

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date March 19, 1999

Docket No. 990367-TI

- 1. Division Name/Staff Name Communications/Isler
- 2. OPR Communications/Isler
- 3. OCR Legal Services
- 4. Suggested Docket Title Request for Cancellation of IXC Certificate No. 3132 by LDM Systems, Inc.,
Effective 03/19/99

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

Stephen Steiner _____

2. Interested Persons and their representatives (if any)

6. Check one:

- Documentation is attached.
- Documentation will be provided with recommendation.

I:\PSC\RAR\WP\ESTDKT.

PSC/RAR 10 (Revised 01/96)

DOCUMENT NUMBER-DATE

03677 MAR 22 88

FPSC-RECORDS/REPORTING



OFFICE OF THE ATTORNEY GENERAL

THE CAPITOL

TALLAHASSEE, FLORIDA 32399-1050

ROBERT A. BUTTERWORTH
Attorney General
State of Florida

RECEIVED

MAR 15 1999

CMU

Reply to:
Office of the Attorney General
Economic Crimes Division
(850)414-3600; SunCom 994-3600

March 12, 1999

Mr. Rick Moses
Public Service Commission
Capital Circle Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: One Step Billing, Inc., et al.

Dear Rick:

Enclosed please find a copy of the settlement agreement executed with One Step Billing, Inc., Promark Telecommunications, Inc., and LDM Systems, Inc. Neil Sollinger signed the agreement on behalf of One Step Billing, Inc., and Louis Steiner signed on behalf of Promark Telecommunications, Inc. Mr. Steiner has also been a principal of LDM Systems, Inc., for a number of years.

If I can be of any further assistance to you, please do not hesitate to contact me.

Thank you for your attention to this matter.

Sincerely,

Mark S. Fistos
Assistant Attorney General

Enclosure

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is entered into on this 22nd day of February, 1997, between the Department of Legal Affairs, Office of the Attorney General ("OAG") and One Step Billing, Inc. ("OSBI"), LDM Systems, Inc. ("LDM"), and Promark Telecommunications, Inc. ("Promark," and together with OSBI and LDM, the "Respondents").

WITNESSETH:

WHEREAS, the OAG caused an investigation to be made into the marketing, sales and billing practices of Respondents;

WHEREAS, Respondents deny any liability or violation of law regarding same; and,

WHEREAS, Respondents and the OAG desire to conclude the investigation and reach an agreement that would fully and finally settle, resolve, and compromise the Matters Investigated concerning Respondents and all claims and causes of action against Respondents relating thereto.

NOW THEREFORE, in consideration of the premises and the mutual promises, agreements, covenants and obligations contained herein, and for other good and valuable consideration as stated herein, the receipt of which are hereby acknowledged, the OAG and Respondents hereby agree and stipulate to the following:

1. DEFINITIONS

1.1 The term "Consumer" shall mean each person whose Telephone Service Provider was changed to OSBI as result of telephone solicitations or other activities occurring or terminating in, or originating from, the State of Florida from January 1, 1997 to December 31, 1998.

1.2 The term "Investigation" shall mean the OAG's investigative case, number

L97-3-1300, which was opened on or about November 18, 1997. The "Matters Investigated" cover the time period from on or about January 1, 1995, through about December 31, 1998, and mean the marketing, sales, and billing practices of Respondents and their changing or combining of local or long distance Telephone Service Providers to LDM or OSBI as a result of telephone solicitations or other activities and alleged misconduct occurring or terminating in, or originating from, the State of Florida.

1.3 The term "Parties" as used in this Agreement shall collectively refer to Respondents and the OAG.

1.4 The term "Claim" shall mean any claims for fines, damages, losses, costs, and expenses, of any kind or character whatsoever, at law or equity, regarding the Matters Investigated.

1.5 The term "Telephone Service Provider" shall include and is synonymous with the terms "Primary Interexchange Company," "Interexchange Carrier," "Primary Interexchange Carrier," "Preferred Carrier," "Interexchange Company," "long distance company" and further the term "Telephone Service Provider" shall include and is synonymous with the term "Provider" as defined in Rule 25-4.003(42), Florida Administrative Code.

1.6 The term "Parents" shall mean any of the parent entities of LDM.

2. REPRESENTATIONS

2.1 LDM and OSBI represent and warrant that they are solvent and have good and sufficient funds available to meet fully all financial obligations called for in this Agreement.

2.2 LDM further represents and warrants that it has substantially complete and accurate records of the names, addresses, telephone numbers, payments and credits of customers

whose Telephone Service Providers were switched to LDM or OSBI as a result of telephone solicitations or other activities occurring or terminating in, or originating from, the State of Florida.

2.3 LDM represents and warrants it has fully satisfied, through rate adjustments, credits, change of Telephone Service Providers, or otherwise, substantially all complaining consumers whose Telephone Service Provider was changed to LDM as a result of telephone solicitations or other activities occurring or terminating in, or originating from, the State of Florida, from July 1, 1996 through June 16, 1997.

2.4 Respondents shall not, and they shall use their reasonable efforts to cause their representatives, employees, agents or any other person who acts under, by, through or on behalf of Respondents, directly or indirectly, or through any corporate or other device, not to represent or imply that any activity hereinafter used or engaged in by Respondents has been approved, in whole or in part, by the OAG, the State of Florida, or any subdivision thereof.

3. APPLICATION

3.1 The obligations of Respondents under this Agreement shall apply to and bind Respondents, individually and jointly. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective successors and assigns and LDM's Parents.

4. CONSUMER NOTIFICATION

4.1 Within thirty (30) days after execution of this Agreement, only LDM or its Parents shall cause the notification of each Consumer, in the form of a notification letter, blank Letter of Agency ("LOA"), and an addressed, return postage-paid envelope. A verbatim and true copy of said notification letter is attached hereto and incorporated as Exhibit "A." As stated in said

notification letter, LDM or its Parents shall clearly and prominently offer each Consumer the opportunity to change Telephone Service Providers at no charge to any company the customer desires. Said change request shall only be initiated by a written LOA which is in full compliance with Rule 25-4.118 of the Florida Administrative Code and 47 CFR s. 64.1150. LDM or its Parents shall submit any and all change requests immediately upon return of the LOA to LDM or its Parents. The return envelope provided with the notification must have LDM or its Parents' return address pre-printed in the space for addressee. Except as set forth in the text of Exhibit "A," Respondents shall in no way advertise, solicit or attempt to advertise or solicit through, by or concerning the notification letter, LOA, or return postage-paid envelope called for herein. Neither LDM nor its Parents shall include any additional materials with the notification materials sent to the Consumer and shall not disseminate or publish to Consumers any materials in any way related to the notification other than those called for under this Agreement. LDM or its Parents shall maintain copies of all LOA's and return envelopes in their records in accordance with state and federal law, and shall make any and all of them readily available at no charge to the OAG or any governmental entity in the State of Florida immediately upon request for a period of one year from the expiration of the ninety (90) day period set forth in paragraph 6.1.

4.2 LDM or its Parents alone shall administer the notification, any and all changes in Telephone Service Providers, and Respondents shall bear any and all costs associated with the notification and any and all changes in Telephone Service Providers requested by Consumers through the process set forth in this Agreement, including, but not limited to, costs of mailing and return postage, and fees or charges associated with any Consumer's change of Telephone Service Providers. General Counsel to LDM's Parents shall oversee and approve the

administration and execution of the notification and Telephone Service Provider change requests called for under this Agreement.

4.3 LDM or its Parents shall provide an accounting affidavit of the aforesaid notification to the OAG within thirty (30) days after the ninety (90) day period set forth in paragraph 6.1 has expired. Said accounting affidavit shall be in writing, and sworn to under oath by an officer of LDM's Parents. LDM or its Parents shall send the original accounting affidavit to Assistant Attorney General Mark S. Fistos, Office of the Attorney General, The Capitol PL-01, Tallahassee, Florida 32399-1050. The accounting affidavit shall include:

- A. A statement indicating the position and title of the affiant;
- B. A statement that the affiant is executing the affidavit on behalf of LDM or its Parents pursuant to this Agreement;
- C. A statement that LDM or its Parents have performed and successfully met all obligations set forth in paragraphs 4.1-4.3 of this Agreement;
- D. A statement of the total number of notifications sent to Consumers pursuant to this Agreement;
- E. A statement of the total number of LOA's received and submitted pursuant to this Agreement;
- F. A list containing the names, last known addresses and telephone numbers of all Consumers whose notification materials were returned by the postal service as undeliverable or who otherwise could not be notified; legible photocopies of the envelopes which were returned by the postal service as undeliverable, must be retained by LDM or its Parents and held subject to

inspection and copying by or for the OAG for a period of one (1) year after the ninety (90) day period called for in paragraph 6.1 of this Agreement has expired; and,

G. An incorporation by reference of a computer-formatted list containing the following:

(1) the full and complete names, addresses, and telephone numbers of each and every Consumer to whom LDM or its Parents sent notification materials pursuant to this Agreement; and,

(2) the full and complete names, addresses, and telephone numbers of each and every Consumer who returned an LOA to LDM or its Parents and whose Telephone Service Provider change request was thereby submitted;

Said incorporated list must be provided to the OAG on either a 3½-inch floppy disk, an Iomega zip disk, or a CD as a file in either Microsoft Access '95 format, MDF format, or any text delimited file, including ASCII delimited, which can easily be translated and readily useable by the OAG.

5. ATTORNEY'S FEES AND COSTS & TERMINATION OF INVESTIGATION

5.1 In consideration of the mutual agreements, conditions and covenants set forth herein, upon execution of this Agreement, Respondents shall pay to the OAG the sum of one million three-hundred-thousand dollars (\$1, 300, 000) as attorney's fees and costs. Said payment shall be made by cashier's or certified check, made payable to the "Legal Affairs Revolving Trust Fund" and delivered to Assistant Attorney General Mark S. Fistos, Office of the Attorney General, The Capitol PL-01, Tallahassee, Florida 32399-1050.

5.2 Upon acceptance of the Agreement by the Attorney General, payment of the sum specified in paragraph 5.1, and subject to Respondents' compliance with the terms of the Agreement, the OAG shall terminate the Investigation and shall not pursue any further investigation of or action or claims against Respondents, LDM's Parents, the past or present officers, directors, and employees of Respondents, and LDM's Parents, regarding the Matters Investigated.

6. CANCELLATION

6.1 Within ninety (90) days of execution of this Agreement, Promark, LDM, and OSBI shall wind up their affairs in the State of Florida and cause the cancellation of any and all certificates issued by or through the Florida Public Service Commission. Cancellation shall be made pursuant to Rule 25-24.474 of the Florida Administrative Code. Thereafter, Promark, LDM, and OSBI shall cease any and all business activities in or from the State of Florida, except those necessary to comply with the terms and conditions of this Agreement. However, Promark, LDM and OSBI may prosecute, defend or otherwise represent their interests in any legal or administrative proceeding.

7. CATCH-ALL PROVISIONS

7.1 The Parties agree that venue for any and all matters or disputes arising out of this Agreement shall lie solely in Leon County, Florida.

7.2 Respondents shall not effect any change in their form of doing business or their organizational identity as a method of avoiding the terms and conditions set forth in this Agreement.

7.3 This Agreement shall become effective upon its acceptance by the Attorney

General, who may refuse to accept it at his discretion. The receipt or deposit by the OAG of the monies called for in paragraph 5.1 of this Agreement does not constitute acceptance by the OAG, and such monies received will be immediately returned if the Attorney General does not accept this Agreement.

7.4 This Agreement constitutes the entire agreement between Respondents, on the one hand, and the OAG, on the other hand, with regard to terminating the Investigation and resolving the Matters Investigated, and all prior negotiations and understandings between Respondents, on the one hand, and the OAG, on the other hand, shall be deemed merged into this Agreement.

7.5 No representations, warranties, or inducements have been made to the Parties concerning this Agreement other than those representations, warranties, and covenants contained in this Agreement.

7.6 No waiver, modification or amendment of the terms of this Agreement shall be valid or binding unless made in writing, signed by the Party to be charged and then only to the extent set forth in such written waiver, modification, or amendment.

7.7 Any failure by any Party to the Agreement to insist on strict performance by any other Party of any provision of the Agreement shall not be deemed a future waiver of any of the provisions of this Agreement, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

7.8 This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Florida, including, but not limited to, its conflict of law principles.

7.9 If any clause, provision, or section of the Agreement shall, for any reason, be held

illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Agreement, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

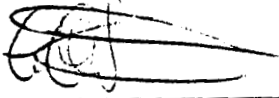
7.10 With regard to their business conduct, Respondents deny any liability, wrongful acts, or violation of law, and enter into this Agreement without any admission of liability, wrongful acts, or violation of law.

7.11 Each of the Respondents has caused this Agreement to be executed by its respective authorized representative, as a true act and deed, as of the date affixed next to his signature. Said representative and Respondents respectively affirm and warrant that he is acting in his capacity and within his authority as corporate officer of each respective Respondent, and on behalf of each of its Florida locations and that by his signature said representative is binding Respondents to the terms and conditions of this Agreement. Each Respondent further represents that it has been represented by separate counsel of its choice in connection with this Agreement and each Respondent is fully satisfied with the representation of its counsel. This Agreement

(Continued on Next Page)

shall become effective upon its execution by all of the undersigned. The Parties may execute this Agreement in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument.

Promark Telecommunications, Inc.



By: Louis A. Steiner
Title: SECRETARY

Dated: 2/17/99

One Step Billing, Inc.

By: Neil D. Sollinger
Title:

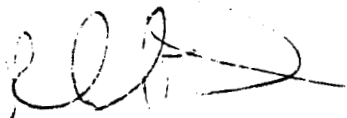
Dated: _____

LDM Systems, Inc.

By: Mark Hirschhorn
Title:

Dated: _____

OFFICE OF THE ATTORNEY GENERAL



By: Richard Doran
Deputy Attorney General

Dated: 3-22-99

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Promark Telecommunications, Inc.

By: Louis A. Steiner
Title:

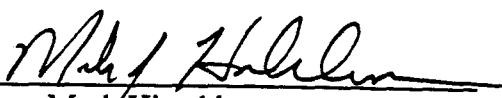
Dated: _____

One Step Billing, Inc.

By: Neil D. Sollinger
Title:

Dated: _____

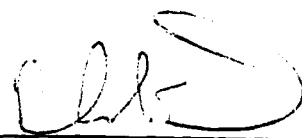
LDM Systems, Inc.



By: Mark Hirschhorn
Title:

Dated: FEB. 16. 1999

OFFICE OF THE ATTORNEY GENERAL



By: Richard Doran
Deputy Attorney General

Dated: 2-22-99

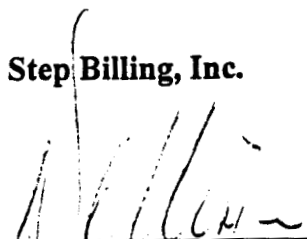
shall become effective upon its execution by all of the undersigned. The Parties may execute this Agreement in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument.

Promark Telecommunications, Inc.

By: Louis A. Steiner
Title:

Dated: _____

One Step Billing, Inc.



By: Neil D. Sollinger AS
Title: PRESIDENT

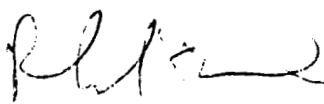
Dated: 2/16/99

LDM Systems, Inc.

By: Mark Hirschhorn
Title:

Dated: _____

OFFICE OF THE ATTORNEY GENERAL



By: Richard Doran
Deputy Attorney General

Dated: 2-22-99

NOTICE OF OSBI CUSTOMERS

Dear Customer:

We are writing to inform you, a long distance telecommunications customer of One Step Billing, Inc. ("OSBI"), of the recent acquisition of certain of OSBI's assets, including its customer base, by RSL COM U.S.A., Inc. ("RSL USA") which is a subsidiary of RSL Communications, Ltd. (a publicly traded corporation NASDAQ: RSLCF), a global telecommunications company with operations in 21 countries, serving 850,000 customers worldwide.

To eliminate confusion and ensure continuity of service, your long distance service will be maintained in accordance with OSBI's existing tariffs until RSL USA has received formal regulatory approval for the acquisition of OSBI's assets. At such time, you will begin receiving service in accordance with RSL USA's tariffs and you will also begin to receive billing statements for your services under the RSL USA name. Let me assure you that, as a result of the acquisition, your service will not be effected and the rates that you currently pay will not be changed.

We would also like to inform you that under federal and state law, you have the right to switch your long distance or local exchange carrier at any time. In the event that you want to change your long distance carrier, you may fill out the enclosed card which will permit you to make such a change and return it in the enclosed postage paid envelope to the address indicated on the card. There will be no cost to you in making this change.

We understand that change can instigate concerns and questions. Should you have any questions regarding your service, please feel free to call us at our toll-free number 1-800-266-2006.

We look forward to serving you.

