



PREFERRED CARRIER SERVICES, INC.

DEPOSIT

DATE

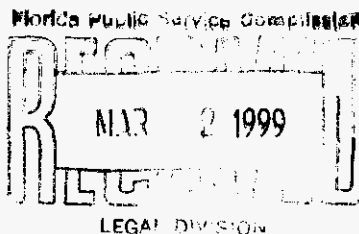
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MAR 03 1999

March 1, 1999

VIA FACSIMILE (850-413-6250) AND UPS NEXT DAY AIR

Martha Carter Brown, Esq.
Division of Legal Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oaks Boulevard
Tallahassee, Florida 32399-0850



RE: Docket No. 971485-TI - Preferred Carrier Services, Inc. d/b/a Phones For All and d/b/a Telefonos Para Todos

Dear Ms. Brown:

Enclosed is a check in the amount of \$10,000.00 payable to the Florida Public Service Commission for contribution to the general revenue fund of the State of Florida as agreed in the settlement agreement approved in the above referenced docket.

Please see that this payment is processed so as to be reflected in the Commission's records in this docket and pursuant to the settlement agreement. The next scheduled payment is to be of the same amount and made on June 1, 1999.

ACK Please contact me at 972-503-3388 or Mr. John Ellis or Ken Hoffman at 850-681-6788 should you have any questions concerning the foregoing.

AFA
APP Sincerely,
CAF PREFERRED CARRIER SERVICES, INC.

RAR
Kathy Bieganski

CMU
CTR
EAG
LEG Jeffrey J. Walker
LIN General Counsel

Jeffrey J. Walker
General Counsel

GPC Enclosure

c: John Ellis, Esq.
Rutledge, Ecenia, Underwood, Purnell & Hoffman

MAR 2 1999

DOCUMENT NUMBER-DATE
02689 MAR-39
FPSC-RECORDS/REPORTING



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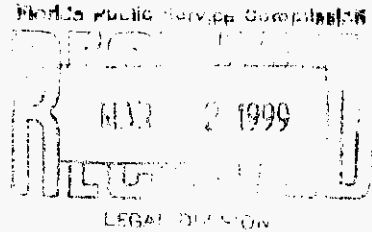
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Sincerely, PREFERRED CARRIER SERVICES, INC.

RAR
Kody Bieganski

PHONES FOR ALL, INC.
14681 MIDWAY ROAD, SUITE 105
DALLAS, TX 75244
972-503-3388

NATIONSBANK OF TEXAS
NATIONSBANK, N.A.
32-2/1110

12293

2/26/1999

PAY TO THE ORDER OF Florida Public Service Commission

\$ **10,000.00

Ten Thousand and 00/100*****

Florida Public Service Commission

119.07(1)(z), Florida Statutes: Bank account numbers or debit, charge, or credit card numbers given to an agency for the purpose of payment of any fee or debt owing are confidential and exempt from subsection (1) and s.24(a), Art. 1 of the State Constitution . . .

Handwritten signature

DOLLARS Security features included. Details on back.

MEMO Voluntary Contr

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against Preferred Carrier Services, Inc. d/b/a Telefonos Para Todos and d/b/a Phones For ALL for violation of Rule 25-4.118, F.A.C., Interexchange Carrier Selection.

DOCKET NO. 971485-TI
ORDER NO. PSC-98-1627-AS-TI
ISSUED: December 7, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER APPROVING OFFER OF SETTLEMENT

Preferred Carrier Services, Inc. d/b/a Telefonos Para Todos and d/b/a Phones For ALL (PCS), holder of Certificate No. 4407, is a provider of interexchange telecommunications service. PCS was certificated on March 22, 1996. PCS reported gross operating revenue of \$2,077,268 and intrastate revenues of \$245,793.19 on its Regulatory Assessment Fee Return for the period of January 1, 1997, through December 31, 1997. As a provider of interexchange telecommunications service in Florida, PCS is subject to the rules and regulations of this Commission.

From March 22, 1996, until August 31, 1998, the Division of Consumer Affairs closed a total of 53 complaints against PCS as unauthorized carrier change (slamming) infractions in apparent violation of Rule 25-4.118, Florida Administrative Code. Based on the number of complaints received by the Division of Consumer Affairs as apparent slamming violations, our staff opened this docket to investigate whether PCS should be required to show cause why it should not be fined or have its certificate canceled, pursuant to Section 364.285, Florida Statutes. However, prior to show cause proceedings, PCS submitted an offer to settle the case.

On February 18, 1998, and again on August 10, 1998, PCS met with our staff to discuss the pending show cause case. On October 29, 1998, PCS submitted its offer to settle. (Attached hereto and incorporated herein as Attachment A.) In its settlement offer PCS agreed to do the following:

1. PCS will not market long distance in Florida by written letters of agency for a total of two years. This time period would begin on March 1, 1997 (when PCS voluntarily ceased marketing) and continue through March 1, 1999.
2. PCS will make a voluntary contribution of \$50,000 to the General Revenue Fund in five installments of \$10,000. The payments will be due on December 1, 1998, March 1, 1999, June 1, 1999, September 1, 1999, and December 1, 1999.

We find that PCS's settlement offer satisfactorily addresses each of our concerns. Preferred Carrier Services voluntarily ceased its sweepstakes marketing activity in March of 1997. In addition, PCS has resolved all outstanding complaints. We do find it appropriate to approve PCS's request for the marketing restrictions to be effective from March 1, 1997, to March 1, 1999, since PCS voluntarily ceased the sweepstakes marketing that caused the customers' complaints.

Therefore, we find the terms of the settlement agreement to be fair and reasonable. Accordingly, the offer of settlement submitted by Preferred Carrier Services on October 29, 1998, is approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Offer of Settlement dated October 29, 1998, by Preferred Carrier Services, Inc. d/b/a Telefonos Para Todos d/b/a Phones For ALL is hereby approved. It is further

ORDERED that this docket shall remain open pending the remittance of the \$50,000 voluntary contribution. The voluntary contribution will be remitted in installments of \$10,000 due on December 1, 1998, March 1, 1999, June 1, 1999, September 1, 1999, and December 1, 1999. Upon remittance the \$50,000 settlement shall be forwarded to the Office of the Comptroller for deposit in the

ORDER NO. PSC-98-1627-AS-TI
DOCKET NO. 971485-TI
PAGE 3

State General Revenue Fund, pursuant to Section 364.285(1), Florida Statutes, and this docket will be closed administratively.

By ORDER of the Florida Public Service Commission this 7th day of December, 1998.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: /s/ Kay Flynn
Kay Flynn, Chief
Bureau of Records

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-850-413-6770.

(S E A L)

SOME (OR ALL) ATTACHMENT PAGES ARE NOT ON ELECTRONIC DOCUMENT.

CBW

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This

ORDER NO. PSC-98-1627-AS-TI
DOCKET NO. 971485-TI
PAGE 4

filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.