

DIVIDER

STATE OF NORTH DAKOTA

□ INFORMATION TECHNOLOGY DEPARTMENT

SFN 2053 (4-2002)

PU-06-378

**Public Service Commission
vs. Communications Network Billing, Inc.
Complaint**

Filed 8/24/2006

Closed 1/22/2007

06

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission
Communications Network Billing, Inc.
Ex Parte Cease & Desist

Case No. PU-06-373

Public Service Commission
vs. Communications Network Billing, Inc.
Complaint

Case No. PU-06-378

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Patricia Miller deposes and says that:

she is over the age of 18 years and not a party to this action and, on the 4th day of January, 2007, she deposited in the United States Mail, Bismarck, North Dakota, two envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

Order

The envelopes were addressed as follows:

Communications Network Billing Inc
895 Dove St 3rd Fl
Newport Beach CA 92660-2941
Cert. No. 7005 1820 0002 3242 3723

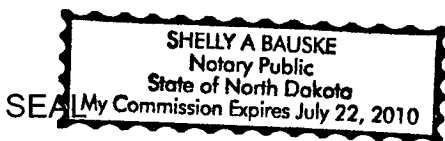
TCS Corporate Services Inc
400 E Bdwy Ste 102
Bismarck ND 58501-4039
Cert. No. 7005 1820 0002 3242 3730

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Patricia Miller

Subscribed and sworn to before me
this 4th day of January, 2007.

Shelly A Bauske
Notary Public



**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Public Service Commission
Communications Network Billing, Inc.
Ex Parte Cease & Desist**

Case No. PU-06-373

**Public Service Commission
vs. Communications Network Billing, Inc.
Complaint**

Case No. PU-06-378

ORDER

December 29, 2006

Preliminary Statement

On August 25, 2006, the Public Service Commission staff (Staff) filed a Complaint with the Public Service Commission (Commission) alleging that Communications Network Billing, Inc. had been conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota in violation of N.D.C.C. § 49-21-02.4(2), and that Communications Network Billing, Inc. was in violation of the provisions of N.D.C.C. § 49-03.1-09 for failing to apply to register with the Commission as a telecommunications company as required by that section.

On August 25, 2006, the Commission issued a Cease and Desist Order against Communications Network Billing, Inc. ordering the entity to Cease and Desist all marketing activities involving the unauthorized change of telecommunications service providers within the State of North Dakota. A Notice of Opportunity for Hearing was also issued by the Commission advising Communications Network Billing, Inc. that it had an opportunity to request a hearing on the Cease and Desist Order within fifteen days of the issuance of the Cease and Desist Order.

On August 28, 2006, the Complaint, Cease and Desist Order, and Notice of Opportunity for Hearing were served by certified mail on Communications Network Billing, Inc., 895 Dove Street, 3rd Floor, Newport Beach, California 92660-2941, and on TCS Corporate Services, Inc., 400 East Broadway, Suite 102, Bismarck, North Dakota, the North Dakota registered agent for Communications Network Billing, Inc.

Communications Network Billing, Inc. was advised that it had twenty (20) days to respond to the Complaint, and that in the event it failed to respond to the Complaint an order may be entered against it in default.

Communications Network Billing, Inc. failed to timely file an answer to the Complaint, and failed to request a hearing on the Cease and Desist Order.

On November 22, 2006, the Commission issued a Default Order against Communications Network Billing, Inc. finding Communications Network Billing, Inc. in default for failing to respond to the Complaint. The Commission imposed a monetary penalty in the amount of \$5,000 for violation of N.D.C.C. §49-21-02.4 for conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota and for violation of N.D.C.C. §49-03.1-09 for failing to apply to register with the Commission as a telecommunications company as required by that section.

On November 25, 2006, Communications Network Billing, Inc. registered with the Commission as a telecommunications company under N.D.C.C. § 49-03.1-09.

On December 13, 2006, the Commission received a letter from Communications Network Billing, Inc. explaining changes it has made in its marketing procedures to eliminate future attempts of deceptive marketing. Communications Network Billing, Inc. enclosed check # 8779 in the amount of \$5,000 in full payment of the penalty assessed by the Commission. Communications Network Billing, Inc. requests that the Commission dismiss the Cease and Desist Order and allow the company to continue business in North Dakota.


We find that Communications Network Billing, Inc. is currently in compliance with the requirements set forth in the Default Order and the laws of the State of North Dakota, and we find that the company's explanation of changes in its marketing procedures to eliminate future attempts of deceptive marketing is satisfactory.


Based on the foregoing, the Commission makes the following:

Order

The Commission orders that the Cease and Desist Order issued August 25, 2006 against Communications Network Billing, Inc. is **REVOKED**.

PUBLIC SERVICE COMMISSION


Susan E. Wefald
Commissioner


Tony Clark
President


Kevin Cramer
Commissioner

MOTION

December 29, 2006

**Public Service Commission
Communications Network Billing, Inc.
Ex Parte Cease & Desist**

Case No. PU-06-373

**Public Service Commission
vs. Communications Network Billing, Inc.
Complaint**

Case No. PU-06-378

I move the Commission adopt the Order Revoking the Cease and Desist Order in these proceedings.

WWB

Public Service Commission
Receipt of Payment

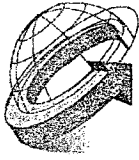
Receipt# 6712

Received: 12/14/2006 Check# 8779 for \$5,000.00

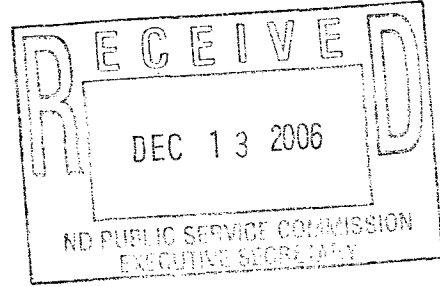
Subject: Penalty Fee

Docket # PU-06-378

Communications Network Billing, Inc.
6701 Democracy Blvd., Suite
Bethesda MD 20817



COMMUNICATIONS
Network Billing Inc.



December 8, 2006

Mr. William W. Binek
North Dakota Public Service Commission
600 E. Boulevard Ave Dept. 408
Bismarck, ND 58505-0480

VIA Certified Mail

RE: Communications Network Billing Cease and Desist Order Case No. PU-06-373 & Case No. PU- 06-378

Dear Mr. Binek:

As per our telephone conversation and agreement on December 6, 2006 in the Commissioners meeting, I have enclosed the penalty check for the relief sought in the amount of \$5,000.00 for Case No. PU-06-378. Communications Network Billing is also asking the Commission to dismiss the Cease and Desist Order Case No. PU-06-373. You will also find a descriptive of our actions taken to eliminate future attempts of deceptive marketing.

Communications Network Billing, Inc., ("CNBI") has enclosed a check in the amount of \$5,000.00 for the relief sought for the deceptive marking call in an attempt to switch long distance services of Montana Dakota Utilities. Communications Network Billing accepts all responsibilities for marketing efforts provided by outside marketing agencies and apologizes to Montana Dakota Utilities and the Commission for this error.

Communications Network Billing, Inc. is asking the Commission to lift and remove the Cease and Desist Order Case No. PU-06-373. Communications Network Billing, Inc. did immediately cease all our marking efforts on August 30, 2006 upon receipt of the order. Communications Network Billing will continue with our own internal "voluntary cease and desist" until we have fully retrained our retained marketing agencies.

Communications Network Billing, Inc. has recently reviewed and updated our marketing procedures to make the necessary changes for the business and incorporate some new programs and policies:

- We have made it clear to our marketing agencies that:

- Random sales monitoring must be done throughout the day for each representative marketing our products.
- We have redefined our “zero tolerance policy” which Misrepresentations will not be tolerated and will result in immediate representative termination.
- In order to verify that these changes are sufficient we have instituted a quality control call back system whereby a percentage of the customers will be called back to insure that they understand we have switched their service to Communications Network Billing and that there has been no misrepresentation.
- Our verification script has been strengthened to make it very clear to the customer that their long distance service will be switched.

Communications Network Billing, Inc. is not condoning any marketing agency retained to represent themselves as another provider or carrier. Communications Network Billing, Inc. is not affiliated with another provider or carrier. Communications Network Billing, Inc. is a provider of long distance services at competitive pricing.

Communications Network Billing, Inc. believes we have resolved our marketing issues and asks the Commission to forgive our errors and allow us to continue business in the state of North Dakota.

On behalf of Communications Network Service Billing I am asking for a dismissal of Case No. PU-06-373 and I would greatly appreciate considerations given. Please contact me directly with any further questions regarding this matter. You may reach me by direct telephone at 651-552-9661 or by direct fax 651-552-9774 or via my direct email prregulatory@comcast.net. Thank you.

Very truly yours,
Communications Network Billing Inc.



Pamela S. Rieck
Regulatory Affairs Director

Enclosures

CC: File

COMMUNICATIONS NETWORK BILLING, INC.

895 DOVE STREET
3rd FLOOR
NEWPORT BEACH, CA 92660

COMERICA BANK
DETROIT, MICHIGAN

9-9/720

12/7/2006

8779

Y
THE
ORDER OF North Dakota PSC

\$ 5,000.00

DOLLARS

Five Thousand and 00/100

North Dakota PSC
600 E Blvd Ave Dept 408
Bismarck, ND 58505-0480



AUTHORIZED SIGNATURE

EMO

⑈008779⑈ ⑆072000096⑆ 1851438562⑈

MP
Security Features: Details on back
FD-302 (Rev. 11-15-83)

Scott, Sandi L.

From: Binek, William W.
Sent: Thursday, December 07, 2006 10:03 AM
To: prregulatory@comcast.net
Cc: -Grp-PSC Commissioners; -Grp-PSC Public Utilities; -Grp-PSC Legal
Subject: RE: CNBI penalty payment

Ms. Riech:

The check should be made payable to the North Dakota Public Commission and should be sent to Illona Jeffcoat-Sacco, Executive Secretary.

The person at TCS Corporate Services, Inc. who signed the certified mail receipt on November 24, 2006 for the Commission's Default Order was Melanie Saylor. The person at Communications Network Billing, Inc. who signed the certified mail receipt on November 27, 2006 for the Commission's Default Order was Shannon Cox.

Please contact me if you have further questions.

From: prregulatory@comcast.net [mailto:prregulatory@comcast.net]
Sent: Thursday, December 07, 2006 9:20 AM
To: Binek, William W.
Subject: CNBI penalty payment

Good Morning Mr. Binek,

I have a couple of questions for you.

Could you confirm to whom the check should be made payable?

Could you also tell me who signed for the order at TCS and directly at Communications Network Billing?

Thank you for your assistance. You will be receiving my letter and payment by Tuesday of next week.

Pam

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Pages: 1

Email re CNBI penalty payment

by Public Service Commission

12/07/2006 CC: Comm Legal Illona, Pat, Annette . .

12/11/2006

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Email re CNBI penalty payment

by Public Service Commission

12/07/2006 CC: Comm Legal Illona, Pat, Annette . .

Scott, Sandi L.

From: prregulatory@comcast.net
Sent: Tuesday, December 05, 2006 2:26 PM
To: Binek, William W.
Cc: -Grp-PSC Legal; Fahn, Patrick J.
Subject: Re: FW: Communications Network Billing, Inc., Case Nos. PU-06-373 and PU-06-378, Admin. item B 8

Hello Mr. Binek,

Yes thank you, I would like to listen in on the meeting tomorrow. You may reach me directly at 651-552-9661, I will await your call tomorrow morning.

Thank you for your assistance.

Pam

----- Original message -----

From: "Binek, William W." <wbinek@nd.gov>

Here is a memorandum that I sent to the Commissioners following our telephone conversation this morning. I think this pretty much summarizes our conversation. If you would like to listen in on the discussion with the Commissioners tomorrow, please let me know and we can call you when the item is ready to be discussed and will have you on speaker phone. If you wish to be on the phone, give me the telephone number we should use to call you. The Commission meeting starts at 11:00 am tomorrow, and I expect they will begin addressing the items on its Administrative Agenda at about 11:30 am.

From: Binek, William W.

Sent: Tuesday, December 05, 2006 9:48 AM

To: -Grp-PSC Commissioners; -Grp-PSC Public Utilities

Cc: -Grp-PSC Legal

Subject: Communications Network Billing, Inc., Case Nos. PU-06-373 and PU-06-378, Admin. item B 8

This morning I called Pamela Riech at Communications Network Billing, Inc. to find out if she had read my e-mail of 12-04-06 and to find out what Network Communications Billing, Inc. wanted the Commission to do.

Ms. Riech stated that she had received and had read my e-mail. She said that she tried to find verification that the September 1, 2006 letter had been faxed, but that she was unable to find any verification that it had been done. She said that the call to MDU was made by a telemarketing company, and that Communications Network Billing, Inc. does not condone deceptive marketing and is working to make sure it does not happen in the future. She asked what the company could do to rectify the matter.

I told Ms. Riech that I would visit with the Commission at the Admin. meeting tomorrow, but my suggestion at this time is that Communications Network Billing, Inc. pay the penalty and send the Commission an explanation of the action that the company is taking or has taken to make certain that this type of activity does not occur in the future. I explained that there were two violations set forth in the complaint (1) failure to register under N.D.C.C. 49-03.1-09, and (2) conducting marketing activities to obtain the unauthorized change of telecommunications service providers under N.D.C.C. 49-21-02.4. I

said that the penalty that was assessed was primarily for the slamming violation. I told her that the Commission has zero tolerance with slamming violations. She indicated that the company will pay the penalty and will send that Commission and explanation of the actions taken by the company to make certain that slamming does not occur in the future. The company will likely make a request that the Cease and Desist Order be terminated.

Sharon checked the registration records this morning and found that Communications Network Billing, Inc. did register under N.D.C.C. 49-03.1-09 on November 25, 2006.

Scott, Sandi L.

From: Binek, William W.
Sent: Tuesday, December 05, 2006 9:52 AM
To: Scott, Sandi L.
Cc: Binek, William W.
Subject: FW: Re:Communications Network Billing Cease and Desist Order and Complaint, Case Nos. PU-06-373 and PU-06-378

From: Helbling, Sharon D.
Sent: Tuesday, December 05, 2006 7:19 AM
To: Binek, William W.
Subject: RE: Re:Communications Network Billing Cease and Desist Order and Complaint, Case Nos. PU-06-373 and PU-06-378

FYI-I checked the website and this company registered on 11-25-06.

From: Binek, William W.
Sent: Monday, December 04, 2006 5:02 PM
To: prregulatory@comcast.net
Cc: -Grp-PSC Commissioners; -Grp-PSC Public Utilities; -Grp-PSC Legal
Subject: Re:Communications Network Billing Cease and Desist Order and Complaint, Case Nos. PU-06-373 and PU-06-378

To: Pamela S. Rieck
Regulatory Affairs Director
Communications Network Billing, Inc.

I received and docketed your letter dated December 1, 2006 which I received via facsimile on December 1, 2006. You attached a letter dated September 1, 2006 that you state was faxed to the Commission. As I stated to you in our telephone conversation on December 1, 2006, the Commission did not receive that document either by mail or facsimile. Even if it had been received, it does not, in my opinion, suffice as an answer to the Commission's Complaint or a response to the Commission's Cease and Desist Order.

With regard to the Cease and Desist Order, all that Communications Network Billing, Inc. states is that it has taken immediate action to cease all marketing activities in North Dakota, and that it has conducted a thorough investigation of the matter. The Cease and Desist Order and a Notice of Opportunity for Hearing on the Cease and Desist Order were served by certified mail on August 25, 2006 on Communications Network Billing, Inc., and on TCS Corporate Services, Inc., its registered agent in North Dakota Inc. The return receipts show that service was accepted by both entities on August 28, 2006. No request for hearing on the Cease and Desist Order was received by the Commission.

With regard to the Complaint, service was made by certified mail on August 25, 2006, and service was accepted on August 28, 2006. You state that the September 1, 2006 letter was faxed to the Commission, but as stated previously, the document was not received by the Commission. You have provided no evidence showing that the document was actually faxed to the Commission. Even if the letter had been received by the Commission, it does not respond to the allegations contained in the Complaint. There are numerous allegations in the Complaint. The complaint alleges that Communications Network Billing, Inc conducted illegal marketing activities to obtain the unauthorized change of telecommunications service providers, and that it failed to register with the Commission as a telecommunications company under N.D.C.C. § 49-03.1-09. The letter states that the company has done a customer search and was unable to locate an account for Montana-Dakota Utilities Company (MDU), that it does not tolerate slamming and does not condone misrepresentations of any kind, and that it will be conducting an internal investigation, but does not specifically deny that the slamming attempt occurred. There would not be an account for MDU because the slamming attempt was unsuccessful.

The Notice of Default that accompanied the Default Order that was served by the Commission advises that the Default

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Company registered on 11/25/06

Company registered on 11/25/06

by Public Service Commission

by Public Service Commission

Order has been issued by the Commission, and that under N.D.C.C. § 28-32-30(2) Communications Network Billing, Inc may file a written motion requesting that the default order be vacated and state the grounds relied upon for the motion.

I will put this matter on the Commission's Administrative Agenda for its meeting on December 6th for discussion.

Please call me if you have any questions. My phone number is 701-328-4088.

Scott, Sandi L.

From: Binek, William W.
Sent: Tuesday, December 05, 2006 9:48 AM
To: -Grp-PSC Commissioners; -Grp-PSC Public Utilities
Cc: -Grp-PSC Legal
Subject: Communications Network Billing, Inc., Case Nos. PU-06-373 and PU-06-378, Admin. item B 8

This morning I called Pamela Riech at Communications Network Billing, Inc. to find out if she had read my e-mail of 12-04-06 and to find out what Network Communications Billing, Inc. wanted the Commission to do.

Ms. Riech stated that she had received and had read my e-mail. She said that she tried to find verification that the September 1, 2006 letter had been faxed, but that she was unable to find any verification that it had been done. She said that the call to MDU was made by a telemarketing company, and that Communications Network Billing, Inc. does not condone deceptive marketing and is working to make sure it does not happen in the future. She asked what the company could do to rectify the matter.

I told Ms. Riech that I would visit with the Commission at the Admin. meeting tomorrow, but my suggestion at this time is that Communications Network Billing, Inc. pay the penalty and send the Commission an explanation of the action that the company is taking or has taken to make certain that this type of activity does not occur in the future. I explained that there were two violations set forth in the complaint (1) failure to register under N.D.C.C. 49-03.1-09, and (2) conducting marketing activities to obtain the unauthorized change of telecommunications service providers under N.D.C.C. 49-21-02.4. I said that the penalty that was assessed was primarily for the slamming violation. I told her that the Commission has zero tolerance with slamming violations. She indicated that the company will pay the penalty and will send that Commission and explanation of the actions taken by the company to make certain that slamming does not occur in the future. The company will likely make a request that the Cease and Desist Order be terminated.

Sharon checked the registration records this morning and found that Communications Network Billing, Inc. did register under N.D.C.C. 49-03.1-09 on November 25, 2006.

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E-mail re staff contact w/CNB

by Public Service Commission by Bill Binek Chief Couns
12/05/2006 CC: Comm Legal Illona, Pat, Annette . . .

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Pages: 1

E-mail re staff contact w/CNB

by Public Service Commission by Bill Binek Chief Couns
12/05/2006 CC: Comm Legal Illona, Pat, Annette . . .

Scott, Sandi L.

From: Binek, William W.
Sent: Monday, December 04, 2006 5:02 PM
To: prregulatory@comcast.net
Cc: -Grp-PSC Commissioners; -Grp-PSC Public Utilities; -Grp-PSC Legal
Subject: Re: Communications Network Billing Cease and Desist Order and Complaint, Case Nos. PU-06-373 and PU-06-378

To: Pamela S. Rieck
Regulatory Affairs Director
Communications Network Billing, Inc.

I received and docketed your letter dated December 1, 2006 which I received via facsimile on December 1, 2006. You attached a letter dated September 1, 2006 that you state was faxed to the Commission. As I stated to you in our telephone conversation on December 1, 2006, the Commission did not receive that document either by mail or facsimile. Even if it had been received, it does not, in my opinion, suffice as an answer to the Commission's Complaint or a response to the Commission's Cease and Desist Order.

With regard to the Cease and Desist Order, all that Communications Network Billing, Inc. states is that it has taken immediate action to cease all marketing activities in North Dakota, and that it has conducted a thorough investigation of the matter. The Cease and Desist Order and a Notice of Opportunity for Hearing on the Cease and Desist Order were served by certified mail on August 25, 2006 on Communications Network Billing, Inc., and on TCS Corporate Services, Inc., its registered agent in North Dakota Inc. The return receipts show that service was accepted by both entities on August 28, 2006. No request for hearing on the Cease and Desist Order was received by the Commission.

With regard to the Complaint, service was made by certified mail on August 25, 2006, and service was accepted on August 28, 2006. You state that the September 1, 2006 letter was faxed to the Commission, but as stated previously, the document was not received by the Commission. You have provided no evidence showing that the document was actually faxed to the Commission. Even if the letter had been received by the Commission, it does not respond to the allegations contained in the Complaint. There are numerous allegations in the Complaint. The complaint alleges that Communications Network Billing, Inc conducted illegal marketing activities to obtain the unauthorized change of telecommunications service providers, and that it failed to register with the Commission as a telecommunications company under N.D.C.C. § 49-03.1-09. The letter states that the company has done a customer search and was unable to locate an account for Montana-Dakota Utilities Company (MDU), that it does not tolerate slamming and does not condone misrepresentations of any kind, and that it will be conducting an internal investigation, but does not specifically deny that the slamming attempt occurred. There would not be an account for MDU because the slamming attempt was unsuccessful.

The Notice of Default that accompanied the Default Order that was served by the Commission advises that the Default Order has been issued by the Commission, and that under N.D.C.C. § 28-32-30(2) Communications Network Billing, Inc may file a written motion requesting that the default order be vacated and state the grounds relied upon for the motion.

I will put this matter on the Commission's Administrative Agenda for its meeting on December 6th for discussion.

Please call me if you have any questions. My phone number is 701-328-4088.

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Pages: 1

Staff response to CNB

by Public Service Commission by Bill Binek, Chief Court
12/04/2006 CC: Comm Legal Illona, Pat, Annette . .

1

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Pages: 1

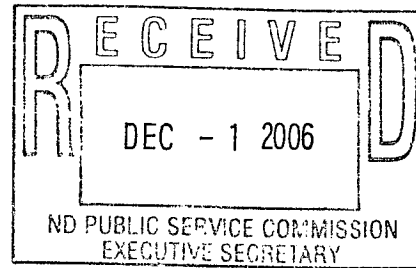
Staff response to CNB

by Public Service Commission by Bill Binek, Chief Court
12/04/2006 CC: Comm Legal Illona, Pat, Annette . .



COMMUNICATIONS
Network Billing Inc.

December 1, 2006



Mr. William W. Binek
North Dakota Public Service Commission
600 E. Boulevard Ave Dept. 408
Bismarck, ND 58505-0480

VIA FACSIMILE & Registered Certified Mail

**RE: Communications Network Billing Cease and Desist Order & Complaint
Case No. PU-06-373 & PU- 06-378**

Dear Mr. Binek:

As per our telephone conversation today, December 1, 2006 I am enclosing the original response that was faxed to your office 701-328-2410 on September 1, 2006 along with a recap of my efforts regarding the above referenced Cease and Desist Order and Complaint.

Communications Network Billing Inc., ("CNBI") received the above-referenced order to cease and desist and a complaint filed with the North Dakota Public Service Commission dated August 25, 2006. Communications Network Billing Inc. has reviewed the order of cease and desist and the complaint of Mr. Scott Macintosh, President for Qwest Corporation and we have conducted a thorough investigation of this matter.

Communications Network Billing Inc. immediately ceased all our marketing efforts on August 30, 2006 upon receipt of the order. Communications Network Billing Inc. also did an immediate search for an account for Montana-Dakota Utilities (MDU), which we were unable to locate an established long distance account within Communications Network Billing. I then drafted my response to you as you see attached and faxed to the Commission fax number listed on the top right of your stationary.

Communications Network Billing, Inc. had not received any reply to my response until the notification dated November 21, 2006 was received and the most recent default order dated November 22, 2006 imposing fines and penalties

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Response to Cease and Desist Order & Complaint
by Communications Network Billing, Inc.
12/01/2006 CC: Comm Legal Illona, Pat, Annette

*Floor, New
516 fax 81*

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Pages: 4

Response to Cease and Desist Order & Complaint
by Communications Network Billing, Inc. by
12/01/2006 CC: Comm Legal Illona, Pat, Annette

On behalf of Communications Network Service Billing I am writing for a re-evaluation of these cases and a review of my attached documentation. I would greatly appreciate any consideration given to these cases. Please contact me directly with any further questions regarding this matter. You may reach me by direct telephone at 651-552-9661 or by direct fax 651-552-9774 or via my direct email prregulatory@comcast.net. Thank you.

Very truly yours,
Communications Network Billing Inc.

A handwritten signature in black ink that reads "Pamela S. Rieck". The signature is written in a cursive, flowing style.

Pamela S. Rieck
Regulatory Affairs Director

Enclosures

CC: File



COMMUNICATIONS
Network Billing Inc.

September 1, 2006

Mr. William W. Binek
North Dakota Public Service Commission
600 E. Boulevard Ave Dept. 408
Bismarck, ND 58505-0480

VIA FACSIMILE

**RE: Communications Network Billing Cease and Desist Order
Case No. PU-06-373 & PU- 06-378**

Dear Sir or Madam:

Communications Network Billing Inc., Inc. ("CNBI") has received the above-referenced order to cease and desist and a complaint filed with the North Dakota Public Service Commission dated August 25, 2006. Communications Network Billing Inc. has reviewed the order of cease and desist and the complaint of Mr. Scott Macintosh, President for Qwest Corporation and we have conducted a thorough investigation of this matter.

Communications Network Billing Inc. is a provider of long distance telecommunications services for residential and business customers. Communications Network Billing Inc. markets its services to these customers through independent telemarketing firms.

Communications Network Service Billing, Inc. acknowledges the State of North Dakota's order to cease and desist. Communications Network Billing Inc. has taken immediate action to cease all marketing efforts in the state of North Dakota as ordered.

Communications Network Service Billing has reviewed Mr. Macintosh's statement indicating an individual had attempted to change Montana-Dakota Utilities Company's (MDU's) long distance service to Communications Network Billing, Inc. The complaint also indicates Mr. Macintosh has included recordings of the telephone conversations with his email.

Communications Network Billing, Inc. has done a complete customer search and is unable to locate an account for Montana-Dakota Utilities Company (MDU).

Communications Network Billing Inc. maintains strict quality control in conducting sales. All sales are verified by an appropriately qualified, independent third-party verification company prior to being submitted for processing, in strict accordance with applicable Federal Communications Commission (FCC) rules.

Communications Network Billing Inc. does not tolerate "slamming" or misrepresentations of any kind with marketing its services. The company will take immediate corrective action against any marketer that they believe is violating its telemarketing policies and procedures.

I sincerely apologize to Mr. Macintosh and the state of North Dakota for any inconveniences and miscommunications that have occurred. Communications Network Billing Inc. does not condone misrepresentations of any kind and will be conducting an internal investigation in this matter.

Communications Network Billing Inc. asks that the Commission to close this file and consider this complaint to be resolved. Please contact me directly with any further questions regarding this matter. Thank you.

Very truly yours,
Communications Network Billing Inc.

A handwritten signature in cursive script that reads "Pamela S. Rieck".

Pamela S. Rieck
Regulatory Affairs Director

CC: File



Public Service Commission

State of North Dakota

COMMISSIONERS

Tony Clark, President
Susan E. Wefald
Kevin Cramer

Executive Secretary
Illona A. Jeffcoat-Sacco

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
web: www.psc.state.nd.us
e-mail: ndpsc@nd.gov
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

November 22, 2006

Mr. C. Hurley Cox
Communications Network Billing, Inc.
895 Dove Street, 3rd Floor
Newport Beach, CA 92660-2941

TCS-Corporate Services, Inc.
400 East Broadway, Suite 102
Bismarck, ND 58501-4039

Re: **Public Service Commission
vs. Communications Network Billing, Inc.
Complaint
Case No. PU-06-378**

Gentlemen:


Enclosed are copies of the Commission's Default Order, Notice of Default, as well as a copy of the Statement of Grounds of Default that was previously served. Communications Network Billing, Inc. is advised that a Default Order has been issued by the Commission against it for the relief sought in the complaint. A monetary penalty in the amount of \$5,000 is imposed. The monetary penalty in the amount of \$5,000 is due and payable within thirty days of the date of this order.

Communications Network Billing, Inc. is further advised that under N.D.C.C. § 28-32-30(2) it may file a written motion requesting that the Default Order be vacated and state the grounds relied upon for the motion. The motion must be filed within seven (7) days after service of the Notice of Default, Default Order and Statement of Grounds for Default.

Please contact us if you have any questions.

Thank you.

Sincerely,



William W. Binek
Special Assistant Attorney General

Enclosure

15 PU-06-378

Pages: 1

Letter re Default Order and Notice of Default

by Public Service Commission by William Binek

11/22/2006 CC: Comm Legal Illona, Pat, Annette

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission
vs. Communications Network Billing, Inc.
Complaint

Case No. PU-06-378

STATE OF NORTH DAKOTA)
)ss
COUNTY OF BURLEIGH)

Sandra L. Scott deposes and says that:
she is over the age of 18 years and not a party to this action and on the **22nd day of November, 2006**, she deposited in the United States Mail, Bismarck, North Dakota, 2 envelope by certified mail, return receipt requested, with postage fully prepaid, securely sealed and containing a photocopy of:

- 1. Default Order
- 2. Notice of Default

The envelopes were addressed as follows.

C. Hurley Cox
Communications Network Billing, Inc.
895 Dove Street, 3rd Floor
Newport Beach, CA 92660-2941
Certified #70051820000232429515

TCS Corporate Services, Inc.
400 East Broadway, Suite 102
Bismarck, ND 58501-4039

Certified # 70051820000232429522

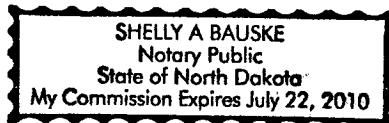
To the best of affiant's knowledge each address shown is the respective addressee's last reasonably ascertainable mailing address.

Sandra L. Scott

Subscribed and sworn to before me
this **22nd day of November, 2006**.

Shelly A. Bauske

Notary Public



Pages: 1

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Affidavit of Service

by Public Service Commission
11/22/2006 CC: Comm Legal Ilona, Pat, Annette

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission,

Case No. PU-06-378

Complainant,

vs.

Communications Network Billing, Inc.

Respondent.

NOTICE OF DEFAULT

To: Communications Network Billing, Inc., Respondent.

On August 8, 2006, a complaint was served by certified mail on TCS Corporate Services, Inc., 400 East Broadway, Suite 102, Bismarck, North Dakota, the registered agent in North Dakota for Communications Network Billing, Inc. The complaint was also served by certified mail on Communications Network Billing, Inc., 895 Dove Street, 3rd Floor, Newport Beach, California 92660-2941 on August 28, 2006.

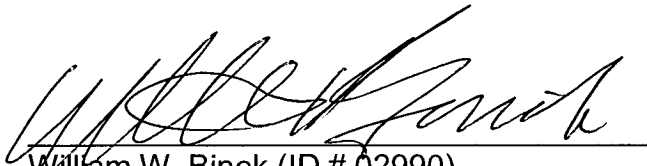
The complaint alleges Communications Network Billing, Inc. has been conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota in violation of N.D.C.C. § 49-21-02.4(2). The complaint further alleges that Communications Network Billing, Inc. is in violation of the provisions of N.D.C.C. § 49-03.1-09 for failing to apply to register with the Commission as a telecommunications company as required by that section.

Communications Network Billing, Inc. was advised that it had twenty (20) days to respond to the complaint and that in the event it failed to respond to the complaint an order may be entered against it in default. Communications Network Billing, Inc. has failed to file an answer or a response of any kind to the complaint.

Communications Network Billing, Inc. is hereby advised that a Default Order has been issued by the Commission against it for the relief sought in the complaint. Communications Network Billing, Inc. is further advised that under N.D.C.C. § 28-32-30(2) it may file a written motion requesting that the default order be vacated and

state the grounds relied upon for the motion. The motion must be filed within seven (7) days after service of the Notice of Default, Default Order and Statement of Grounds for Default.

Dated November 22, 2006.

A handwritten signature in black ink, appearing to read "William W. Binek", written over a horizontal line.

William W. Binek (ID # 02990)
Chief Counsel
Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, ND 58505-0480

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission,

Case No. PU-06-378

Complainant,

vs.

Communications Network Billing, Inc.

Respondent.

DEFAULT ORDER

November 22, 2006

Preliminary Statement

Communications Network Billing, Inc., 895 Dove Street, 3rd Floor, Newport Beach, California 92660-2941 is a foreign corporation authorized by the North Dakota Secretary of State to do business in North Dakota.

On October 6, 2004, the Public Service Commission staff (Staff) filed a complaint with the Public Service Commission (Commission). The complaint alleges Communications Network Billing, Inc. has been conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota in violation of N.D.C.C. § 49-21-02.4(2). The complaint further alleges that Communications Network Billing, Inc. is in violation of the provisions of N.D.C.C. § 49-03.1-09 for failing to apply to register with the Commission as a telecommunications company as required by that section.

On August 25, 2006, the Commission found the complaint constituted a prima facie case and should be served on the Respondent. On August 8, 2006, the complaint was served by certified mail on TCS Corporate Services, Inc., 400 East Broadway, Suite 102, Bismarck, North Dakota, the North Dakota registered agent for Communications Network Billing, Inc. The complaint was also served by certified mail on Communications Network Billing, Inc., 895 Dove Street, 3rd Floor, Newport Beach, California 92660-2941 on August 28, 2006.

Communications Network Billing, Inc. was advised that it had twenty (20) days to respond to the complaint, and that in the event it failed to respond to the complaint an order may be entered against it in default. Communications Network Billing, Inc. has failed to file an answer or a response of any kind to the complaint.

Communications Network Billing, Inc. is in violation of N.D.C.C. § 49-21-02.4 for conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota.

Communications Network Billing, Inc. is in violation of N.D.C.C. Chapter 49-03.1-09 for failing to apply to register with the Commission as a telecommunications company as required by that section.

On August 25, 2006, the Commission issued a Cease and Desist Order in which it ordered Communications Network Billing, Inc. to Cease and Desist all marketing activities involving the unauthorized change of telecommunications service providers within the State of North Dakota.

The Commission has authority under N.D.C.C. § 49-07-01.1 to impose sanctions or penalties as appropriate under the circumstances including a monetary penalty of up to \$5,000.

The Commission finds the Respondent in default for failure to answer or respond in any way to the complaint.

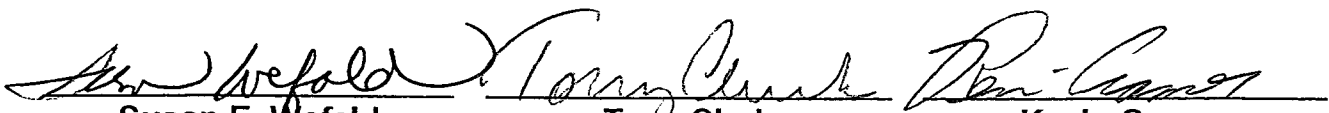
Based on the Statement of Grounds for Default, the documents and evidence in this proceeding and the findings herein stated, the Commission makes the following:

Order

The Commission orders:

1. That the Respondent, Communications Network Billing, Inc. is in default for failure to answer or respond in any way to the complaint.
2. That a monetary penalty in the amount of \$5,000 is imposed. The monetary penalty in the amount of \$5,000 is due and payable within thirty days of the date of this order.
3. The Cease and Desist Order issued by the Commission on August 25, 2006 remains in full force and effect.

PUBLIC SERVICE COMMISSION


Susan E. Wefald Tony Clark Kevin Cramer
Commissioner President Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission,

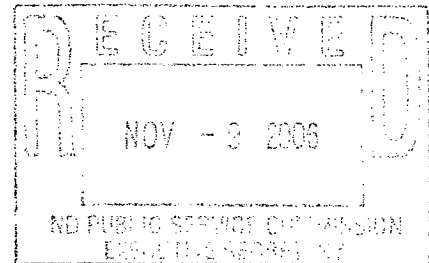
Case No. PU-06-378

Complainant,

vs.

Communications Network Billing, Inc.

Respondent.



STATEMENT OF GROUNDS FOR DEFAULT

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Communications Network Billing, Inc. was advised that it had twenty (20) days to respond to the complaint and that in the event it failed to respond to the complaint an order may be entered against it in default. Communications Network Billing, Inc. has failed to file an answer or a response of any kind to the complaint.


Dated November 9, 2006.

William W. Binek (ID # 02990)
Chief Counsel
Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, ND 58505-0480

MOTION

November 22, 2006

APPROVED

DATE: 11-22-06


**Public Service Commission
vs. Communications Network Billing, Inc.
Complaint**

Case No. PU-06-378

I move the Commission issue a Default Order in Case No. PU-06-378, Public Service Commission vs. Communications Network Billing, Inc.

WWB

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission,

Case No. PU-06-378

Complainant,

vs.

Communications Network Billing, Inc.

Respondent.

DEFAULT ORDER

November 22, 2006

Preliminary Statement

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On August 25, 2006, the Commission found the complaint constituted a prima facie case and should be served on the Respondent. On August 8, 2006, the complaint was served by certified mail on TCS Corporate Services, Inc., 400 East Broadway, Suite 102, Bismarck, North Dakota, the North Dakota registered agent for Communications Network Billing, Inc. The complaint was also served by certified mail on Communications Network Billing, Inc., 895 Dove Street, 3rd Floor, Newport Beach, California 92660-2941 on August 28, 2006.

Communications Network Billing, Inc. was advised that it had twenty (20) days to respond to the complaint, and that in the event it failed to respond to the complaint an order may be entered against it in default. Communications Network Billing, Inc. has failed to file an answer or a response of any kind to the complaint.

11 PU-06-378

Pages: 2

Default Order

by Public Service Commission

11/22/2006 CC: Comm Legal Ilona, Pat, Annette . .

Communications Network Billing, Inc. is in violation of N.D.C.C. § 49-21-02.4 for conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota.

Communications Network Billing, Inc. is in violation of N.D.C.C. Chapter 49-03.1-09 for failing to apply to register with the Commission as a telecommunications company as required by that section.

On August 25, 2006, the Commission issued a Cease and Desist Order in which it ordered Communications Network Billing, Inc. to Cease and Desist all marketing activities involving the unauthorized change of telecommunications service providers within the State of North Dakota.

The Commission has authority under N.D.C.C. § 49-07-01.1 to impose sanctions or penalties as appropriate under the circumstances including a monetary penalty of up to \$5,000.

The Commission finds the Respondent in default for failure to answer or respond in any way to the complaint.

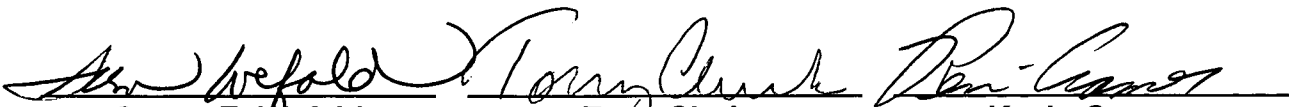
Based on the Statement of Grounds for Default, the documents and evidence in this proceeding and the findings herein stated, the Commission makes the following:

Order

The Commission orders:

1. That the Respondent, Communications Network Billing, Inc. is in default for failure to answer or respond in any way to the complaint.
2. That a monetary penalty in the amount of \$5,000 is imposed. The monetary penalty in the amount of \$5,000 is due and payable within thirty days of the date of this order.
3. The Cease and Desist Order issued by the Commission on August 25, 2006 remains in full force and effect.

PUBLIC SERVICE COMMISSION



Susan E. Wefald Tony Clark Kevin Cramer
Commissioner President Commissioner

MOTION

November 22, 2006

APPROVED

DATE: 11-22-06
AS

**Public Service Commission
vs. Communications Network Billing, Inc.
Complaint**

Case No. PU-06-378

I move the Commission appoint Bill Binek and Patrick Fahn as advocacy staff, and Annette Bendish and Tom Rafferty as advisory staff in Public Service Commission vs. Communications Network Billing, Inc., Case No. PU-06-378.

AB



Public Service Commission
State of North Dakota

COMMISSIONERS

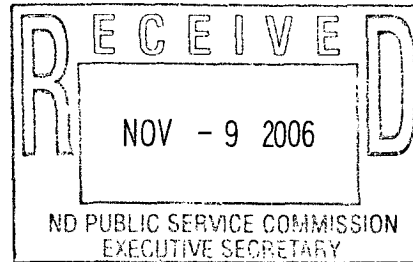
Tony Clark, President
Susan E. Wefald
Kevin Cramer

Executive Secretary
Illona A. Jeffcoat-Sacco

November 9, 2006

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
web: www.psc.state.nd.us
e-mail: ndpsc@nd.gov
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

Ms. Illona A. Jeffcoat-Sacco
Public Service Commission
600 E Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480



**RE: Public Service Commission vs.
Communications Network Billing, Inc.
Complaint
Case No. PU-06-378**

Dear Ms. Jeffcoat-Sacco:

Enclosed for filing in the above referenced case are the original and seven copies of the Statement of Grounds for Default in this proceeding:

Thank you.

Sincerely,

William W. Binek
Special Assistant Attorney General

Enclosures

9 **PU-06-378**

Pages: 1

Cover letter re Statement of Grounds for
Default
by Public Service Commission by Bill Binek
11/09/2006 CC: Comm Legal Illona, Pat, Annette

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission,

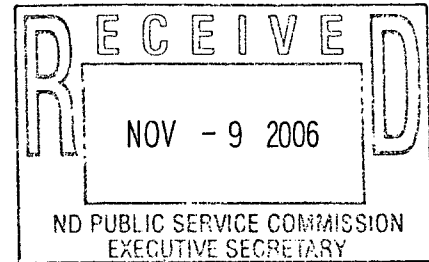
Case No. PU-06-378

Complainant,

vs.

Communications Network Billing, Inc.

Respondent.



STATEMENT OF GROUNDS FOR DEFAULT

On August 8, 2006, a complaint was served by certified mail on TCS Corporate Services, Inc., 400 East Broadway, Suite 102, Bismarck, North Dakota, the North Dakota registered agent for Communications Network Billing, Inc. The complaint was also served by certified mail on Communications Network Billing, Inc., 895 Dove Street, 3rd Floor, Newport Beach, California 92660-2941 on August 28, 2006.

The complaint alleges Communications Network Billing, Inc. has been conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota in violation of N.D.C.C. § 49-21-02.4(2). The complaint further alleges that Communications Network Billing, Inc. is in violation of the provisions of N.D.C.C. § 49-03.1-09 for failing to apply to register with the Commission as a telecommunications company as required by that section.

Communications Network Billing, Inc. was advised that it had twenty (20) days to respond to the complaint and that in the event it failed to respond to the complaint an order may be entered against it in default. Communications Network Billing, Inc. has failed to file an answer or a response of any kind to the complaint.

Dated November 9, 2006.

A handwritten signature in black ink, appearing to read "William W. Binek".

William W. Binek (ID # 02990)
Chief Counsel
Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, ND 58505-0480



Public Service Commission
State of North Dakota

COMMISSIONERS

Tony Clark, President
Susan E. Wefald
Kevin Cramer

Executive Secretary
Ilona A. Jeffcoat-Sacco

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
web: www.psc.state.nd.us
e-mail: ndpsc@nd.gov
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

August 25, 2006

Mr. C. Hurley Cox
Communications Network Billing, Inc.
895 Dove Street, 3rd Floor
Newport Beach, CA 92660-2941

TCS Corporate Services, Inc.
400 East Broadway, Suite 102
Bismarck, ND 58501-4039

**Re: Public Service Commission
Communications Network Billing, Inc.
Ex Parte Cease & Desist
Case No. PU-06-373**

**Public Service Commission
vs. Communications Network Billing, Inc.
Complaint
Case No. PU-06-378**

Gentlemen:

Enclosed is a copy of the Ex Parte Motion for Cease and Desist Order, Affidavit in Support Ex Parte Motion for Cease and Desist Order, Cease and Desist Order, Notice of Opportunity for Hearing, and Complaint that is being served upon Communications Network Billing, Inc. Communications Network Billing, Inc. has twenty (20) days from the receipt of the complaint in which to file its answer.

Please contact us if you have any questions.

Thank you.

Sincerely,

William W. Birtek
Special Assistant Attorney General

Enclosure

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission
Communications Network Billing, Inc.
Ex Parte Cease & Desist

Case No. PU-06-373

Public Service Commission
vs. Communications Network Billing, Inc.
Complaint

Case No. PU-06-378

STATE OF NORTH DAKOTA)
)ss
COUNTY OF BURLEIGH)

Sandra L. Scott deposes and says that:
she is over the age of 18 years and not a party to this action and on the **25th day of August, 2006**, she deposited in the United States Mail, Bismarck, North Dakota, 2 envelope by certified mail, return receipt requested, with postage fully prepaid, securely sealed and containing a photocopy of:

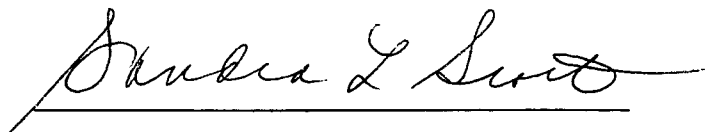
1. Ex Parte Motion for Cease and Desist Order
2. Affidavit in Support Ex Parte Motion for Cease and Desist Order
3. Cease and Desist Order
4. Notice of Opportunity for Hearing
5. Complaint

The envelope was addressed as follows.

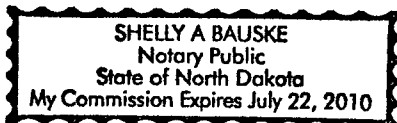
C. Hurley Cox
Communications Network Billing, Inc.
895 Dove Street, 3rd Floor
Newport Beach, CA 92660-2941
Certified #7005 1820 0002 3242 9478

TCS Corporate Services, Inc.
400 East Broadway, Suite 102
Bismarck, ND 58501-4039
Certified # 7005 1820 0002 3242 9485 ✓

To the best of affiant's knowledge each address shown is the respective addressee's last reasonably ascertainable mailing address.



Subscribed and sworn to before me
this **25th day of August, 2006**.




Notary Public



Public Service Commission

State of North Dakota

COMMISSIONERS

Tony Clark, President
Susan E. Wefald
Kevin Cramer

Executive Secretary
Illona A. Jeffcoat-Sacco

August 25, 2006

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
web: www.psc.state.nd.us
e-mail: ndpsc@nd.gov
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

Ms. Illona A. Jeffcoat-Sacco
Public Service Commission
600 E Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480

**RE: Public Service Commission vs.
Communications Network Billing, Inc.
Complaint
Case No. PU-06-378**

Dear Ms. Jeffcoat-Sacco:

Enclosed for filing in the above referenced case are the original and seven copies of the Complaint in this proceeding:

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "William W. Binek".

William W. Binek
Special Assistant Attorney General

Enclosures

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission,

Case No. PU-06-378

Complainant,

vs.

Communications Network Billing, Inc.

Respondent.

COMPLAINT

The Public Service Commission's Staff, (Staff) for its complaint against the Respondent, Communications Network Billing, Inc., alleges and shows the following:

I.

Communications Network Billing, Inc., 895 Dove Street, 3rd Floor, Newport Beach, California 92660-2941, is operating as a telecommunications reseller within the State of North Dakota.

II.

Communications Network Billing, Inc. is registered with the Secretary of State to do business as a foreign corporation in North Dakota.

III.

Communications Network Billing, Inc. has been conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota.

IV.

On August 22, 2006, Scott Macintosh, President for Qwest Corporation (Qwest) in North Dakota, contacted the Public Service Commission (Commission) by telephone

and e-mail to advise that a person named Susan Stanley had attempted to change Montana-Dakota Utilities Company's (MDU's) long distance service to Communications Network Billing, Inc.

V.

Scott Macintosh attached to his e-mail recordings of telephone conversations between an MDU employee, an employee of a verification company and Susan Stanley. In the recordings, Susan Stanley claims to be a supervisor with Qwest. She states that there was a power outage that resulted in incorrect billing charges and that she needs to reinstate MDU back to Communications Network Billing Incorporated for intrastate and interstate long distance calls for an overcharge to be credited back. She said she had prior approval from MDU accounts payable to speak with someone on the main call center line. She gave instructions to the MDU employee on how to respond to questions from the verification company. She said to respond yes to three questions and the only time to say no is when the verification company asks if there are any additional phone lines.

VI.

The Commission is authorized under N.D.C.C. § 49-21-02.4(1) to enforce the provisions of title 47, Code of Federal Regulations, part 64, subpart k which prohibits the unauthorized change of a subscribers selection of a provider of telecommunications service. N.D.C.C. § 49-21-02.4(2) prohibits the unauthorized change of an intrastate telecommunications provider. N.D.C.C. § 49-21-02.4(3) provides the Commission with authority to issue a cease and desist order without prior notice against a telecommunications company that the Commission has reason to believe is in violation of N.D.C.C. § 49-21-02.4 or title 47, Code of Federal Regulations, part 64, subpart k.

VII.

On August 25, 2005, the Public Service Commission staff (staff) filed an Ex Parte Motion for Cease and Desist Order against Communications Network Billing, Inc. requesting that the Commission issue an order to require Communications Network Billing, Inc. to immediately cease and desist the entity's marketing activities involving

the unauthorized change of telecommunications service providers within the State of North Dakota.

VIII.

Communications Network Billing, Inc. was issued a Certificate of Registration by the Commission on December 31, 2003, Case No. PU-2973-03-691 to resell interexchange telecommunications services in North Dakota. A new section 49-03.1-09 to the North Dakota Century Code was enacted by the Legislature effective August 1, 2005 concerning the registration of non-incumbent telecommunications companies. By a September 27, 2005 memorandum, the Commission informed all North Dakota non-incumbent telecommunications companies, including companies that had already obtained certificates of public convenience and necessity or registration certificates, that they must register using the Commission's new Telecommunications Company Electronic Registration Process. The memorandum was mailed to Communications Network Billing, Inc. and was posted to the Commission's web page. Communications Network Billing, Inc. has not registered using the electronic registration process.

IX.

Under N.D.C.C. § 49-21-01(19) a telecommunications company means a person engaged in the furnishing of telecommunications service within North Dakota. Under N.D.C.C. 49-21-01(20) telecommunications service is the offering for hire of telecommunications facilities, or transmitting for hire telecommunications by means of such facilities whether by wire, radio, lightwave, or other means.

X.

Communications Network Billing, Inc. is in violation of N.D.C.C. § 49-21-02.4 for conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota.

XI.

Communications Network Billing, Inc. is in violation of N.D.C.C. Chapter 49-03.1-09 for failing to apply to register with the Commission as a telecommunications company as required by that section.

XII.

Pursuant to N.D.C.C. § 28-32-21(e), an answer to this complaint must be filed with the Commission within twenty (20) days after service of the complaint, or the Commission may deem the complaint to be admitted. If the Respondent, Communications Network Billing, Inc., fails to answer as required within twenty days after service of the complaint, the Commission may enter an order in default as the facts and the law may warrant.

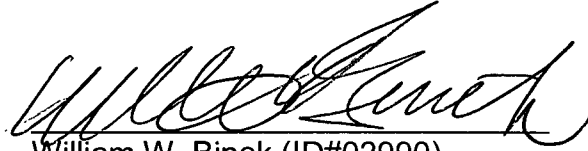
Wherefore, the Commission Staff seeks the following relief:

Relief Sought

1. That Communications Network Billing, Inc. be found in violation of N.D.C.C. §§ 49-21-02.4 and 51-15-02 for conducting marketing activities to obtain the unauthorized change of telecommunications service providers within the State of North Dakota.
2. That Communications Network Billing, Inc. be found in violation of N.D.C.C. Chapter 49-03.1-09 for failing to register with the Commission as a telecommunications company under that section.
2. That the Commission impose sanctions or penalties as appropriate under the circumstances and as allowed by N.D.C.C. § 49-07-01.1, which may include a civil penalty of up to \$5,000.
3. For such other relief that the Commission finds just and proper.

Dated this 25th day of August, 2006.

PUBLIC SERVICE COMMISSION STAFF

A handwritten signature in black ink, appearing to read 'William W. Binek', written over a horizontal line.

William W. Binek (ID#02990)
Special Assistant Attorney General
North Dakota Public Service Commission
600 East Boulevard Avenue, Dept. 408
Bismarck, ND 58505-0480
Phone: 701-328-4088
Fax: 701-328-2410
Counsel for Public Service Commission Staff

PU-06-378

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TCS Corporate Services, Inc.
400 East Broadway, Suite 102
Bismarck, ND 58501-4039

A. Signature
 Melanie Saylor Agent
 Addressee

B. Received by (Printed Name) _____ C. Date of Delivery
 _____ 11-2-06

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 1820 0002 3242 9522

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154

PU-06-378

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

C. Hurley Cox
Communications Network Billing, Inc.
895 Dove Street, 3rd Floor
Newport Beach, CA 92660-2941

A. Signature
 Shannon Cole Agent
 Addressee

B. Received by (Printed Name) _____ C. Date of Delivery
 Shannon Cole 11/27/06

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: No

Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 1820 0002 3242 9515

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154

06-378

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

C. Hurley Cox
Communications Network Billing, Inc.
895 Dove Street, 3rd Floor
Newport Beach, CA 92660-2941

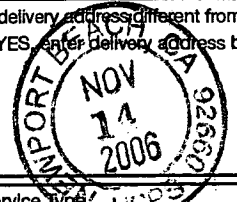
A. Signature
 Shannon Cole Agent
 Addressee

B. Received by (Printed Name) _____ C. Date of Delivery

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



2. Article Number (Transfer from service label) 7005 1820 0002 3242 9492

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154

06-378

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TCS Corporate Services, Inc.
400 East Broadway, Suite 102
Bismarck, ND 58501-4039

A. Signature Agent
 Addressee
Melanie Sawyer

B. Received by (Printed Name) C. Date of Delivery
11-10-04

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No 2

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 1820 0002 3242 9508

P4-06-373 + 378

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TCS Corporate Services, Inc.
400 East Broadway, Suite 102
Bismarck, ND 58501-4039

A. Signature Agent
 Addressee
Melanie Sawyer

B. Received by (Printed Name) C. Date of Delivery
7-27-06

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No 2

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 1820 0002 3242 9485

P4-06-373 + 378

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

C. Hurley Cox
Communications Network Billing, Inc.
895 Dove Street, 3rd Floor
Newport Beach, CA 92660-2941

A. Signature Agent
 Addressee
A. Phillips

B. Received by (Printed Name) C. Date of Delivery
A. Phillips

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 1820 0002 3242 9478

