ATC will provide a weekly rated mag. tape

ii.

EXHIBIT _____
(BS - 6)

AGREEMENT
BETWEEN
ADVANCED TELECOMMUNICATIONS CORPORATION
AND
TELECOMMUNICATIONS SERVICES, INC.

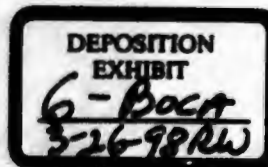
This AGREEMENT is made this _____ day of _____, 1991, by and between Advanced Telecommunications Corporation ("ATC"), a Delaware corporation with its headquarters located at 945 East Paces Ferry Road, Suite 2100, Atlanta, Georgia 30325 and Telecommunications Services, Inc. ("TELECOM"), a Florida corporation with its offices located at 12221 S.W. 129th Court, Suite 200, Miami, Florida 33186.

WHEREAS, ATC is a holding company providing long distance and other enhanced telecommunications services through its wholly-owned subsidiaries in the State of Florida; and

WHEREAS, TELECOM desires to purchase long distance telecommunications services from ATC in such quantity and at such price as set forth herein for the purpose of reselling such services to their customer's at such prices to be determined by TELECOM; and

WHEREAS, ATC is willing to provide the required long distance telecommunications services in those states where ATC presently provides originating service under the terms and conditions more fully set forth herein;

NOW, THEREFORE, in consideration of TELECOM's payment of \$10.00 and the mutual covenants herein, and other true and valuable



consideration, the parties agree as follows:

I.

DEFINITIONS

All terms and phrases unique to the telecommunications industry and used within this Agreement shall be defined in accordance with the everyday meaning assigned to the terms within the industry.

II.

TERM

This Agreement shall commence on the date first written above and continue for a period of four (4) years terminating at the conclusion of the fourth (4th) year of this Agreement.

III.

OBLIGATIONS OF THE PARTIES

A. Telecom agrees to purchase from ATC and ATC agrees to sell to Telecom 800 dedicated and 800 switched service for domestic calling, outbound dedicated service for both domestic and international calling, and carrier calling card services.

B. Telecom agrees to a minimum total usage purchase commitment of Sixty Thousand dollars (\$60,000.00) per month by the sixth full month of billing and a minimum total usage purchase commitment of One Hundred Thousand dollars (\$100,000.00) per month by the twelfth full month of billing and extending through the duration of the Agreement term.

C. ATC agrees to provide the long distance services

contemplated herein at not less than a PO 1 grade of service. ATC will maintain its trunk levels between + 2db to - 6db for voice grade circuits.

D. Notwithstanding any of the foregoing, if at any time during the term of this Agreement more than one (1%) percent of TELECOM's overall revenues are derived from customer's converted to TELECOM directly from ATC, ATC shall have the right to terminate this Agreement provided ATC has not derived revenues in an equal dollar amount from TELECOM's customer base converted directly from TELECOM to ATC. Each party may, by prior approval, approach and present a proposal to an existing client of the other. Such approval shall not be withheld if (i) the existing customer is soliciting proposals for services, (ii) the service being proposed is an enhancement to a service already being provided to the customer.

IV.

RATES

A. The rates for the services provided for herein are exclusive of any BOC charges. TELECOM shall be solely responsible for all BOC costs associated with delivering the call to the appropriate ATC switch or point of presence as the case may be including but not limited to PIC changes, channel term, local loops on dedicated customer, etc.

B. Notwithstanding the foregoing, ATC will credit Telecom for Southern Bell's charges associated with installation of ten (10) T-1s. In order to obtain this credit, Telecom must produce

for ATC copies of its Southern Bell invoices showing the cost of installation. Upon verification of the invoice, ATC will credit Teleom for those installation costs as follows: One-third (1/3) of the installation costs will be credited in the fourth full month's billing; one-third (1/3) of the installation costs will be credited in the eighth full month's billing; and the final one-third (1/3) of the installation costs will be credited in the twelfth full month's billing.

C. Total credits for all installation costs shall not exceed Thirty-six Thousand dollars (\$36,000.00).

D. The rates for services to be provided herein has been attached hereto and incorporated herein as Exhibit A.

E. Further, notwithstanding the above requirements, ATC shall have the right to increase all fees and charges to offset any increase to ATC in the costs of providing services contemplated hereunder if any change in the rules, regulations or operating procedures of any cognizant Federal, State or Local government agency or regulatory authority results in such cost increase. Any such increase shall become effective on the later of the date (i) ATC notifies TELECOM of such increase plus one month or (ii) the date such increase is effective.

F. If any changes in the aforesaid rules and regulations results in a decrease in ATC's Tariffed Rates, TELECOM shall benefit from any such decrease.

G. Telecom agrees to abide by FCC 91-398, Docket number 91-64. Telecom shall be liable for all PIC charges.

H. All volume discounts shall be applied retroactively and although all usage is considered in determining the applicable discount level (up to the six percent (6%) level), only domestic service will be discounted.

I. In the event Telecom reaches the Four Hundred Thousand dollar (\$400,000.00) volume level in any given month, Telecom may request renegotiation of rates with ATC.

V.

PAYMENT TERMS

A. Telecom will receive one bill per basic product type from ATC for each monthly Billing Period and Telecom will be responsible for billing its own customers. ATC will furnish Telecom with magnetic tape(s) containing the usage data necessary for Telecom to bill its customers. These magnetic tape(s) shall be provided by ATC on a weekly rated basis.

B. TELECOM shall pay ATC 50% of ATC's invoice within 15 days of receipt of invoice, an additional 25% within 30 days of receipt of invoice and the final 25% within 45 days. Payment is due at ATC's southeast regional office located at 1515 S. Federal Hwy., Suite 400, Boca Raton, FL 33432.

C. In the event that TELECOM fails to make any payment in full as specified in Section IV (B), TELECOM shall also pay a late fee in the amount of the lesser of one and one-half percent (1-1/2%) of the unpaid principal balance per month or the maximum lawful rate allowable under applicable state law.

D. If TELECOM disagrees with an invoice, TELECOM shall promptly pay that amount that it believes to be the correct amount in accordance with Section V (B) and, at the same time, notify ATC in writing of the amount in dispute. Failure to notify ATC within forty-five (45) days of a disputed charge will result in all charges being deemed correct. ATC and TELECOM shall use their best efforts to resolve any disputed amount. If ATC and TELECOM fail to resolve the dispute, the disputed amount shall be treated as having been due on the original due date and shall then become subject to the late payment provisions of this Section.

E. TELECOM shall pay all applicable Federal, State or Local use, excise, sales or privilege taxes, duties or similar fees chargeable to or against ATC or TELECOM by any governmental body or regulatory authority as a result, of this Agreement. In the event ATC is the recipient of any of aforementioned taxes, duties or similar fees, ATC shall satisfy the assessment and invoice TELECOM for the same. TELECOM shall pay such invoice in accordance with the terms set forth in Section V (B) above.

F. ATC, at its option, may require TELECOM to deposit with ATC a cash or cash equivalent sum equal to two months estimated billing or two months actual billing, whichever is greater, to assure ATC receives prompt payment for all services rendered under this Agreement. ATC has right to require any additional security upon fifteen (15) days notice and if the additional security is not forthcoming service may be terminated.

VI.

DEFAULT AND REMEDIES

A. Telecom is required to purchase no less than Sixty-Thousand dollars (\$60,000.00) per month of long distance telecommunications services by the sixth full month of billing and no less than One Hundred Thousand dollars (\$100,000.00) per month of services by the twelfth full month of billing through the duration of the contract term. At the conclusion of each month during the agreement term, ATC will conduct a "true-up" to determine if the required dollar amounts were purchased by Telecom. In any month that Telecom fails to purchase the required amounts for that month, Telecom will be responsible for paying, in addition to the amounts actually purchased, the difference between what was actually purchased and the amount required to be purchased.

VII.

SERVICE INTERRUPTIONS

A. ATC shall not be liable for damages or interruptions caused by or resulting from any Act of God or other uncontrollable force. Uncontrollable force is any cause beyond the control of ATC, including, but not limited to, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, sabotage, fiber cut or restraint, injunction or restriction by any federal or state court, agency, administrative body, or public authority, or a lawful order entered in any lawsuit or regulatory proceeding which effects a restraint of ATC's performance under this Agreement.

B. Notwithstanding Section VII (A) above, TELECOM's remedy for any service interruption not caused by any act of God or uncontrollable force shall be equal to the average of two (2) days billing under the contract.

C. If quality of service minimums set forth in Section III, (C) are not maintained by ATC at or above industry standards, for ninety-five (95%) percent of the actual service term, TELECOM's volume requirements may be adjusted downward by five (5%) percent.

VIII.

LIMITATION OF LIABILITY

A. ATC's liability arising out of delays in installation, commencement or restoration of service or out of mistakes, accidents, omissions, interruptions, delays, terminations or defects in transmission, or billing including those which may be caused by regulatory or judicial authorities, shall in no event exceed the allowance, if any, available under Section VII (B) above. In no event shall ATC be liable to TELECOM or any other person, firm or entity in any respect, including without limitation, for any damages, either direct, indirect, consequential, special, incidental, actual, punitive or for any other damages or for any lost profits of any kind or nature whatsoever, arising out of mistakes, accidents, errors, omissions, interruptions terminations or defects in transmission, including those which may be caused by regulatory or judicial authorities, arising out of or relating to this Agreement or the obligations of ATC pursuant to this Agreement. ATC MAKES NO WARRANTY, OUTSIDE OF

PARAGRAPH III (C) WHETHER EXPRESS, IMPLIED OR STATUTORY, AS THE DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS OR FITNESS FOR ANY PURPOSES OF THE SERVICE OF LOCAL ACCESS, OR AS TO ANY OTHER MATTER ALL OF WHICH WARRANTIES BY ATC ARE HEREBY EXCLUDED OR DISCLAIMED.

B. ATC, relying solely on TELECOM for information relative to the customer's provided by TELECOM, shall not be liable for any fraudulent calls delivered to ATC and billed to any TELECOM account. ATC shall make a reasonable effort to notify TELECOM of any fraudulent calling that they may discover.

IX.

CONFIDENTIALITY

During the term of this Agreement, ATC and TELECOM shall use their best efforts not to disclose the terms and conditions, including prices contained in this Agreement, to the public, competitors, or others who may gain benefit from such knowledge unless required by law to divulge such information to regulatory authorities or unless required in connection with enforcing that party's rights hereunder.

X.

SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, TELECOM shall not assign or transfer its obligations under this Agreement without the prior written consent of ATC, which consent shall not be unreasonably withheld.

XI.

GENERAL

A. In the event suit is brought or an attorney is retained by either party to enforce the terms of the Agreement or to collect any monies due hereunder, the prevailing party shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorney's fees, court costs, costs of investigation and related expenses incurred in connection therewith.

B. No subsequent agreement except for the credit application executed between ATC and TELECOM concerning the services contemplated under this Agreement shall be effective or binding unless it is made in writing by authorized representatives of the parties hereto, and no representation, promise, inducement or statement of intention has been made by either party which is not embodied herein.

C. Nothing contained within this Agreement shall be construed as creating a joint venture between the parties hereto.

D. In the event ATC is acquired or merges and control of the company is ceded to new management (i.e. new executive officers), TELECOM, at its option, may terminate this Agreement. Notice of termination must be provided to ATC within thirty (30) days of the announcement of the merger or acquisition of ATC. Failure to provide ATC with timely notice will result in the continuation of this Agreement through its term.

E. In the event TELECOM chooses to continue under the Agreement following the announcement of a merger or acquisition of

ATC, the rates provided under this Agreement subject to the adjustments provided for in Section IV (H) shall remain in force.

F. ATC will charge Telecom One Hundred Fifty dollars (\$150.00) expedite charge for the initial ten (10) T-1s ordered. Subsequent ATC expedite charges shall be determined on an individual case basis and charged to Telecom accordingly. Telecom shall also be responsible to the billing party for all TELCO expedite and installation charges.

XII.

WAIVER

No waiver by any party or any default by any other party in the performance of any provision of this Agreement shall be deemed to be a waiver of, or in any manner release of such party from, performance of any provision in the future; nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of such right or like right accruing to it hereafter.

XIII.

WARRANTY

Each party hereto warrants and represents that it has full legal and regulatory authority to enter into this Agreement and to consummate the transactions contemplated hereby and that this Agreement is not in conflict with any other agreement, contract or tariff to which such part is a party or by which it may be bound. Each party hereto further warrants and represents that the individuals executing the Agreement have the full power and

authority to bind their respective entities to the terms hereof and have been authorized to do so in accordance with such entities corporate or other organization.

XIV.

CONSTRUCTION AND INTERPRETATION

A. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Florida. All lawsuits arising from or related to this Agreement shall be brought in any court of the State of Florida or the United States District Court for the State of Florida.

B. If any term, covenant, or condition of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstance other than those to which it is held invalid or enforceable, shall not be affected thereby and each term, covenant, or condition of the Agreement shall be valid and be enforced to the fullest extent permitted by law.

XV.

NOTICES

Any written notice, demand or request, required or authorized by this Agreement, shall be deemed properly given to or served on ATC if mailed by U.S. Mail, certified mail, return receipt requested to:

ADVANCED TELECOMMUNICATIONS CORPORATION

945 East Paces Ferry Road

Suite 2100

Atlanta, Georgia 30326

Attn: William E. Anderson, Esq.

and shall be deemed properly given to or served on TELECOM if mailed by U.S. Mail, certified mail, return receipt requested to:

TELECOMMUNICATION SERVICES, INC.

12221 S.W. 129th Court

Suite 200

Miami, Florida 33186

Attn: Joelo Esquenazi

XVI.

ENTIRE AGREEMENT

This Agreement, together with its attachments and exhibits, constitutes the entire Agreement with respect to use of the services between the parties hereto and supersedes all prior Agreement, proposals, negotiations, representations, discussions, and correspondence, either written or oral, with respect to the subject matter hereof. No amendments to the Agreement shall be effective unless in writing and signed by both parties hereto.

IN WITNESS WHEREOF, the parties caused these presents to be executed, acknowledged and delivered in a form and manner proper and sufficient at law, all as of the day and year first above written.

ATTEST:

ADVANCED TELECOMMUNICATIONS CORP.

By: _____

Title

ATTEST:

TELECOMMUNICATIONS SERVICES, INC.

By: _____

Title

Exhibit A to Agreement between ATC and Telecommunications Services, Inc.

ATC

LATA TERMINATING SERVICE

*** INTERSTATE ***

	TIER 1	TIER 2	TIER 3	TIER 4	TIER 5
BUSINESS DAY	\$.0650	\$.0700	\$.0800	\$.0900	\$.1025
NON-BUSINESS DAY	\$.0625	\$.0675	\$.0775	\$.8750	\$.1000

*** INTRASTATE ***

	TIER 1	TIER 2
BUSINESS DAY	\$.0700	\$.0750
NON-BUSINESS DAY	\$.0657	\$.0725

MONTHLY DOLLAR VOLUME

PERCENTAGE DISCOUNT

\$ 15,000 - \$ 35,000	2%
\$ 35,001 - \$ 65,000	4%
\$ 65,001 - +	6%

\$ 60,000 Minimum by 3rd. full month of billing
 \$ 100,000 Minimum by 8th. full month of billing

- ** SOUTHEAST OR SOUTHWEST GATEWAYS
- ** RESTORATIVE DISCOUNTS
- ** 6 SECOND INCREMENTAL BILLING
- ** DIRECTORY ASSISTANCE AT \$.45 PER CALL

FLORIDA
LATAS

TEXAS
LATAS

TIER 1

TIER 2

448
450
452
454
456
458
460

952
939
953

TIER 1

TIER 2

540
542
544
546
548
550
552
554
556
558
560
562
564
566
568

570
961

CONFIDENTIAL

SOUTHEAST GATEWAY

TIER	LATA	CITY/STATE	TIER	LATA	CITY/STATE
1	420	ASHEVILLE, NC	2	340	DETROIT, MI
1	422	CHARLOTTE, NC	2	348	GRAND RPDS, MI
1	424	GREENSBORO, NC	2	356	SE WISC, WI
1	430	GREENVILLE, SC	2	358	CHICAGO, IL
1	434	COLUMBIA, SC	2	368	PEORIA, IL
1	436	CHARLESTON, SC	2	428	WILMINGTON, NC
1	438	ATLANTA, GA	2	478	MONTGOMERY, AL
1	440	SAVANNAH, GA	2	520	ST LOUIS, MO
1	442	AUGUSTA, GA	2	522	SPRINGFLD, MO
1	444	ALBANY, GA	2	524	KANSAS CTY, MO
1	446	MACON, GA	2	528	LITTLE RCK, AR
1	448	PENSACOLA, FL	2	534	TOPEKA, KS
1	450	PANAMA CTY, FL	2	542	MIDLAND, TX
1	452	JACKSNVL, FL	2	544	LUBBOCK, TX
1	454	GAINESVL, FL	2	548	WICH FALLS, TX
1	456	DAYTONA, FL	2	550	ABILENE, TX
1	458	ORLANDO, FL	2	552	DALLAS, TX
1	460	SOUTHEAST, FL	2	556	WACO, TX
1	468	MEMPHIS, TN	2	564	CORP CRSTI, TX
1	470	NASHVILLE, TN	2	566	SAN ANT, TX
1	472	CHATANOOGA, TN	2	568	BROWNSVLE, TX
1	474	KNOXVILLE, TN	2	628	MINNEAPLIS, MN
1	476	BIRMINGHAM, AL	2	632	DES MOINES, IA
1	477	HUNTSVILLE, AL	2	656	DENVER, CO
1	480	MOBILE, AL	2	664	NEW MEXICO
1	482	JACKSON, MS	2	666	PHOENIX, AZ
1	484	BILOXI, MS	2	722	SAN FRAN, CA
1	488	LAFAYETTE, LA	2	730	LOS ANG, CA
1	490	NEW ORL, LA	2	732	SAN DIEGO, CA
1	952	TAMPA, FL	2	920	CONNECTICUT
1	953	TALLHSSEE, FL	2	922	CINCINNATI, OH
2	126	W. MASS, MA	2	939	FT MYERS, FL
2	222	DEL VALLEY, NJ	2	951	ROCKY MTN, NC
2	224	N. JERSEY, NJ	3	128	E. MASS, MA
2	228	PHIL., PA	3	132	NY METRO, NY
2	236	WASHINGTON, D.C.	3	133	POUGHKPSIE, NY
2	238	BALTIMORE, MD	3	140	BUFFALO, NY
2	246	CULPEPPER, VA	3	234	PITTSBURGH, PA
2	248	RICHMOND, VA	3	244	ROANOKE, VA
2	250	LYNCHBURG, VA	3	322	YOUNGTOWN, OH
2	252	NORFOLK, VA	3	344	SAGINAW, MI
2	254	CHARLESTON, WV	3	346	LANSING, MI
2	320	CLEVELAND, OH	3	350	NE WISC, WI
2	324	COLUMBUS, OH	3	426	RALEIGH, NC
2	325	AKRON, OH	3	462	LOUISVILLE, KY
2	326	TOLEDO, OH	3	466	WINCHESTER, KY
2	328	DAYTON, OH	3	492	BTN ROUGE, LA
2	332	SOUTH BEND, OH	3	526	FORT SMITH, AR
2	336	INDIANAPLS, ID	3	536	OK CITY, OK
2	338	BLOOMNGTN, ID	3	538	TULSA, OK

SOUTHEAST GATEWAY**CONFIDENTIAL**

<u>TIER</u>	<u>LATA</u>	<u>CITY/STATE</u>	<u>TIER</u>	<u>LATA</u>	<u>CITY/STATE</u>
3	546	AMARILLO, TX	5	486	SHREVEPORT, LA
3	558	AUSTIN, TX	5	521	WESTPHALIA, MO
3	560	HOUSTON, TX	5	530	PINE BLUFF, AR
3	562	BEAUMONT, TX	5	540	EL PASO, TX
3	658	COL. SPRGS, CO	5	624	DULUTH, MN
3	668	TUCSON, AZ	5	626	ST CLOUD, MN
3	928	CHARLTSVL, VA	5	630	SIoux CITY, IA
3	956	BRISTOL, TN	5	634	DAVENPORT, IA
			5	635	CEDAR RPDS, IA
4	130	RHODE ISLAND	5	636	FARGO, ND
4	134	ALBANY, NY	5	638	BISMARCK, ND
4	136	SYRACUSE, NY	5	640	SOUTH DAKOTA
4	138	BINGHAMTON, NY	5	646	GRAND ISLAND, NB
4	220	ATL CSTAL, NJ	5	648	GREAT FLS, MT
4	232	NORTHEAST, PA	5	650	BILLINGS, MT
4	256	CLARKSBURG, WV	5	652	IDAHO
4	330	EVANSVILLE, OH	5	654	WYOMING
4	334	AUBURN, IN	5	660	UTAH
4	352	NW WISC, WI	5	670	EUGENE, OR
4	354	SW WISC, WI	5	672	PORTLAND, OR
4	360	ROCKFORD, IL	5	674	SEATTLE, WA
4	364	STERLING, IL	5	676	SPOKANE, WA
4	370	CHAMPAIGN, IL	5	720	RENO, NV
4	374	SPRINGFLD, IL	5	724	CHICO, CA
4	532	WICHITA, KS	5	726	SACRAMENTO, CA
4	554	LONGVIEW, TX	5	728	FRESNO, CA
4	570	HEARNE, TX	5	734	BAKERSFLD, CA
4	620	ROCHESTER, MN	5	736	MONTEREY, CA
4	644	OMAHA, NB	5	738	STOCKTON, CA
4	721	PAHRUMP, NV	5	740	SAN LOU OB, CA
4	923	LIMA, OH	5	822	US VIRGIN ISL
4	937	RICHMOND, IN	5	832	ALASKA
4	938	TERRE HTE, IN	5	834	HAWAII
4	949	FAYETTEVL, NC	5	836	MIDWAY/WAKE US
4	976	MATTOON, IL	5	842	PUERTO RICO
			5	921	FISHERS IS NY
5	120	MAINE, MN	5	924	ERIE, PA
5	122	NEW HAMPSHIRE	5	927	HARRISNBRG, VA
5	124	VERMONT	5	929	EDONBURG, VA
5	226	CAPITAL, PA	5	932	BLUEFILED, WV
5	230	ALTOONA, PA	5	958	LINCOLN, NE
5	240	HAGERSTOWN, MD	5	960	CO D'ALENE, ID
5	242	SALISBURY, MD	5	961	SAN ANGELO, TX
5	342	UP PENN., MI	5	963	KALISPELL, MT
5	362	CAIRO, IL	5	973	PALM SPRGS, CA
5	366	FOREST, IL	5	974	ROCHESTER, NY
5	376	QUINCY, IL	5	977	MACOMB, IL
5	432	FLORENCE, SC	5	978	OLNEY, IL
5	464	OWENSBORO, KY	5	980	NAVAJO, AZ
			5	981	NAVAJO, UT

ATC CARRIER SERVICE RATES

EFFECTIVE 11/1/90

UNIVERSAL CONNECT

COUNTRY/TIME CODE		STANDARD RATES		DISCOUNT RATES		SEMI-RATE RATES	
		1ST 30	ADD'L 6	1ST 30	ADD'L 6	1ST 30	ADD'L 6
ALGERIA	A	1.61	.11	1.28	.09	1.01	.07
AMERICAN SAMOA	P	2.67	.12	2.01	.09	1.60	.07
ANDORRA	C	.75	.07	.72	.06	.60	.05
ANGUILLA	K	.83	.08	.61	.06	.49	.05
ANTIGUA	K	.75	.08	.54	.06	.53	.05
ARGENTINA	F	1.19	.06	.89	.06	.79	.04
ARUBA	K	.83	.08	.61	.06	.49	.05
ASCENSION ISLANDS	A	1.70	.12	1.28	.09	1.01	.07
AUSTRALIA	J	1.65	.07	1.29	.06	1.14	.05
AUSTRIA	C	.95	.07	.74	.06	.70	.05
BAHAMAS	E	.58	.06	.44	.04	.42	.04
BAHRAIN	G	1.95	.09	1.52	.06	1.43	.06
BANGLADESH	B	2.77	.16	NA	NA	1.96	.10
BARBADOS	K	.85	.09	.66	.07	.53	.06
BELGIUM	C	.91	.07	.75	.06	.70	.06
BELIZE	H	1.43	.09	1.22	.07	.97	.06
BENIN	A	1.70	.12	1.28	.09	1.01	.07
BERMUDA	E	.58	.06	.44	.05	.43	.04
BOLIVIA	L	1.66	.09	1.29	.07	1.03	.06
BOTSWANA	A	1.70	.12	1.28	.09	1.01	.07
BRAZIL	F	1.14	.06	.89	.05	.79	.04
BRITISH VIRGIN ISLANDS	E	.83	.08	.61	.06	.49	.06
BRUNEI	P	2.73	.13	2.05	.10	1.64	.08
BULGARIA	H	1.26	.11	1.01	.05	.88	.06
BURKINO FASO	A	1.68	.21	1.27	.17	.99	.14
CAMEROON	A	1.63	.11	1.23	.08	.97	.07
CAPE VERDE ISLANDS	A	1.26	.19	1.03	.14	.80	.11
CAYMAN ISLANDS	E	.75	.08	.54	.06	.53	.06
CHILE	F	1.23	.07	.99	.06	.79	.04
CHINA	H	4.11	.13	3.07	.10	2.46	.08
COLOMBIA	L	1.23	.07	.99	.06	.79	.04
CONGO	A	1.94	.28	1.74	.25	1.60	.23
COSTA RICA	B	1.18	.07	.99	.06	.96	.06
CYPRUS	C	1.28	.10	1.01	.08	.80	.06
CZECHOSLOVAKIA	B	1.30	.10	.97	.06	.88	.07
DENMARK	C	.81	.06	.61	.05	.54	.04
DJIBOUTI	A	1.60	.21	1.15	.17	.89	.14
DOMINICA	K	.88	.09	.68	.07	.53	.06
DOMINICAN REPUBLIC	K	.74	.09	.64	.07	.52	.06
EL SALVADOR	L	1.46	.09	1.25	.07	1.02	.06
EGYPT	H	1.46	.10	1.10	.07	.86	.06
EL SALVADOR	B	1.26	.07	.94	.06	.74	.04
ETHIOPIA	H	1.96	.14	1.48	.10	1.16	.08
FAROE ISLANDS	C	.79	.07	.67	.06	.68	.06
FIJI ISLANDS	B	2.73	.13	2.05	.10	1.64	.08
FINLAND	C	1.01	.08	.76	.06	.60	.04
FRANCE	C	.30	.06	.28	.06	.26	.06
FRENCH ANTILLES	E	.84	.08	.66	.07	.53	.06
FRENCH GUIANA	F	1.43	.09	1.29	.07	1.03	.06
FRENCH POLYNESIA	P	2.32	.12	1.99	.09	1.59	.07

COUNTRY/TIME CODE		STANDARD RATES		DISCOUNT RATES		ECONOMY RATES	
		INT. 30	ADD'L 6	INT. 30	ADD'L 6	INT. 30	ADD'L 6
GABON	A	1.63	.11	1.23	.08	.97	.07
GAMBIA	A	1.70	.12	1.28	.09	1.01	.07
GERMANY, EAST	C	.78	.06	.61	.05	.54	.04
GERMANY, WEST	C	.75	.07	.72	.06	.69	.05
GHANA	A	1.95	.13	1.18	.11	.93	.09
GIBRALTAR	C	1.32	.10	.99	.08	.79	.06
GREECE	C	1.06	.08	.84	.07	.79	.06
GREENLAND	C	1.30	.10	1.01	.08	.80	.06
GRENADA	E	.88	.09	.65	.07	.53	.05
GUADELOUPE	E	.84	.08	.64	.07	.53	.05
GUAM	P	1.89	.18	1.59	.08	1.50	.07
GUANTANAMO BAY	E	.88	.09	.65	.07	.53	.05
GUATEMALA	H	1.36	.07	.94	.05	.74	.04
GUINEA	A	1.36	.19	1.03	.14	.80	.11
GUYANA	F	1.99	.11	1.48	.08	1.19	.07
HAITI	E	.88	.09	.65	.07	.53	.05
HONDURAS	H	1.19	.06	.89	.05	.63	.05
HONG KONG	P	1.65	.07	1.29	.06	1.14	.05
HUNGARY	C	1.36	.11	1.01	.08	.80	.06
ICELAND	I	1.30	.10	1.01	.08	.80	.06
INDIA	O	2.07	.16	NA	NA	1.38	.11
INDONESIA	H	2.60	.12	2.04	.09	1.68	.07
IRAN	H	2.40	.11	1.79	.08	1.44	.06
IRAQ	H	2.83	.13	1.51	.13	1.16	.12
IRELAND	C	.71	.07	.67	.06	.65	.06
ISRAEL	D	1.95	.08	1.69	.07	1.43	.06
ITALY	C	.85	.07	.76	.06	.70	.05
IVORY COAST	A	1.70	.12	1.28	.09	1.01	.07
JAMAICA	E	.83	.08	.61	.06	.69	.06
JAPAN	J	1.66	.07	1.29	.06	1.14	.05
JORDAN	D	1.95	.09	1.44	.06	1.43	.06
KENYA	S	1.61	.11	1.28	.09	1.01	.07
KIRIBATI	P	2.61	.16	1.84	.13	1.44	.11
KOREA	J	2.88	.09	1.50	.07	1.41	.06
KUWAIT	O	1.70	.08	1.40	.06	1.33	.06
LESOTHO	D	1.63	.11	1.23	.08	.97	.07
LIBERIA	A	1.95	.11	1.22	.08	.97	.07
LIBYA	A	1.63	.11	1.23	.08	.97	.07
LIECHTENSTEIN	C	.91	.07	.75	.06	.70	.06
LUXEMBOURG	C	1.07	.08	.84	.06	.79	.06
MACAO	H	2.73	.13	2.14	.10	1.71	.08
MALAWI	A	1.61	.11	1.28	.09	1.01	.07
MALAYSIA	H	2.19	.10	1.73	.08	1.43	.07
MALDIVES	O	2.64	.16	2.17	.10	1.77	.14
MALI REPUBLIC	A	1.33	.10	1.12	.17	.95	.15
MALTA	C	1.30	.10	1.01	.08	.80	.06
MARSHALL ISLANDS	P	2.73	.13	2.05	.10	1.64	.08
MAURITIUS	A	1.79	.13	1.30	.10	1.02	.15
MICHONIA	P	2.73	.13	2.05	.10	1.64	.08
MEXICO	C	.76	.07	.72	.06	.69	.06
MONTERRAT	E	.88	.09	.65	.07	.53	.06
MOROCCO	A	1.63	.11	1.23	.08	.97	.07
MOZAMBIQUE	H	1.85	.17	.83	.15	.78	.13
NAURU	A	1.33	.09	1.01	.07	.79	.06
NEPAL	P	2.51	.16	1.85	.13	1.44	.11

COUNTRY/TIME CODE		STANDARD RATES		DISCOUNT RATES		RECOVERY RATES	
		1ST 30	ADD'L 6	1ST 30	ADD'L 6	1ST 30	ADD'L 6
NEPAL	P	2.91	.17	NA	NA	1.97	.10
NETHERLANDS	C	.75	.06	.68	.06	.68	.05
NETHERLANDS ANTILLES	E	.68	.07	.50	.05	.50	.05
NEVIS	K	.88	.09	.63	.07	.53	.05
NEW CALEDONIA	P	2.57	.12	2.04	.09	1.63	.07
NEW ZEALAND	P	2.14	.10	1.70	.08	1.59	.07
NICARAGUA	N	1.63	.09	1.22	.07	.97	.05
NIGER	A	1.36	.19	1.03	.14	.80	.11
NIGERIA	B	1.33	.09	1.01	.07	.79	.06
NORWAY	C	.79	.07	.67	.06	.65	.05
OMAN	B	2.27	.10	1.78	.08	1.43	.06
PAKISTAN	B	2.52	.13	NA	NA	1.68	.09
PANAMA	N	1.17	.07	.99	.06	.95	.05
PAPUA NEW GUINEA	P	2.52	.12	1.99	.09	1.59	.07
PARAGUAY	F	1.65	.09	1.29	.07	1.03	.06
PERU	L	1.68	.08	1.11	.06	.88	.05
PHILIPPINES	N	1.83	.10	1.59	.08	1.59	.07
POLAND	B	1.36	.11	.97	.08	.88	.07
PORTUGAL	I	.93	.07	.70	.05	.62	.05
QATAR	B	2.27	.10	1.78	.08	1.43	.06
REUNION ISLAND	A	1.60	.21	1.15	.17	.89	.14
ROMANIA	N	1.63	.13	1.21	.10	.97	.08
RWANDA	A	1.79	.23	1.28	.18	1.02	.15
SAIPAN	P	2.67	.12	2.01	.09	1.60	.07
SAN MARINO	C	.85	.07	.74	.06	.70	.05
SAUDI ARABIA	B	1.71	.08	1.49	.06	1.33	.06
SENEGAL REPUBLIC	A	1.61	.11	1.28	.09	1.01	.07
SEYCHELLE ISLANDS	A	2.84	.22	2.15	.19	1.72	.15
SIERRA LEONE	A	1.77	.17	1.31	.14	1.04	.11
SINGAPORE	P	1.65	.07	1.29	.06	1.14	.05
SOLOMON ISLANDS	P	2.51	.16	1.83	.13	1.46	.11
SOUTH AFRICA	A	1.26	.09	1.01	.07	.79	.06
SPAIN	C	.91	.07	.75	.06	.70	.05
SRI LANKA	B	2.77	.16	NA	NA	1.96	.10
ST. KITTS	K	.88	.09	.68	.07	.53	.05
ST. LUCIA	K	.88	.09	.68	.07	.53	.05
ST. PIERRE/MIQUELON	K	.79	.08	.61	.06	.50	.05
ST. VINCENT/GRENADINES	K	.88	.09	.68	.07	.53	.05
SWITZERLAND	F	1.99	.11	1.48	.08	1.19	.07
SWITZERLAND	C	1.63	.11	1.23	.08	.97	.07
SWEDEN	C	.69	.06	.66	.06	.64	.05
SWITZERLAND	C	.91	.07	.75	.06	.70	.05
SYRIA	N	1.57	.18	1.34	.16	1.20	.14
TAIWAN	P	1.88	.08	1.41	.06	1.25	.06
TANZANIA	N	1.58	.11	1.22	.08	.97	.07
THAILAND	N	2.19	.10	1.73	.08	1.48	.07
TONGA	A	1.79	.12	1.28	.09	1.01	.07
TONGA	B	2.53	.17	1.84	.14	1.46	.11
TRINIDAD/TOBAGO	K	.88	.09	.68	.07	.53	.05
TUNISIA	A	1.61	.11	1.28	.09	1.01	.07
TURKEY	C	1.28	.10	1.01	.08	.88	.06
TURKS AND CAICOS ISLANDS	E	.85	.08	.61	.06	.49	.05
UGANDA	N	1.63	.11	1.23	.08	.97	.07
UNITED ARAB EMIRATES	B	1.79	.08	1.49	.06	1.33	.06

COUNTRY/TIME PERIOD		STANDARD RATES		DISCOUNT RATES		ECONOMY RATES	
		1ST 30	ADD'L 6	1ST 30	ADD'L 6	1ST 30	ADD'L 6
UNITED KINGDOM	C	.22	.04	.22	.04	.22	.04
LIBERIA	L	1.62	.09	1.25	.07	1.03	.06
VATICAN CITY	C	.85	.07	.74	.06	.70	.05
VENEZUELA	F	.97	.05	.74	.04	.66	.03
WESTERN SAMOA	P	2.91	.17	1.77	.15	1.33	.13
YEMEN ARAB REPUBLIC	G	2.27	.19	1.78	.08	1.43	.06
YUGOSLAVIA	H	1.36	.11	1.01	.08	.80	.06
ZAIRE	A	1.79	.12	1.28	.09	1.01	.07
ZAMBIA	A	1.99	.11	1.22	.08	.97	.07
ZIMBABWE	A	1.63	.11	1.23	.08	.97	.07

EXHIBIT _____
(BS - 7)



January 22, 1992

TO: Clara Reynardus ^{Re-}
FROM: Joel Esquenazi

Dear Clara:

Please accept this letter as a commitment to our agreed issues for service contract.

TSI agrees:

1. To \$60,000.00 of usage per month on the sixth full month of service and \$100,000.00 on the 12th month.
2. This agreement is for 4 years to be honored by any merger or acquisitions that can take place in the future with ATC.
3. TSI will provide letter of credit directly to Southern Bell.

ATC agrees:

1. To credit TSI \$36,000.00 for FGD installation in the following manner.
 - A) \$12,000.00 credit on the 4th month of initiated service.
 - B) \$12,000.00 credit on the 8th month of service.
 - C) \$12,000.00 on the 12th month of service.
2. Renegotiate rates to TSI once TSI reaches \$400,000.00 of traffic per month.
3. Expedite orders internally.

I believe I have covered all issues in question, if not please call me.

Sincerely,

[Handwritten signature]
Joel Esquenazi

DEPOSITION
EXHIBIT
7-BOCA
3-26-98 RW

2789

EXHIBIT _____
(BS - 8)



1515 South Federal Highway
Suite 400
Boca Raton, FL 33432-7404
(407) 392-2244

JUN 23 1992

INTEROFFICE MEMORANDUM

TO: Ruddy McGlashan
FROM: Clara Reynard *CR*
DATE: January 22, 1992

cc: Leon Nowalsky

I have taken the liberty of agreeing upon two (2) final changes with Joel Esquenazi.

AGREED DURING OUR MEETING:

FINAL AGREEMENT:

MINIMUMS:

\$ 60,000 by 3rd. month
\$ 100,000 by 8th. month

\$ 60,000 by 6th. month
\$ 100,000 by 12th. month

TELCO CREDITS:

\$ 12,000 each 3rd., 6th., & 9th.

\$12,000 each 4th., 8th., & 12th.

Joel is more comfortable with the new minimums, as some unexpected ATC billing problems have made it difficult to determine exactly how many minutes T.S.I. is currently billing.

In return, Joel has agreed upon giving us more time in which to credit his telco installations.

Please find attached a copy of T.S.I.'s Letter of Intent.

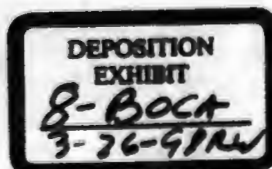
Please approve below for future documentation of telco credits.

Thank you in advance.

APPROVED:

Ruddy McGlashan
Ruddy McGlashan
Senior Vice President

2782





TELECOMMUNICATION SERVICES INC.

January 22, 1992

TO: Clara Reynardus
FROM: Joel Esquenazi

Dear Clara:

Please accept this letter as a commitment to our agreed issues for service contract.

TSI agrees:

1. To \$60,000.00 of usage per month on the sixth full month of service and \$100,000.00 on the 12th month.
2. This agreement is for 4 years to be honored by any merger or acquisitions that can take place in the future with ATC.
3. TSI will provide letter of credit directly to Southern Bell.

ATC agrees:

1. To credit TSI \$36,000.00 for PGD installation in the following manner.
 - A) \$12,000.00 credit on the 4th month of initiated service.
 - B) \$12,000.00 credit on the 8th month of service.
 - C) \$12,000.00 on the 12th month of service.
2. Renegotiate rates to TSI once TSI reaches \$400,000.00 of traffic per month.
3. Expedite orders internally.

I believe I have covered all issues in question, if not please call me.

Sincerely,

Joel Esquenazi

2783

MEMORY TRANSMIT JOURNAL

JAN-23-'92 11:25

ITEM	ORIGINAL STATION
ID	ATC BOCA RATON
#	487-730-2519
ST. TIME	23 11:22
TRANS. NO.	459
DEPT. CODE	
HPGS	03

SUCCESSFUL TRANSMIT

ADDR/SBD	ADDRESS	#	HPGS
		915048310892	03

2784

COMMUN

MEMORY TRANSMIT REGISTRATION LIST

JAN-23-'92 11:23

ITEM	ORIGINAL STATION
ID	ATC BOCA RATON
S	407-750-2619
ST. TIME	23 11:22
TRANS. NO.	499
DEPT. CODE	
MPGS	03

ADDR/SID	ADDRESS	S
		919046310092 -

2785

REVERSE

F



Southeast Regional Headquarters
1515 South Federal Highway, Suite 400
Boca Raton, FL 33432-7404
(407) 392-2244

FACSIMILE COVER LETTER

TO: Facsimile # 504 831 0892 Company: _____
Attention: Leon Nowalsky
FROM: Class A. Seymour
Dept: Carrier Sales Phone #: 407-362-3132
Date: 1-22 Time: _____
Total Number of Pages Including Cover: 3

FACSIMILE INFORMATION

Our Fax #s are: 407-750-2958 _____ 407-750-2619 x _____

Please notify 407-750-2950 for assistance if transmissions are garbled or incomplete.

Remarks: _____

EXHIBIT _____
(BS - 9)

SPECIAL PRICING APPROVAL

TO: EXECUTIVE PRICING COMMITTEE
FROM: DAWN TOIKIL
DATE: FEBRUARY 5, 1992
SUBJECT: TSI
LOCATION: FLORIDA

*(margins)
must have margins of
N/DI INTERNATIONAL
9.09 cents per Minute*

NORMAN KLUGMAN
President &
Chief Operating Officer

[Signature]
RUDY McCLAMMAN
Senior Vice President,
Operations and Planning

[Signature]
ROBERT BARON
Senior Vice President,
Sales/Marketing

a low margin business

**Does not include internet
which is at a higher margin
9.09 cents per Minute*

Post-It™ brand fax transmittal memo 7871 1 of pages • 1

To: <i>Norman Klugman</i>	From: <i>Theresa Gonzalez</i>
Co:	Co:
Date:	Page #:
Fax #:	Fax #:

DEPOSITION
EXHIBIT
9-BOCA
3-26-98 RW

SPECIAL PRICING REQUEST

TSI

1) ACCOUNT STATUS

- EXISTING CARRIER ACCOUNT BILLING \$90-\$100K PER MONTH WITH ATC ON THE MIAMI BILLING SYSTEM.
- APPROXIMATELY \$5-\$6K OF THIS TRAFFIC IS 800 SERVICE.
- TSI HAS AGREED TO A NEW CONTRACT AND MINIMUMS AND HAVE ASKED ATC TO NEGOTIATE SWITCHED 800 RATES SINCE THEY CANNOT USE OUR DEDICATED 800 ACCLAIM OFFERING (DUE TO TECHNICAL CONSTRAINTS).

2) COMPETITIVE SITUATION

- N/A

3) PRICING/ARRANGEMENT REQUESTED

- SAME \$.15 FLAT RPM AS WHAT REALCOM IS GETTING.
- CONVERSION TO THIS RATE AT TIME OF MIAMI BILLING SYSTEM CONVERSION.

4) CUSTOMER CONCESSIONS

- FOUR YEAR TERM AND MINIMUMS AS OUTLINED IN ATTACHED MEMO.

5) MONTHLY REVENUE

- \$5-\$6K/MONTH ON SWITCHED 800.
- \$90-\$100K TOTAL ACCOUNT REVENUE/MONTH.

RECOMMENDATIONS:

- 1) MARGINS ARE LOW AT \$.15, BUT BASED ON TOTAL VOLUME OF ACCOUNT AND PAST EXTENSION OF THIS RPM TO REALCOM WE SHOULD OFFER SAME DEAL.
- 2) CUSTOMER MUST HONOR TERMS OF RECENTLY RENEGOTIATED CONTRACT.

MARGIN ANALYSIS:

INBOUND SWITCHED

PEAK	OFF-PEAK	TOTAL
29,333	7,333	36,667
80¢	20¢	

**** PROPOSED RATE PER MINUTE ****

PEAK	OFF-PEAK
\$.1500	\$.1500

**** PROPOSED REVENUE ****

	PEAK	OFF-PEAK	TOTAL
INTRA	\$4,400	\$1,100	\$5,500

			\$5,500

MARGIN ANALYSIS:

EFFECTIVE R.P.M.	—————>	\$.1500
EFFECTIVE C.P.M.	—————>	
CENTS EARNED PER MINUTE	—————>	
GROSS MARGIN	—————>	

EXHIBIT _____
(BS - 10)



TELECOMMUNICATION SERVICES INC.

10/29/92 wants to sell



To discuss with Bill Anderson

September 15, 1992

Mr. Rudy McGlashan
ATC
1515 S. Federal Hwy.
Boca Raton, Fl. 33432

wants to discuss
Credits.

Dear Mr. McGlashan:

Please accept this letter as a reply to our meeting a week ago. As was our agreement I have put in writing to you what my demands for settlement of the pending lawsuit TSI has against ATC.

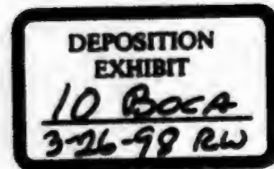
As we have stated to you on several occasions, we never had any intention on going this far, however, it seems we've been unable to resolve our differences any other way.

I will spare you alot of rhetoric and get right to the points we require to move us to drop the settlement. It is with great hopes of resolution that we offer the following demands:

1. Cashiers check for \$2,000,000.00.
2. Cancellation of outstanding balance.
3. Credit in long distance usage to TSI valued at \$1,500,000.00 for future usage.

With the above mentioned items, TSI will inturn be willing to:

1. Sign a five-year contract with ATC (to be grandfathered by merger) to include the following products:
 - A. Nationwide Access
 - B. 1+ Service
 - C. T-1 Access (1+)
 - D. T-1 Access (1-800)
 - E. 1-800 Service
 - F. Travel Card Service
 - G. Daily or weekly call records on magnetic tape
 - H. Our assurance that the problems we experienced in the past have been corrected.



Please consider our demands neither of us wish to take this process much longer. I hope to hear from you soon.

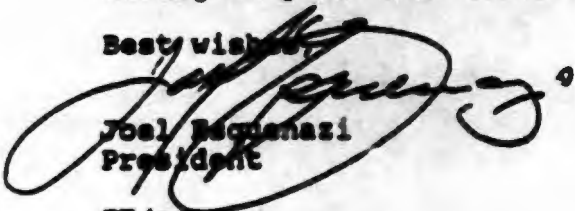
DO NOT SETTLE.

2998

Finally, it has been brought to my attention that coincidentally all of our customer are being approached by ATC to switch them.

Any action of this type would obviously defer the trust we keep having in you, this would disappoint me.

Best wishes,



Joel Eschenazi
President

JE/eg

EXHIBIT _____
(BS - 11)

11-5

MEMORANDUM

TO: Norman Klugman
FROM: Ruddy McGlashan
DATE: October 29, 1992
RE: T.S.I.

T.S.I., the company with the class action suit against ATC, would like to sell their base to ATC. They are now billing \$175 K per month. They are not on our network.

This is as far as I can take it.

/jaa

DEPOSITION
EXHIBIT
11-BOCA
3-26-98 RW

EXHIBIT _____
(BS - 12)

BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Dade County Circuit Court referral of)
certain issues in Case No. 92-11654 (Transcall)
America, Inc., d/b/a ATC Long Distance v.)
Telecommunications Services, Inc. and)
Telecommunications Services, Inc. vs. Transcall)
America, Inc., d/b/a ATC Long Distance) that)
are within the Commission's jurisdiction.)

DOCKET NO. 951232-TT
Filed: January 6, 1998

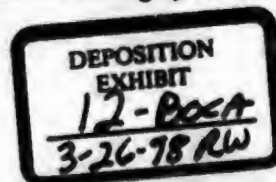
**RESPONSE TO TSI'S THIRD REQUEST FOR PRODUCTION
OF DOCUMENTS TO TRANSCALL AND ATC**

Transcall and ATC file this Response to TSI's Third Request for Production of Documents. Since the requests as phrased give rise to several common objections, Transcall and ATC state these common objections and incorporate them in the response to the specific requests when appropriate.

Common Objections:

1. **Objection #1.** Transcall and ATC object to any general request to produce records that exceed the July 1989-July 1992 time frame, which is the maximum effective period of the relationship between TSI and Transcall and ATC. Any general request for records beyond this time period is overly broad, burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Therefore, Transcall and ATC believe such requests are outside the scope of permissible discovery.

2. **Objection #2.** Transcall and ATC object to any general request to produce records that relate to the Boca billing system or any billing system other than the Miami billing system. All of TSI's customers were billed on the Miami billing system. Any general request for records of the Boca billing system or any system other than the Miami billing system, is irrelevant, overly broad,



burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Therefore, Transcall and ATC believe such requests are outside the scope of permissible discovery.

3. **Objection #3.** Several of TSI's requests to produce relate to Call Detail Record (CDR) data. As to CDR requests, Transcall and ATC respond as follows:

a. CDRs contain call record information for all customer calls and customers going through a particular switch. Each CDR tape contains tens of thousands, and sometimes hundreds of thousands, of calls. Any request by TSI to obtain CDR information would necessarily have to be limited to TSI customers to be relevant. In toto, millions of calls would have to be reviewed to identify a TSI customer call contained on a section of a tape. Clearly, most of the information contained on each CDR tape would be irrelevant, since most of the data would consist of non-TSI information. CDR tapes contain the telephone number of the calling party and the called party for each call recorded. Certain information, including the kind of data retrieved from CDR tapes, is confidential pursuant to the provisions of Section 364.183, Florida Statutes (1995). Unlawful disclosure of confidential customer account information, such as may be obtained from the CDR, carries criminal penalties as provided in Section 364.24, Florida Statutes (1995). Absent entry of an appropriate Protective Order, Transcall and ATC object to the production of any CDR data or any other material that contains confidential customer information.

b. CDRs are in electronic form. To translate the data contained on the tapes the information must be exposed to specific computer software and hardware programs which are designed to generate readable reports. The mere production of CDR tapes to TSI is not going to permit them to obtain the information they seek. Transcall and ATC object to the production of CDR tapes on the grounds that the process to be undertaken to make the CDR tapes meaningful

would be burdensome. It would also require diversion of manpower and company resources. Transcall and ATC object to any request for CDR tapes or the data contained thereon as irrelevant and overly burdensome.

c. The general business practice of Transcall and ATC was to reuse CDR tapes on a first in-first out basis. When CDR tapes are reused and new data is collected from a switch, the previously recorded data on the CDR tape is erased. Transcall and ATC have previously determined from prior litigation that only a finite number of relevant CDR tapes containing call records during the contract period still exist. Transcall and ATC cannot produce computer tapes for CDRs that have subsequently been reused.

Objection #4. Over the course of this litigation, TSI has utilized the services of several different attorneys. Transcall and ATC have responded to each discovery request made by the various TSI counsel. Transcall and ATC object to having to duplicate production of documents previously produced to prior counsel for TSI. To the extent the instant request again requires production of documents previously produced, it is burdensome and harassing. Transcall and ATC object to continually producing the same records to TSI every time TSI changes counsel. Furthermore, Transcall and ATC object to having to produce documents in a specified format or arrangement. To the extent documents are responsive to these requests, such documents will be made available as they are maintained in the normal course of business.

Any documents to be produced are available for inspection by TSI, or its designated representative, at the offices of Messer, Caparello & Self, P.A., in Tallahassee. Transcall and ATC respond to TSI's Third Request for Production of Documents as follows:

1. All raw CDR (Call Detail Record) tapes or disks containing data relating to services provided by Transcall Entities to TSI or its customers from July 1, 1989 to July 1, 1992.

Objection. Transcall and ATC object to this request to the extent such request requires them to produce confidential customer account information in violation of Florida law as set forth in general objection #3 above.

2. All raw CDR (Call Detail Record) tapes or disks containing data relating to charges sought to be collected by Transcall from TSI.

Objection. Transcall and ATC object to this request to the extent such request requires them to produce confidential customer account information in violation of Florida law as set forth in general objection #3 above.

3. All raw billed record tapes or disks to the extent they reflect data on TSI's accounts and customers from July 1, 1989 to July 1, 1992.

Objection. Transcall and ATC object to this request to the extent such request requires them to produce confidential customer account information in violation of Florida law as set forth in general objection #3 above.

4. All written bills and summaries of bills sent by Transcall Entities to TSI from July 1, 1989 to present.

Produced. Subject to general objection #1 regarding time, and general objection #4, Transcall and ATC will produce copies of all bills responsive to this request.

5. All tariffs and/or contracts upon which Transcall relies to support any of the charges contained within the bills sent to TSI by Transcall Entities during the period from July 1, 1989 to present.

Produced. Notwithstanding the fact the documents requested are public records readily available to TSI, subject to general objection #1 regarding the time, and general objection #4, Transcall will produce all tariffs and contracts, including all amended pages responsive to this request.

6. All documents relating to customer disconnects of TSI's accounts, including without limitation to all internal memoranda and documents of Transcall Entities relating to incidents when a TSI customer and/or account was disconnected after TSI requested a disconnect of such account.

Objection. Consistent with general objection #3 regarding confidential information and general objection #4, Transcall and ATC further object to this request as vague, overly broad, and burdensome.

7. All bills and documents sent to customers of TSI by Transcall Entities from July 1, 1989 to July 1,

1992.

Objection. Consistent with general objection #4, Transcall and ATC further object to this request as burdensome and vague. Transcall and ATC are unable to determine, and would have no basis of knowing, whether TSI in fact transmitted any or even a portion of the bills it prepared for TSI to send to its customers. To the extent TSI sent any document to a TSI customer, that information would be in the sole possession of TSI. Transcall or ATC did not retain any detailed listing of calls for each TSI customer, as the information was all turned over to TSI; Transcall and ATC have only monthly summaries of TSI billings. Further, it is also possible that TSI customers would have received bills or other documents from Transcall or ATC, if they were also receiving services from Transcall or ATC. For those who were customers of both TSI and Transcall or ATC, Transcall does not have in electronic form any record of billings sent to its customers during this period. Based upon information and belief, the microfiche of such bills is now maintained in Tulsa, Oklahoma.

8. All bills and documents sent to 1-800 customer services of TSI by Transcall Entities from July 1, 1989 to July 1, 1992.

Objection. See response to number 7.

9. All documents relating to customer complaint received by Transcall Entities from any of TSI's customers from July 1, 1989 to present.

Produced. Subject to general objection #1 relating to time, general objection #3 regarding production of statutory confidential information, and general objection #4, Transcall and ATC will produce all non-privileged documents responsive to this request.

10. All written agreements between Transcall Entities and any billing service, including Electronic Data Systems, relating to billing services for TSI or its customers.

Produced. Subject to general objection #1 relating to time and general objection #4, Transcall and ATC will produce all documents responsive to this request.

11. All documents mentioning or naming TSI and/or any of TSI's employees from July 1, 1989 to present.

Objection. Consistent with general objection #1 and general objection #3, Transcall and ATC further object to this request as being overly broad, vague and ambiguous. To require Transcall to produce every single paper that names TSI or any of its employees is a mammoth undertaking and unreasonable. For the reasons stated in general objection #4, TSI should have copies of all documentation and correspondence between TSI and Transcall for the pertinent time period.

12. All written communications between any of TSI's employees and Transcall Entities, or documents referring to or relating to such communications.

Objection. See response to number 11.

13. All written communications regarding changes in billing of calls to include or exclude network time as well as talk time from July 1, 1989 to present.

Objection. See response to number 5.

14. All minutes of the Board of Directors, or subcommittees thereof, of Transcall Entities, relating changes in billing of calls to include or exclude network time as well as talk time from July 1, 1989 to present.

No documents exist responsive to this request.

15. All minutes of the Board of Directors, or subcommittees thereof, of Transcall Entities, relating to TSI or its customers.

See response to number 14.

16. All documents upon which Transcall relies upon to support its claims of money due from TSI.

Produced. Transcall and ATC will produce all non-privileged documents responsive to this request.

17. All documents referring or relating to the identity of the entity currently owning the account alleged to be due to Transcall from TSI.

Transcall and ATC object to this request as overly broad, vague and ambiguous. Subject to general objection #3 and general objection #4, Transcall and ATC will produce a Corporate Chronology and the Asset Purchase Agreement which transferred the Telus assets to Transcall.

18. All documents referring or relating to the identity of the entity currently liable for the liabilities incurred by Transcall from July 1, 1989 to July 1, 1992.

Objection. See response to number 17. Further, Transcall and ATC do not believe that any of Telus' liabilities were assumed or purchased by them pursuant to the Asset Purchase Agreement.

19. All documents which Transcall or ATC may offer as evidence in this case.

Transcall and ATC have not yet determined which documents they intend to use at trial. Transcall and ATC will produce all documents they intend to use prior to trial as required by the Florida Rules of Civil Procedure and the Rules of this Commission.

20. All documents which support or tend to support any of the allegations made by ATC and Transcall within any of their pleadings or other papers in this case.

Produced. Subject to general objection #1 relating to time, general objection #3 regarding confidential information, and general objection #4, see response to numbers 16 and 19 above.

21. All documents relating to each item of damages sought by Transcall.

Produced. See response to numbers 16 and 19 above.

22. All written communications between TSI and Transcall Entities, and documents relating to such written communications.

Objection. Subject to general objection #4, Transcall and ATC object to this request as overly broad, vague and burdensome. Further, TSI should have its own copies of all correspondence between TSI and Transcall for the pertinent time period.

23. All written agreements, contracts, or understandings between TSI and Transcall Entities, or documents relating to any such written agreements, contracts or understandings.

Produced. Subject to general objection #1 relating to time, and general objection #4, Transcall and ATC will produce all documents responsive to this request.

24. All documents relating to any payments made by TSI to Transcall Entities.

- Produced. Subject to general objection #1 relating to time, Transcall and ATC will produce all non-privileged documents responsive to this request.
25. All documents relating to the amount allegedly owed by TSI to Transcall.
- Produced. Subject to general objection #1 relating to time, Transcall and ATC will produce all non-privileged documents responsive to this request.
26. All internal reports of Transcall regarding overbilling of its customers, including, without limitations, overbilling based on network time versus talk time, overbilling based on nine second increments, and overbilling based on six second increments, from July 1, 1989 to present.
- Produced. Subject to general objection #1 relating to time, Transcall and ATC will produce all non-privileged documents responsive to this request. In particular, Transcall and ATC have discovered, and previously produced in separate litigation, an internal report created by Dan Merritt. Transcall and ATC will produce the "Merritt Report" in response to this request. However, Transcall and ATC maintain the confidentiality of the back up data not contained in or made a part of the Merritt Report as privileged information based upon the attorney-client, work-product privileges and underlying confidential customer data upon which it is based.
27. The portions of the tariff Transcall contends govern the subsidizing complaint and counterclaim and third party claim, both as to the pages Transcall contends were effective and the current versions thereof.
- Produced. Subject to general objection #1 regarding time, see response to number 5.
28. The portions of the tariff of Telem, identified as follows: original and 1st, 2d, 3d, and 4th revised sheets 19; Telem, original and 1st, 2d, 3d, and 4th revised sheets 29.
- Produced. Subject to general objection #1 regarding time, see response to number 5.
29. The report of Dan Martin, filed as Exhibit BS-1 to his deposition with the Florida Public Service Commission on about July 1, 1994.
- Produced. See response to number 26.
30. All documents that any expert retained by Transcall or ATC in this matter reviewed or relied upon.

There are no documents responsive to this request as an expert has not yet been retained. Transcall and ATC reserve the right to retain a qualified expert or offer opinion testimony from its own employees as contemplated by the Rules of Evidence and the Florida Rules of Civil Procedure.

31. All written communications, reports, opinions, or conclusions produced or created by any expert retained or consulted by Transcall or ATC in this case that relate to this case.

See response to number 30.

32. Curriculum vitae or resumes of all experts retained or consulted by Transcall or ATC in this case.

See response to number 30.

33. The current and former policies and/or procedures of Transcall Entities as to the filing of service agreements, reseller agreement, or interexchange agreements with the PSC or the FCC.

Objection. Subject to general objection #1, see answer to ATC interrogatory 5(b) and answer to Transcall interrogatory 7(b); See also legislative history of Section 364.67, Fla. Stat., and Rule 25-24.485 (1)(a), F.A.C. These citations govern the filing of any such documents with the PSC. Corresponding federal regulations govern such filings with the FCC.

34. All documents requested from Transcall Entities by the Attorney General of Florida.

Objection. Transcall and ATC object to this request as irrelevant. The Attorney General's inquiry dealt with the Boca billing system which is not at issue in this proceeding. See general objection #2.

35. All documents relating to any investigation of Transcall Entities by the Attorney General of Florida.

Objection. See response to number 34.

36. The agreement between Telus and TSI, attached as Exhibit A to the complaint, as filed with the PSC and as filed with the FCC.

Produced. See response to number 23.

37. All written record retention policies, procedures, or agreements relating to the destruction, disposal, and/or conversion into other media of any and all computer data tapes or disks, including without limitation Raw CDR (Call Detail Record) tapes or disks as they applied from July 1, 1989 to the present.

Objection. Subject to general objection #1 regarding time, and general objection #3 regarding confidential information, the rules of the Florida PSC and the FCC and the published tariff provisions all govern retention policies.

38. All documents relating to the allegations in paragraph 19 of Transcall's and ATC's answers that "the Written Agreement represents a fully enforceable, final understanding between the parties and said Agreement speaks for itself."

Objection. In addition to being overly broad, this request is duplicative of prior requests in this document such that by producing documents responsive to other requests, Transcall and ATC will have produced all documents in its possession responsive to this request. Further, the language referred to is contained in pleadings filed by counsel for Transcall and ATC. This production request simply requires defense of such position by legal argument or reference to decisional case law. As such, this request is inappropriate and improper, outside the scope of permissible discovery and not likely to lead to the discovery of admissible evidence.

39. All documents relating to the allegations in paragraph 41, of Transcall's and ATC's defenses that "if TSI's clients were overbilled, TSI was the recipient of that overcharging, because TSI received the payments."

Objection. See response to number 38.

40. All documents relating to the allegations in paragraph 42 of Transcall's and ATC's defenses that "TSI received credits from Transcall as full and complete compensation for alleged billing irregularities."

Objection. See response to number 38.

41. All documents relating to the allegations in paragraph 50 of Transcall's and ATC's defenses that on April 1, 1990 Transcall and ATC "acquired the assets of Gabriel Telecommunications, Inc. which include the Miami billing system and Telus Communications, Inc.," and that therefore Transcall and ATC are "not liable for any claims or damages resulting from the acts or practices of Telus, or its practices or successors in interest, that occurred prior to April 1, 1990."

See response to number 17 with respect to the acquisition of Telus assets by Transcall. See response to number 38 with respect to the issue of liability for the prior acts of Telus.

42. All documents relating to the allegations in paragraph 13 of ATC's answer that it was dissolved as a corporate entity.

No documents exist responsive to this request. A public records request with the State of Delaware will provide TSI with the requested information.

43. All documents relating to the allegations in paragraph 5 of Transcall's and ATC's reply to TSI's affirmative defenses that: "ATC performed certain tasks, including acceptance of payments and the billing of customers, on behalf of Transcall."

Objection. See response to number 38.

44. All documents relating to the allegations in paragraph 4 of Transcall's and ATC's reply to TSI's affirmative defenses that: "By merger Transcall acquired the assets and customer basis of Telus and the obligation to provide long distance service to Telus customers. Postmerger, Transcall continued to provide such services pursuant to the original written agreement between Telus and TSI."

Objection. See response to number 38.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished by regular U.S. mail to: Wesley R. Parsons, Esq., 2601 S. Bayshore Drive, Coconut Grove, Florida, 33133-5419; and Monica Barone, Esq., Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850, this 6th day of January, 1998.



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EXHIBIT _____
(BS - 13)



1515 South Federal Highway
Suite 400
Boca Raton, FL 33432-7404
(407) 392-2244

May 14, 1992

Joel Esquenazi
TeleCommunication Services, Inc.
12217 SW 129 Court; Suite 200
Miami, Fl. 33186

Dear Joel:

In light of the fact that you have not complied any of the commitments we have mutually set forth, ATC must unfortunately discontinue your service, effective immediately.

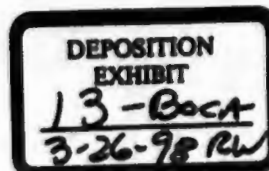
Although we would like our relationship to continue in a more positive light, you have given us no alternative but to proceed in this manner.

Sincerely,

Richard Alan Harding

Richard Alan Harding
Vice President
Carrier Sales

RH:n



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