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**ORIGINAL**

June 4, 2001

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JUN - 4 PM 4:36  
RECORDING AND

**BY HAND DELIVERY**

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

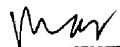
RE: Docket No. 010564-TX

Dear Ms. Bayó:

During a conference with Commission Staff regarding this docket, Talk America, Inc., f/k/a Talk.com Holding Corp. d/b/a Network Services d/b/a The Phone Company and The Other Phone Company d/b/a Access One Communications ("Talk America" collectively), was requested to provide an analysis of consumer complaints which had been filed with the PSC. That analysis has been completed and is attached hereto.

The analysis represents work product of Talk America and certain information contained within the analysis and exhibits is considered confidential and proprietary business information that should be exempt from public disclosure. Pursuant to section 364.183(1), Florida Statutes, Talk America herewith claims that certain information contained in the analysis prepared at the request of Staff contains information considered to be and treated as proprietary, confidential business information exempt from section 119.07(1) and section 24(a), Article 1, of the State Constitution. Pursuant to Rule 25-22.0006(5), Florida Administrative Code, in the attached envelope identified as Exhibit "A" is one paper copy of Talk America's response with the confidential information highlighted. Attached as Exhibit "B" are two paper copies of Talk America's response with the confidential information redacted. Parties of record are being provided a copy of the redacted filing.

RECEIVED & FILED

  
FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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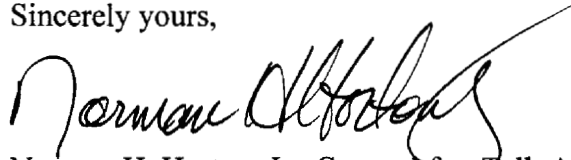
FPSC-RECORDS AND REPORTING

Ms. Blanca Bayó  
June 4, 2001  
Page 2

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Norman H. Horton, Jr.", with a long, sweeping flourish extending to the right.

Norman H. Horton, Jr., Counsel for Talk America, Inc.

NHH/amb  
Enclosures

cc: Charles Beck, Esq.  
Mary Ann Helton, Esq.  
Francie McComb, Esq.  
Steven A. Augustino, Esq.  
Mr. Rick Moses  
Mr. Ray Kennedy

**TALK AMERICA ANALYSIS OF CUSTOMER COMPLAINTS FILED WITH THE**  
**FLORIDA PUBLIC SERVICE COMMISSION**  
**JUNE 1, 2001**

The following Analysis provides a brief narrative of the genesis of Talk America Inc. ("the Company"), its service offerings and its corporate growth since its founding in 1989. In addition, this Analysis identifies and analyzes the various issues and problems that the Company has encountered in the past year, as it embarked upon its mission to offer facilities-based local exchange services via an unbundled network element platform ("UNE-P") to its existing long distance and international telecommunications service offerings. This Analysis also describes the solutions that the Company has implemented to address these areas of concern and to avoid repeat occurrences of these or similar problems in the future.

**I. BACKGROUND AND HISTORY OF COMPANY**

**A. LONG DISTANCE SERVICES**

On May 17, 1989, Tel-Save, Inc. ("Tel-Save") was incorporated in the State of Pennsylvania as a close corporation for purposes of reselling long distance services throughout the United States. Tel-Save subsequently entered into an exclusive agreement with AT&T to provide Tel-Save with the network services necessary to enable it to expand its service offerings to customers nationwide. Tel-Save provided services via the resale of AT&T's Software Defined Network ("SDN"). This agreement between Tel-Save and AT&T formed the first carrier-to-carrier relationship in the history of the telecommunications industry to allow a non-facilities-based carrier to resell AT&T's facilities under the reseller's name.

On June 9, 1995, Tel-Save Holdings, Inc. ("Tel-Save Holdings") was incorporated in the State of Delaware. On April 26, 1999, Tel-Save Holdings became Talk.com Inc.

On September 21, 1995, the majority shareholders of Tel-Save contributed their shares in Tel-Save to Tel-Save Holdings, which consummated an initial public offering on the same date. At that time, Tel-Save Holdings became a publicly-traded company on the NASDAQ under the call letters of TALK. This additional financing enabled Tel-Save to become a facilities-based interexchange carrier ("IXC") and to invest millions of dollars to develop its One Better Network ("OBN").

Tel-Save's OBN features five (5) Company-owned Lucent 5ESS-2000 switches connected with AT&T digital transmission facilities. To ensure the quality and reliability that customers demand, OBN utilizes:

- AT&T Transmission facilities (leased lines)
- AT&T-Provided Operator Services
- AT&T World Wide Intelligent Network
- ACUS Bill Manager Service

OBN remains the network used by the Company at present.

On February 22, 1997, Talk.com announced an exclusive agreement with America Online and became the first telecommunications company to offer its services via an online "paper-less" sign-up program, which, by eliminating billing, maintenance and collections charges, has enabled the Company to market its telecommunications services at highly-competitive rates. Through this arrangement, America Online's customers and those that sign up directly for Talk.com's services on-line are charged for telephone calls on their credit card in lieu of receiving a phone bill in the mail. In addition to saving billing-related costs, this "paper-less" billing system enables customers to view their call detail and telephone billing information through the Internet in "real time" – that is, within minutes of placing a call, customers may view a call's details on-line. Such "real time" monitoring assists customers in keeping track of their monthly telephone bills and of the individuals making calls from their billing telephone numbers ("BTNs"), etc. On May 1, 2001, the Company announced that its relationship with America Online will continue on a non-exclusive basis through June 2003.

The agreement with America Online has enabled Talk to offer a variety of low cost monthly service plans to its long distance customers. For example, its most popular plan offers long distance calls for 5¢/minute with a \$5.95 monthly service fee.

On May 21, 1999, Tel-Save changed its name to Talk.com Holding Corp. ("Talk.com"), the operating subsidiary of the holding company parent, Talk.com Inc. At its peak, Talk.com offered long distance services to approximately two (2) million customers nationwide, the vast majority of which are residential customers. That same year, Tel-Save Holdings changed its name to Talk.com, Inc.

## **B. ENTRY INTO LOCAL EXCHANGE SERVICES MARKET**

In early 2000, Talk.com determined that its long distance residential customer base was interested in purchasing local exchange services from the Company, as a means of one-stop, bundled telecommunications shopping at low cost prices. With that in mind, the Company undertook to acquire a local exchange company that had operated a successful local telecommunications business on a UNE-P basis. The Company with the most UNE-P experience and the best corporate fit with Talk.com was Access One Communications, Inc. ("Access One"), a privately-held, facilities-based, local telecommunications service provider that has offered local exchange services since 1997 to mostly small and medium-sized business customers in those states served historically by BellSouth (*i.e.* Florida, Georgia, North Carolina, Alabama, Mississippi, Tennessee, South Carolina and Kentucky and Louisiana).

On March 24, 2000, prior to its actual acquisition of Access One, Talk.com entered into a Services Agreement that enabled it to market Access One's local exchange services in certain states before the merger was completed. In August 2000, Talk.com completed the merger with Access One. Through this merger, Talk.com acquired approximately 50,000 local exchange customers -- including a small residential customer base -- which enabled it to capitalize on the

growing opportunity to build a fully-integrated telecommunications network, offering both local and long distance services to small businesses and residential consumers.

The merger has enabled the Company to offer a variety of bundled local and long distance package offerings to its primarily residential subscribers at competitive, low cost rates. Recently, for example, the Company introduced a new plan that includes unlimited local and intraLATA calling, up to 1000 minutes of free long distance calling to other Talk America bundled customers, and 200 minutes of free state-to-state and interLATA long distance calling to non Talk America customers -- all for one flat fee. The Company also recently introduced a test plan to its existing customers in certain states outside of Florida that enables such customers to select a lower price plan through which customers pay for all intraLATA calls over 200 minutes for a lower monthly fee. Through low cost calling plans such as these, Talk America's customers may select the plan best-suited to their individualized calling needs.

### **C. NAME CHANGE TO TALK AMERICA**

On April 9, 2001, Talk.com, Inc., the parent company of Talk.com Holding Corp., changed its name to Talk America Holdings, Inc. Subsequently on April 11, 2001, Talk.com Holding Corp. changed its name to Talk America Inc.<sup>1</sup> These name changes were conducted to effect an internal corporate restructuring that began last summer with the acquisition of Access One and to reflect the Company's goal to provide bundled telecommunications services to residential customers coast-to-coast.

As of this date, the Company has a total of approximately 270,000 local exchange customers in the following states: California, Florida, Georgia, Louisiana, Michigan, Mississippi, New York, North Carolina, Oklahoma, Pennsylvania, Tennessee, Texas and Virginia. Talk America has approximately 1.5 million long distance customers nationwide with a principal target market is that of residential customers.

## **II. DESCRIPTION OF PROBLEM AREAS IDENTIFIED BY TALK AMERICA AND THE IMPLEMENTATION OF SOLUTIONS TO ADDRESS THESE PROBLEMS**

As the Florida Public Service Commission ("Commission") will see from this Analysis and from the Florida Complaint Analysis Chart Exhibits appended hereto, without question, the Company experienced a few substantial hiccups over the past year in its progression from its successful resale long distance telecommunications operations to an integrated, facilities-based local and long distance operation. The critical time period within which the bulk of the problems occurred was the period between May-November 2000. During this timeframe, the Company entered into its Services Agreement with Access One to market local exchange services, formally acquired Access One, and began to consolidate its local and long distance operations so that it could market, provision and bill for its facilities-based local exchange services via a UNE-P network.

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<sup>1</sup> The Commission was notified of this name change on May 4, 2001, and an order approving this name change is scheduled to be issued on June 14, 2001.

The rapid acceleration of the Company's entry into facilities based local exchange services unfortunately resulted in the occurrence of a variety of unexpected problems relating to four (4) primary areas: billing, issuance of promotional checks, provisioning and cancellation. In addition, the Company has found that approximately 20% of the complaints it has received involve customer claims of disputed authorizations for which Company has a valid authorization from the subscriber.<sup>2</sup>

As the Company began offering local exchange services to its customers on a facilities-basis, it found that it was not fully prepared to provide service to such a large customer base. As a result, its provisioning time frames were slower than expected, its billing systems were inadequate, and it encountered unanticipated difficulties in mirroring the ILEC local calling plans that it had intended to offer to its local exchange customers. Talk America also discovered that the UNE-P experience of Access One's management, while significant, did not transition easily into the residential market. Many of the provisioning problems experienced by the Company following its August 2000 acquisition of Access One were a function of the existence of an inadequate number of properly-trained personnel during its transition from a small, order-a-day company (Access One) to a much larger but more systematic company that processes up to orders per day (Talk America).

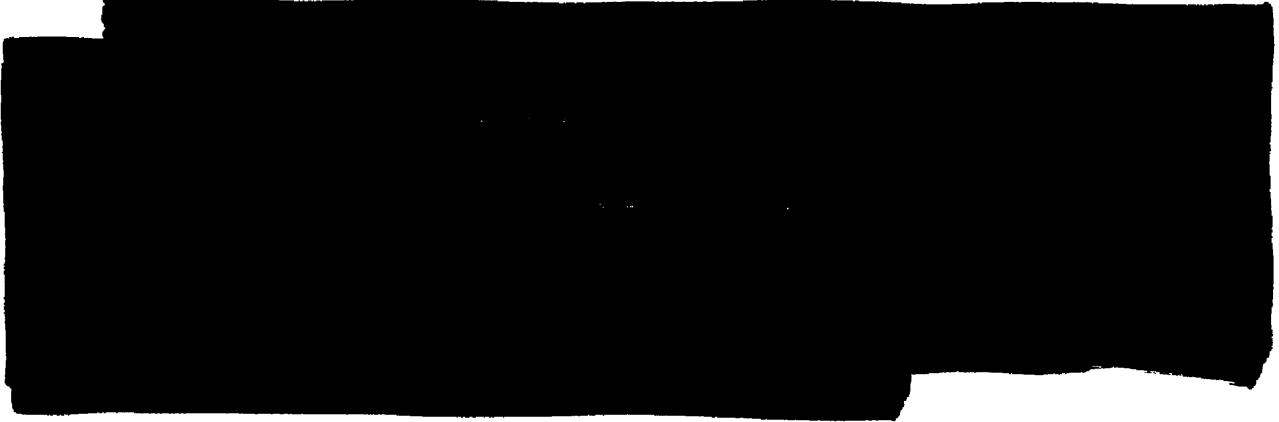
In short, the Company found itself unable to keep pace with the ordering, billing and provisioning of service to the residential local exchange customers who were ordering services from the Company. In an effort to curtail and correct these unexpected problems, since the Fall of 2000, the Company has implemented a number of new procedures and processes, which are described in detail below. The Company has spent millions to train and improve its customer services, expand and updated its provisioning and billing ("back office") systems and cultivate customer goodwill through refunds and credits to customers affected by billing, provisioning, cancellation and promotional check mismatch problems.

As the Charts demonstrate, these efforts clearly have been making a difference, both in customer satisfaction and corporate revenues.

As the Commission will see in *Exhibit C, Florida Complaint Analysis, Complaints by Date of Sale*, it is important to note that the bulk of the complaints that the Company has received from its customers in Florida stem from dates of sale that occurred within the May-November 2000 time period. As *Exhibit C* reveals, the dates on which customers have complained to the Commission (which are depicted in *Exhibit B, Complaints by Date Received*), generally are not at all related to the dates on which the Company actually sold or marketed service to the complainants. Accordingly, the significant numbers of complaints that the Commission now is receiving (and has been receiving over the past few months) are a result of sales made by the Company from approximately May-November 2000. As a result, what, at first glance, looks to be a growing problem for the Company, in actuality is the progression of a

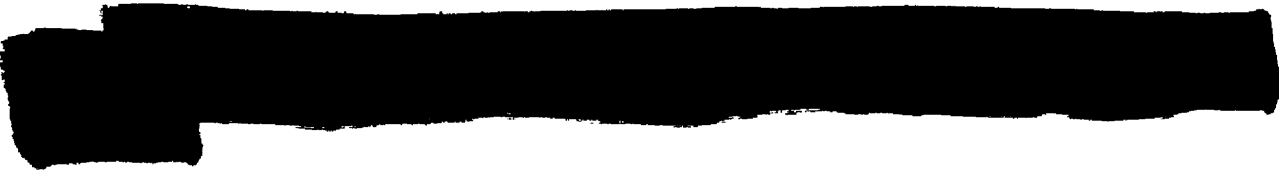
<sup>2</sup> See Exhibit A, Florida Complaint Analysis, Complaints by Type.

process in which customers complaints from this relevant time period continue to wash through the Commission's complaint system.



The specific problems that the Company encountered during the May-November 2000 time period are identified and explained in detail as follows, together with the solutions and procedures that the Company has undertaken to correct these problems and prevent any future occurrence.

**A. BILLING**



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**B. DISPUTED AUTHORIZATIONS**

The Company employs a strict, zero-tolerance policy toward slamming, cramming, misrepresentation and any other conduct that violates any applicable law. All independent contractors (telemarketers and third party verification (“TPV”) entities) have been notified of the zero-tolerance practice. All direct agents of the Company receive extensive training and monitoring in the Company’s compliance procedures and have been separately notified of the zero-tolerance policy.

[REDACTED]

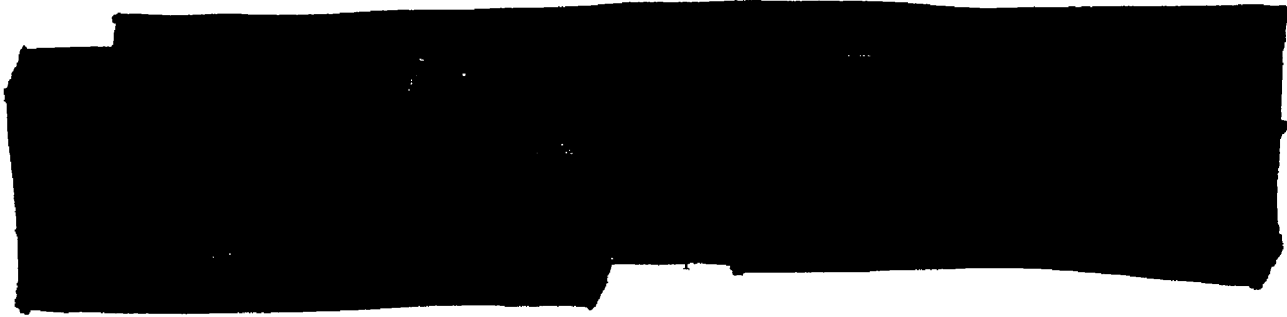
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



**C. PROMOTIONAL CHECK MISMATCHES**

In the past year, prospective customers of Talk America have, at times, received promotional checks in which the phone number on the check does not match the name of the person who signed the check (or authorized the switch). In recognition of this problem, Talk America has implemented new procedures to improve the accuracy attending its issuance of promotional checks. These procedures are designed to discover mismatched names/phone numbers *prior to* the mailing of these checks to its prospective customers.



[REDACTED]

[REDACTED]

**D. PROVISIONING**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

E. CANCELLATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### III. CONCLUSION

As this Analysis demonstrates, Talk America is committed to resolving, as much as is within its control, the operational problems that have occurred as a result of its entry into the provision of facilities-based local exchange service. As the Complaint Analysis Charts illustrates, the vast majority of the complaints filed as a result of these problems stem from dates of sale that occurred prior to November 2000. Where the Company has been able to rectify its problems, it has used any and all means necessary, without regard to expense or hardship, to do so, in order to comply fully with all state and federal regulations and to satisfy the needs and desires of its subscribership. While the Company believes that most of the fixes relating to the five primary areas of complaints have been successfully implemented, [REDACTED]

[REDACTED] Notwithstanding this fact, the Company is fully committed to undertake any means feasible to expeditiously correct the problems identified herein, or any that occur in the future, and is happy to entertain any suggestions that the Commission may have in this regard.

EXHIBIT "A" FILED AS CONFIDENTIAL DOCUMENT



EXHIBIT "B" FILED AS CONFIDENTIAL DOCUMENT

EXHIBIT "C" FILED AS CONFIDENTIAL DOCUMENT

EXHIBIT "D" FILED AS CONFIDENTIAL DOCUMENT

EXHIBIT "E" FILED AS CONFIDENTIAL DOCUMENT

EXHIBIT "F" FILED AS CONFIDENTIAL DOCUMENT

EXHIBIT "G" FILED AS CONFIDENTIAL DOCUMENT

EXHIBIT "H" FILED AS CONFIDENTIAL DOCUMENT

September 15, 2000

Addr1  
Addr2  
Addr3

Dear Sirs:

This letter is in regard to a recent invoice you may have received from Talk.com in August 2000 and again in September 2000. The invoice may contain inaccurate billing information. **Please ignore these invoice, you do not have to pay them.** We are in the process of correcting this error and changing our procedures to ensure that this does not happen again. We sincerely apologize for any inconvenience this situation may have caused.

**Talk.com has canceled all of these erroneous invoices** and will not attempt to collect any of the monies due. **Your credit record will not be affected.** Our customer service centers have been instructed in the proper procedures for handing this situation. If you have any questions, please call us toll-free at 1-877-825-5003. This hot-line was set up specifically for this situation.

As one of the leading consumer long distance companies, with over 1.4 million satisfied customers, we are deeply concerned with the negative impression this error may have created. We are therefore offering to give you **\$25 worth of free long distance service**, as our way of saying, "we are very sorry" for this unfortunate event. This special offer however, is only available to consumers who have received an inaccurate invoice. Simply call our special customer service number 1-877-825-5003 and sign up to receive this \$25 credit off your next long distance bill. Again, we apologize for this error and hope you will take advantage of this free credit on long distance calling.

Sincerely,

Greg Luff  
Director, Customer Service



[Date, 2000]

Dear Sirs:

This letter is in regard to a recent billing error experienced by certain consumers from Talk.com Holding Corp. ("Talk.com"). Talk.com is in the process of correctly identifying the affected customers, crediting the accounts of existing customers, stopping additional erroneous billing and preventing a reoccurrence of the problem.

#### Situation

Starting on or about June 1, 2000 Talk.com appears to have sent certain erroneous billing data to our outside billing house for invoicing. Approximately 110,000 accounts may have received inaccurate invoices.

In summary, the affected customers did make the calls as indicated by the call detail, however three mistakes may have occurred. First, Talk.com incorrectly rated these call records as 1+ presubscribed accounts and therefore certain monthly recurring fees associated with 1+ traffics were incorrectly calculated and added to the invoice. Secondly, certain "old" calls, (those which occurred over 90 days from the billing date) were inadvertently sent to the billing house. Lastly, Talk.com seems to have generated a second and in a few cases a third, set of erroneous invoices for these account. This happened because they appeared in the billing system as valid 1+ presubscribed accounts. The first sets of incorrect invoices are dated June 2000; the second batches are dated July 2000. Less than 2,000 received a third invoice dated in August 2000, before we caught the error.

Apparently the affected calls are for "casual calling" traffic, that being calls made by dialing a long distance call from a home telephone number without being presubscribed to a long distance carrier. In these cases, the caller first dials a 101XXXX code and then the terminating telephone number. These call are generally then billed to the customer through an arrangement with the local exchange carrier. In this case, Talk.com directly invoiced the call detail to the end-users, and not through the local exchange carrier. Unfortunately, Talk.com mis-coded these call records in the billing system and they were billed as 1+ presubscribed traffic. This resulted in calls being rated at standard 1+ presubscribed rates with the associated 1+ monthly recurring fees, PICC, USF and various federal and local taxes. These calls should have been rated as "casual calling" records and therefore not subject to these same recurring charges.

Talk.com will cancel all of these erroneous invoices and will not attempt to collect any of the monies due from these invoices. Moreover, the company will return any collected

monies to customers who may have already paid these invoices. Our customer service centers have already been instructed in the proper procedures for handling any customer that calls to discuss this situation. We have set up a special hot-line 800 number to handle the anticipated calls. The number is 877-825-5003.

In order to remedy this situation; Talk.com is taking the following action.

- We are attempting to correctly identify the call records and customers who were erroneously billed. This is complicated by the fact that these call records were commingled with existing 1+ presubscribed traffic which was rated and billed correctly.
- Once this is completed we will send a letter to all effected customers telling them to please ignore the invoices that they received from Talk.com during this period.
- We will offer these customers a special \$25 additional credit for free long distance calling as our "apology" for mis-billing these customers. An explanation of how to redeem this offer will be included in the letter. (see attached)
- Lastly, we are changing our data processing system to prevent a reoccurrence of this problem. This will stop a similar mis-coding problem from effecting future "casual calling" traffic billed through our system.

We sincerely apologize for any inconvenience this situation may have caused. We will be glad to answer any questions that you may have regarding this unfortunate incident.

Sincerely;

Tina Tecce  
Director, Regulatory Affairs

March 28, 2001

Mr. Brian U. Ray  
Executive Secretary  
Mississippi Public Service Commission  
Walter Sillers State Office Building 550 High Street  
Jackson, MS 39201

To Whom It May Concern:

This letter is to inform you of a potential billing error affecting certain consumers of Talk.com Holding Corp. ("Talk.com"). Talk.com found this error in the current monthly billing cycle and is taking all necessary steps to rectify the situation. Moreover, we have applied credits to the affected accounts, are refunding any mistakenly collect monies and are actively working on a permanent solution to the problem.

Summary of Problem

During the March 2001 billing cycles, Talk.com mistakenly sent certain erroneous billing information to our outside billing house for invoicing. Approximately 3050 customers were affected by this error in Mississippi.

Essentially, the affected customers had previously been suspended in our billing system and flagged for special treatment. Due to human error, these customers inadvertently were put back into the regular billing system.

Apparently most of the affected customers should have been classified as "casual callers," those being callers who make long distance calls from their home telephone numbers without being presubscribed to Talk.com as their primary long distance carrier. In these cases, the caller first dials one of our 101XXXX codes and then the terminating telephone number. These calls then generally are billed to the customer through an arrangement with the local exchange carrier. In this case, Talk.com directly invoiced the call detail to the end-users, and not through the local exchange carrier. Unfortunately, Talk.com correctly suspended the customer's call detail but then inadvertently re-coded the calls and billed them as 1+ presubscribed traffic. This resulted in calls being rated at our standard 1+ presubscribed rates with the associated 1+ monthly recurring fees, Local Connect Surcharge (LCS), federal universal service fund ("USF") surcharge, and various federal and local taxes. These calls should have been rated as "casual calling" records and therefore not subject to these same recurring charges.

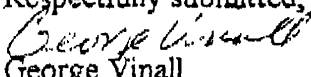


### Resolution

In order to remedy this situation; Talk.com is taking the following action:

- Talk.com has canceled all of these erroneous invoices and will not attempt to collect any of the monies due from these invoices.
- Our customer service centers have been instructed in the proper procedures for handling any customer that call to discuss this situation. We have set up a special toll-free number, 877-825-5003, to handle the anticipated calls.
- Talk.com has correctly identified the call records and customers who were erroneously billed. We have contacted or are in the process of contacting each of these customers by telephone to explain the situation and to instruct them to ignore the invoices.
- We are sending a letter to all affected customers asking them to ignore the invoices and explaining our mistake. A copy of this letter is enclosed herein.
- Lastly, we are changing our data processing procedures to prevent a reoccurrence of this problem. Specifically, we will actively move these customers into a new billing file that will permanently remove them from the monthly 1+ billing rounds.

We sincerely apologize for any inconvenience that this situation may have caused. Please do not hesitate to contact the undersigned with any questions or concerns that you may have regarding this matter.

Respectfully submitted,  
  
George Vinall  
Executive Vice President  
External Affairs  
703-391-7503  
[gvinall@talk.com](mailto:gvinall@talk.com)



TALK.com Holding Corp  
6805 Route 202  
New Hope, PA 18938

March 28, 2001

Dear TALK.com Customer:

Over the last few days our customer service representatives have attempted to contact you regarding a recent invoice you may have received from Talk.com in March 2001. We are sending this letter now as a reminder that this invoice may contain inaccurate billing information. **Please ignore this invoice, do not pay it.** We are in the process of correcting this billing error and changing our procedures to ensure that this does not happen again. We sincerely apologize for any inconvenience this situation may have caused.

**Talk.com has cancelled all of these erroneous invoices** and will not attempt to collect the amounts billed in error. Moreover we will refund any mistakenly collected monies from customers who may have already paid these invoices. **Your credit record will not be affected.** Our customer service centers have been instructed in the proper procedures for handling this situation. If you have any questions, please call us at **1-877-825-5003**. This hot-line was set up specifically for this situation.

As one of the leading consumer long distance companies, with over 1.4 million satisfied customers, we are concerned with the negative impression this error may have created. Please do not hesitate to call us with any questions or concerns you may wish to express. Again, we apologize for this error and any inconvenience this may have caused.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Earnhart". The signature is written in a cursive, flowing style.

Jeff Earnhart

Vice President, Customer Service



March 28, 2001

Mr. Brian U. Ray  
Executive Secretary  
Mississippi Public Service Commission  
Walter Sillers State Office Building 550 High Street  
Jackson, MS 39201

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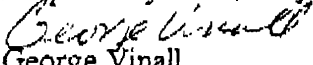


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We sincerely apologize for any inconvenience that this situation may have caused. Please do not hesitate to contact the undersigned with any questions or concerns that you may have regarding this matter.

Respectfully submitted,  
  
George Vinall  
Executive Vice President  
External Affairs  
703-391-7503  
[gvinall@talk.com](mailto:gvinall@talk.com)



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6805 Route 202  
New Hope, PA 18938

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Over the last few days our customer service representatives have attempted to contact you regarding a recent invoice you may have received from Talk.com in March 2001. We are sending this letter now as a reminder that this invoice may contain inaccurate billing information. **Please ignore this invoice, do not pay it.** We are in the process of correcting this billing error and changing our procedures to ensure that this does not happen again. We sincerely apologize for any inconvenience this situation may have caused.

Talk.com has **cancelled** all of these erroneous invoices and will not attempt to collect the amounts billed in error. Moreover we will refund any mistakenly collected monies from customers who may have already paid these invoices. **Your credit record will not be affected.** Our customer service centers have been instructed in the proper procedures for handling this situation. If you have any questions, please call us at **1-877-825-5003**. This hot-line was set up specifically for this situation.

As one of the leading consumer long distance companies, with over 1.4 million satisfied customers, we are concerned with the negative impression this error may have created. Please do not hesitate to call us with any questions or concerns you may wish to express. Again, we apologize for this error and any inconvenience this may have caused.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeff Earhart". The signature is fluid and cursive, written over the printed name.

Jeff Earhart  
Vice President, Customer Service



EXHIBIT "K" FILED AS CONFIDENTIAL DOCUMENT