Davis Wright Tremaine LLP

Suite 500 East
1301 K Street NW
Washington, D.C. 20005-3317
(202) 973-4242
daniellefrappier@dwt.com

September 16, 2021

Adam Teitzman, Commission Clerk
Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Magna5 LLC - Transfer of Control Notification

Dear Mr. Teitzman:

Magna5 LLC ("Magna5") hereby notifies the Florida Public Service Commission of the transfer of control of Magna5 to International Telcom, LLC ("International Telcom"). Magna5 is currently permitted to provide CLEC services in the state of Florida pursuant to Certificate of Authority No. 8913.

On July 8, 2021, Magna5 Holdings LLC[1] ("Magna5 Holdings"), Magna5's parent company, and International Telcom, LLC entered into a Unit Purchase Agreement (the "Agreement") whereby International Telcom agreed to purchase the equity interest in Magna5 LLC from Magna5 Holdings. Pursuant to the Agreement, International Telcom will acquire all the ownership units of Magna5. As a result, upon closing control of Magna5 will be held by International Telcom.

The transaction will ensure the continuity of operations for Magna5 to the ultimate benefit of customers who will continue to receive uninterrupted access to telecommunications and information services. The transaction will only alter Magna5's ownership. Magna5's customers will continue to receive substantially the same services and at the same rates, terms, and conditions of service. There will be no disruption to any customer-facing operations such as ordering, service installation, customer service, and billing, which will continue to be provided as before. Additionally, the transaction will result in no disruption to any customer-facing operations such as ordering, service installation, customer service, and billing, which will continue to be provided as before.

[1] Magna5 Holdings is a holding company that does not hold any communications licenses or provide communications services in Florida or otherwise.

The transaction will have no adverse effects on the quality of service enjoyed by Magna5's customers. Any future changes will result from the normal course of business operations, as was the case prior to the transaction.

Once the transaction is completed, International Telcom will continue to be technically, managerially, and financially well-qualified to be the ultimate owner of Magna5. Likewise, Magna5 will continue to have the managerial, technical, financial, and customer care qualifications to provide high quality telecommunications services to consumers throughout Florida.

Questions regarding this notification may be directed to:

Name: Robert Farina
Title: Chief Executive Officer, Magna5 Holdings LLC
Address: 3001 Dallas Parkway, Suite 610
Frisco, Texas 75034
Tel. Number: (844) 462-4625
Email Address: RFarina@magna5global.com

With copies to:

Name: Danielle Frappier
Title: Partner, Davis Wright Tremaine LLP
Address: 1301 K Street NW, Suite 500 East
Washington, DC 20005
Tel. Number: (202) 973-4242
Email Address: daniellefrappier@dwt.com

Name: Christopher W. Savage
Title: Partner, Davis Wright Tremaine LLP
Address: 1301 K Street NW, Suite 500 East
Washington, DC 20005
Tel. Number: (202) 973-4211
Email Address: chrissavage@dwt.com

Name: Kevin Alward
Title: Chief Executive Officer, International Telcom, LLC
Address: 14 Industrial Avenue, Suite 4
Mahwah, New Jersey 07430
Tel. Number: (206) 479-2600
Email Address: kevin.alward@dial800.com

With a copy to:

Name: Leon Nowalsky
Title: Partner, Nowalsky & Gothard
Address: 1420 Veterans Memorial Blvd
Metairie, LA 70005
Tel. Number: (504) 832-1984
Email Address: lnowalsky@nbglaw.com

Respectfully submitted,

Danielle Frappier
Christopher W. Savage
Davis Wright Tremaine LLP
1301 K Street NW, Suite 500 East
Washington, D.C. 20005
Telephone: (202) 973-4242
Email: daniellefrappier@dwt.com

Attorneys for Magna5 LLC

FLORIDA PUBLIC SERVICE COMMISSION

OFFICE OF INDUSTRY DEVELOPMENT AND MARKET ANALYSIS

APPLICATION FOR ORIGINAL AUTHORITY OR TRANSFER OF AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICE IN THE STATE OF FLORIDA

INSTRUCTIONS

This form should be used as the application for an original certificate and transfer of an existing certificate (from a Florida certificated company to a non-certificated company). In the case of a transfer, the information shall be provided by the transferee. If you have other questions about completing the form, call **(850) 413-6600.**

Print or type all responses to each item requested in the application. If an item is not applicable, please explain. All questions must be answered. If unable to answer the question in the allotted space, please continue on a separate sheet.

Once completed, submit the **original and one copy** of this form along with a **non-refundable** fee of **$500.00** to:

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

APPLICATION

This is an application for (check one):

☐ **Original certificate** (new company)

☒ **Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate rather than apply for a new certificate.

Please provide the following:

1. Full name of company, including fictitious name(s), that must match identically with name(s) on file with the Florida Department of State, Division of Corporations registration:
International Telcom

2. The Florida Secretary of State corporate registration number:
M19000005149

3. F.E.I. Number: 82-3155438

4. Structure of organization:

The company will be operating as a:
(Check all that apply):

☐	Corporation	☐	General Partnership
☐	Foreign Corporation	☐	Foreign Partnership
☒	Limited Liability Company	☐	Limited Partnership
☐	Sole Proprietorship	☐	Other, please specify below:

If a partnership, provide a copy of the partnership agreement.

If a foreign limited partnership, proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS). The Florida registration number is: _____

5. Who will serve as point of contact to the Commission in regard to the following?

(a) This application:

Name: Leon L. Nowalsky
Title:
Street Address: Nowalsky & Gothard, APLLC, 1420 Veterans Memorial Blvd.
Post Office Box:
City: Metairie
State: LA
Zip: 70005
Telephone No.: (504) 832-1984
Fax No.:
E-Mail Address: lnowalsky@ngblaw.com

(b) Ongoing operations of the company:
(This company liaison will be the point of contact for FPSC correspondence. This point of contact can be updated if a change is necessary but this must be completed at the time the application is filed).

Name: Kevin Alward
Title: Chief Executive Officer, International Telcom, LLC
Street Address: 14 Industrial Ave., Suite 4
Post Office Box:
City: Mahwah
State: NJ
Zip: 07430
Telephone No.: (212) 277-8040
Fax No.:
E-Mail Address: kevin.alward@dial800.com
Company Homepage: www.internationaltelcomllc.com

(c) Optional secondary point of contact or liaison:
(This point of contact will not receive FPSC correspondence but will be on file with the FPSC).

Name: Leslie Beach
Title: Assistant Controller, International Telcom, LLC
Street Address: 200 W. Mercer St., Suite 202
Post Office Box:
City: Seattle
State: WA
Zip: 98119
Telephone No.: 206-479-2260
Fax No.:
E-Mail Address: leslieb@itld.net

6. Physical address for the applicant that will do business in Florida:

Street address: 200 W Mercer St., Suite 202
City: Seattle
State: WA
Zip: 98119
Telephone No.: (866) 222-1818
Fax No.:
E-Mail Address: kevin.alward@dial800.com

7. List the state(s), and accompanying docket number(s), in which the applicant has:

(a) **operated** as a telecommunications company. See the attached list.

(b) **applications pending** to be certificated as a telecommunications company. None.

(c) **been certificated** to operate as a telecommunications company. See the attached list.

(d) **been denied authority** to operate as a telecommunications company and the circumstances involved. None.

(e) **had regulatory penalties imposed** for violations of telecommunications statutes and the circumstances involved. See the attached addendum.

(f) **been involved in civil court proceedings** with another telecommunications entity, and the circumstances involved. See the attached addendum.

8. The following questions pertain to the officers and directors. Have any been:

(a) adjudged bankrupt, mentally incompetent (and not had his or her competency restored), or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings? ☐ Yes ☒ No

If yes, provide explanation.

(b) granted or denied a certificate in the State of Florida (this includes active and canceled certificates)? ☒ Granted ☐ Denied ☐ Neither

If granted provide explanation and list the certificate holder and certificate number.

International Telcom was granted an IXC license in Docket TI587. It also received an ALEC license on December 17, 1997 (Certificate No. 5531).

If denied provide explanation.

(c) an officer, director, and partner in any other Florida certificated telecommunications company? ☐ Yes ☒ No

If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. Florida Statute 364.335(1)(a) requires a company seeking a certificate of authority to demonstrate its managerial, technical, and financial ability to provide telecommunications service.

Note: *It is the applicant's burden to demonstrate that it possesses adequate managerial ability, technical ability, and financial ability. Additional supporting information may be supplied at the discretion of the applicant. For the purposes of this application, financial statements MUST contain the balance sheet, income statement, and statement of retained earnings.*

(a) **Managerial ability**: An applicant must provide resumes of employees/officers of the company that would indicate sufficient managerial experiences of each. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume.

(b) **Technical ability**: An applicant must provide resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume.

(c) **Financial ability**: An applicant must provide financial statements demonstrating financial ability by submitting a balance sheet, income statement, and retained earnings statement. An applicant that has audited financial statements for the most recent three years must provide those financial statements. If a full three years' historical data is not available, the application must include both historical financial data and pro forma data to supplement. An applicant of a newly established company must provide three years' pro forma data. If the applicant does not have audited financial statements, it must be so stated and signed by either the applicant's chief executive officer or chief financial officer affirming that the financial statements are true and correct.

10. Where will you officially designate as your place of publicly publishing your schedule a/k/a tariffs or price lists)? (Tariffs or price lists MUST be publicly published to comply with Florida Statute 364.04).

☐ Florida Public Service Commission

☒ Website – Please provide Website address: https://internationaltelcomllc.com/florida-customers-rates/

☐ Other – Please provide address: _____

_____

_____

_____

THIS PAGE MUST BE COMPLETED AND SIGNED

REGULATORY ASSESSMENT FEE: I understand that all telecommunications companies must pay a regulatory assessment fee. A minimum annual assessment fee, as defined by the Commission, is required.

RECEIPT AND UNDERSTANDING OF RULES: I understand the Florida Public Service Commission's rules, orders, and laws relating to the provisioning of telecommunications company service in Florida.

APPLICANT ACKNOWLEDGEMENT: By my signature below, I, the undersigned owner or officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical ability, managerial ability, and financial ability to provide telecommunications company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules, orders and laws.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, **"*Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083*."**

I understand that any false statements can result in being denied a certificate of authority in Florida.

COMPANY OWNER OR OFFICER

Print Name: Kevin Alward

Title: Chief Executive Officer

Telephone No.: (212) 277-8040

E-Mail Address: kevin.alward@dial800.com

Signature: Kevin Alward Date: 09/15/2021

CERTIFICATE TRANSFER

As current holder of Florida Public Service Commission Certificate Number 8913, I have reviewed this application and join in the petitioner's request for a transfer of the certificate.

COMPANY OWNER OR OFFICER

Print Name: Robert Farina
Title: Chief Executive Officer, Magna5 LLC
Street/Post Office Box: 3001 Dallas Parkway, Suite 610
City: Frisco
State: TX
Zip: 75034
Telephone No.: (844) 462-4625
Fax No.:
E-Mail Address: RFARINA@MAGNA5global.com

Signature: Robert Farina Date: 9/14/2021

International Telcom State Certification List

STATE	PUC/Docket No.
Alabama	26082
Arkansas	96-413-U
California	U5964
Colorado	n/a
Connecticut	97-04-08
Florida	TI587
Georgia	7060
Hawaii	96-0378
Iowa	3314
Idaho	n/a
Illinois	97-0289
Indiana	40710
Kansas	97-ITLC-077-COC
Louisiana	TSP00075
Massachusetts	n/a
Maryland	ML# 54242
Maine	1997-00217
Minnesota	96-920
Missouri	TA-97-482
Mississippi	TC-123-1495-00
North Carolina	P586
North Dakota	11486200
Nebraska	C-2529
New Hampshire	IXC No. 14897
New Jersey	n/a
New Mexico	n/a

International Telcom State Certification List

Nevada	2210 S2
New York	96-C-1055
Oklahoma	408118
Pennsylvania	310436
Rhode Island	3014
South Carolina	1996-255-C
Texas	23140
Washington	42231
Wisconsin	7084
West Virginia	n/a
Wyoming	74203

7e. Florida, Docket No. 981980-TX – The Florida Public Service Commission cancelled International Telcom's ALEC authority for failing to pay its 1997 regulatory assessment fees. International Telcom paid a $100 fine. Additional information is attached.

Nevada, Docket No. 15-10012 – The Nevada Public Utilities Commission imposed a $50 administrative fine on International Telcom for filing a late 2016 Annual Report. Additional information is attached.

California, Docket No. CD-2020-11-037 – The California Public Service Commission (CPSC) imposed a $1,000 fine on International Telcom for failing to submit its annual performance bond. At all time, International Telcom's performance bond was effective and did not lapse. International Telcom failed to file the bond in the CPSC docket system, which triggered the fine. International Telcom's certification with the CPSC remains in force. Additional information is attached.

7f. In 2000, International Telcom was involved in litigation with Puerto Rico Telephone Company for amounts past due. The litigation was resolved.

STATE OF NEVADA

PUBLIC UTILITIES COMMISSION OF NEVADA

1150 E. William Street
Carson City, Nevada 89701-3109

No. 44664

RECEIPT

Received from

Date 4/28/2016

INTERNATIONAL TELCOM, LTD
417 2ND AVE. W.
SEATTLE, WA 98119-4012

AMOUNT $ 50.00

FIFTY ---------- and 00/100 Dollars

How Paid	Cash	Check	Money Order	Draft
	☐	78189		

Type of Receipt	Filing Fee	TDD	Copy Service	UEC	Mill or CMRS	Other
	☐	☐	☐	☐	☐	☑
GL	3717		3818	3% to 3305 97% to LIHEA cc: Welfare	3920-3315 1038-3315	

Invoice#:

Memo

Docket 15-10012 - Admin Fine

Received by PJW

Business Process Copy

RECEIVED
PUBLIC UTILITIES COMMISSION
OF NEVADA CARSON CITY

2016 APR 28 AM 10: 39

TABLE 1: TIER 1 VIOLATIONS				
Col. 1: Company	**Col. 2: Reason for Show Cause**	**Col. 3: Repeat Violations?**	**Col. 4: Staff's Recommended Administrative Fine**	**Col. 5: Staff's Recommended Escalator**
FRONTIER COMMUNICATIONS OF THE SOUTHWEST INC.	TDD Q4 paid late	N	$50	$250
FRONTIER COMMUNICATIONS ONLINE AND LONG DISTANCE	AR filed late	N	$50	$250
GARMIN USA, INC.	TDD Q3 paid late	N	$50	$250
GLOBALSTAR USA, LLC	TDD Q1-Q4 paid late, NUSF Q1 paid late	Y	$500	$1250
GOLD LINE TELEMANAGEMENT INC.	AR filed late	Y	$100	$250
GOOGLE NORTH AMERICA INC.	TDD Q4 paid late	N	$50	$250
GRANITE TELECOMMUNICATIONS, LLC.	TDD Q1 & Q2 paid late	N	$100	$500
IDT AMERICA CORP.	NUSF paid late	Y	$100	$250
INTERNATIONAL TELCOM LTD. D/B/A ITL	AR filed late	N	$50	$250
IPC NETWORK SERVICES, INC.	TDD Q1 paid late	N	$50	$250
KAJEET, INC.	TDD Q2 & Q4 paid late	N	$100	$500
KENSINGTON COMMUNITY	AR filed late	N	$50	$250
LOCUS TELECOMMUNICATIONS, INC.	TDD Q2 & Q3 paid late	Y	$200	$500
BCM ONE, INC. F/K/A MCGRAW COMMUNICATIONS, INC.	NUSF Q2 paid late	Y	$100	$250
MEGAPATH CORPORATION	AR filed late	N	$50	$250

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Cancellation by Florida Public Service Commission of Alternative Local Exchange Telecommunications Certificate No. 5531 issued to International Telcom, Ltd. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.	DOCKET NO. 981980-TX ORDER NO. PSC-99-0806-AS-TX ISSUED: April 21, 1999

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING SETTLEMENT

International Telcom, Ltd. (International Telcom) currently holds Certificate of Public Convenience and Necessity No. 5531, issued by the Commission on December 17, 1997, authorizing the provision of alternative local exchange telecommunications service. The Division of Administration advised our staff by memorandum that International Telcom had not paid the 1997 regulatory assessment fees (RAFs), nor statutory penalties and interest charges for late RAFs payments for the year 1997. RAFs are required by Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code.

Under Section 364.336, Florida Statutes, certificate holders must pay a minimum annual RAF of $50 if the certificate was active during any portion of the calendar year. Pursuant to Rule 25-4.0161(2), Florida Administrative Code, the form and applicable fees are due to the Florida Public Service Commission by January 30 of the subsequent year. All entities that apply for certification receive a copy of our rules governing alternative local exchange

telecommunications service and an affidavit in which the applicants attest that the rules have been received and understood by the applicant. This affidavit must be attached to the application in order for the application to be processed. The RAF form was mailed to International Telcom for the period of January 1, 1997, through December 31, 1997. Our correspondence regarding the RAFs was signed for and delivered to International Telcom on January 27, 1998.

After this docket was opened, our staff received a call from Mr. Kevin Chang, who stated that the company would pay all the past due charges and that it would propose a settlement offer. International Telcom paid all the past due statutory penalties and interest charges, and submitted a settlement offer. International Telcom agreed to pay future regulatory assessment fees in a timely manner and contribute $100 to the State General Revenue Fund.

We believe that the terms of the settlement agreement represent a fair and reasonable resolution of this matter. Accordingly, we hereby accept the settlement offer. International Telcom must comply with these requirements within five business days from the date this Order becomes final. The contribution will be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. Upon remittance of the $100 contribution, this docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that International Telcom, Ltd.'s settlement proposal summarized in the body of this Order is hereby approved. It is further

ORDERED that this docket shall remain open pending receipt of the $100 contribution. The contribution will be transmitted to the Comptroller for deposit in the State of Florida General Revenue Fund. It is further

ORDERED that upon receipt of the $100 contribution, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 21st day of April, 1999.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

KMP

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

PSC Docket Filings

NOTICE The information in this and related pages was automatically generated from the FPSC's Case Management System. PDF documents, shown in Red and marked with an asterisk, are an image of the official records docket. Any supplementary document formats, such as word files, are provided for your convenience and may not accurately reflect the contents of the filed document. For more information, please contact the Office of Commission Clerk at clerk@psc.state.fl.us or (850) 413-6770.

To download viewer plug-ins: Adobe Acrobat PDF and Microsoft Office Product Viewers (Word, Excel, PowerPoint, etc.) For *.7z compressed files, see http://www.7-zip.org/

Note: The table below is now sortable. You can sort by document number, order number, filing date, or description. Click on the appropriate column heading to sort. Click again to sort the column in reverse order.

Document type ◉ All ○ Official Filings ○ Correspondence

Document Detail for Docket Number:19981980 8 documents

Document	Order	Date Filed	Description	Files
05710-1999		05/05/1999	CMU/Isler 5/3/99 memo to RAR/Bayo advising company has paid fees, including penalties and interest, and $100 settlement, docket may be closed; do not cancel cert; docket closed by XCM.	*05710-1999.pdf (0.1 MB)
05342-1999		04/26/1999	ADM/FISCAL - Copy of $100 check from International Telecom for payment of settlement offer; Deposit D130 dated 4/27/99.	*05342-1999.pdf (0.6 MB)
05107-1999	PSC-1999-0806-AS-TX	04/21/1999	Order PSC-99-0806-AS-TX approving International Telcom's settlement offer; close upon receipt of $100 contribution. (GDCJJ)	*05107-1999.pdf (1 MB) 99-0806.ORD (0 MB)
04099-1999		03/31/1999	VOTE SHEET fr 3/30/99 ag - GR, DS, CL, JN, JC, staff recomm approved.	*04099-1999.pdf (0.1 MB)
03992-1999		03/29/1999	CMU/Isler 3/29/99 memo to RAR/Bayo with attached copy of International Telecom's settlement offer for placement in docket file.	*03992-1999.pdf (0.1 MB)
03522-1999		03/18/1999	RECOM for 3/30/99 ag fr CMU/Isler; LEG/Pena/McKinney - accept settlement offers, close dockets upon remittance of $100 contribution.	*03522-1999.pdf (0.4 MB) 981965.RCM (0 MB)
15857-1998		12/31/1998	CASRs and Correspondence	*15857-1998.pdf (0.2 MB)
14597-1998		12/28/1998	CMU/Isler req to est dkt: Cancellation by FPSC of ALEC Cert 5531 issued to International Telcom, Ltd. for violation of Rule 25-4.0161, FAC, Regulatory Assessment Fees; Telecommunications Companies.	*14597-1998.pdf (0.3 MB)

STATE OF CALIFORNIA GAVIN NEWSOM, Governor

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

July 13, 2021 Agenda ID # 19680

TO PARTIES OF RECORD IN DRAFT RESOLUTION ALJ-407:

This is the draft Resolution of Administrative Law Judge (ALJ) Peter Wercinski resolving the Appeal K.20-12-019 of Citation No. CD-2020-11-037 by International Telcom, Ltd. It will not appear on the Commission's agenda sooner than 30 days from the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the draft resolution, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own order. Only when the Commission acts does the resolution become binding on the parties.

You may serve comments on the draft resolution. Comments shall be served (but not filed) within 20 days of the date that the draft Resolution is noticed in the Commission's Daily Calendar, http://docs.cpuc.ca.gov/SearchRes.aspx?DocTypeID=9&Latest=1, as provided in Rule 14.5 of the Commission's Rules of Practice and Procedure. Comments shall be served upon all persons on this proceeding's service list and on ALJ Wercinski at peter.wercinski@cpuc.ca.gov.

/s/ MICHELLE COOKE for
Anne E. Simon
Chief Administrative Law Judge

AES:gp2/sgu

Attachment

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Resolution ALJ-407
Administrative Law Judge Division
[Date]

RESOLUTION

RESOLUTION ALJ-407. Resolves K.20-12-019, the Appeal by International Telcom, Ltd. of Citation No. CD-2020-11-037 issued by the Communications Division.

SUMMARY

This resolution resolves the appeal of Citation No. CD-2020-11-037 issued to International Telecom, Ltd. by the California Public Utilities Commission's Communications Division. Citation No. CD-2020-11-037 fines International Telcom, Ltd. for failure to submit its Annual Performance Bond by March 31, 2020. The appeal is denied because International Telcom, Ltd. failed to appear at the duly noticed evidentiary hearing on May 25, 2021. This proceeding is closed.

BACKGROUND

The Communications Division (CD) of the California Public Utilities Commission (Commission) issued Citation No. CD-2020-11-037 (Citation) to International Telcom, Ltd. (ITL) on November 16, 2020, for ITL's failure to submit its Annual Performance Bond by March 31, 2020. The Citation sets a fine of $1,000. On December 18, 2020, ITL filed an appeal of the Citation. On April 14, 2021, the assigned Administrative Law Judge (ALJ) issued a Ruling setting the evidentiary hearing for May 25, 2021 at 9:00 a.m. through Webex audio and video. ITL did not notify the assigned ALJ at any time before May 25, 2021 at 9:00 a.m. that it would not appear for the scheduled evidentiary hearing at that date and time, and ITL did not submit any request to the assigned ALJ to change the date and time of the scheduled evidentiary hearing.

On May 25, 2021 at 9:00 a.m., CD appeared before the assigned ALJ. The assigned ALJ and CD were ready to proceed with the evidentiary hearing. However, ITL did not appear at 9:00 a.m. The assigned ALJ and CD waited until 9:15 a.m. but ITL failed to

appear. At that time, the assigned ALJ stated that ITL's appeal would be denied because of its failure to appear at the duly noticed evidentiary hearing.

DISCUSSION

An order of dismissal is appropriate when a party to a proceeding fails to appear at a duly noticed hearing.[1] The Commission has also ordered the dismissal of a proceeding for lack of prosecution when a party neither appeared at a prehearing conference nor advised the Commission of the reason for the non-appearance.[2] In this proceeding, ITL did not appear at a duly noticed evidentiary hearing and did not advise the assigned ALJ that it would not appear or request a change of the date and time of the scheduled evidentiary hearing. Therefore, we deny ITL's appeal and affirm the Citation and fine set in the Citation.

COMMENTS

The draft resolution was served on the parties for public review and comment in accordance with Public Utility Code Section 311(g)(1), Article 14 of the Commission's Rules of Practice and Procedure, and Rule 18 of Resolution ALJ-377. Comments were served on _____, by _____. Reply comments were served on _____, by _____.

FINDINGS AND CONCLUSIONS

1. On April 14, 2021, ITL received notice of the evidentiary hearing scheduled in this proceeding for May 25, 2021 at 9:00 a.m.
2. ITL did not appear for the scheduled May 25, 2021 evidentiary hearing.
3. ITL did not notify the assigned ALJ that it would not appear for the scheduled May 25, 2021, evidentiary hearing.
4. ITL did not make any request to the assigned ALJ before May 25, 2021, to change the date and time of the scheduled May 25, 2021 evidentiary hearing.
5. ITL's appeal of the Citation should be dismissed.
6. The violation and penalty set in the Citation should be affirmed.
7. This proceeding should be closed.

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[1] Decision (D.) 03-10-043.

[2] D.98-01-011.

Therefore, **IT IS ORDERED** that:

1. The Appeal of International Telcom, Ltd. of Citation No. CD-2020-11-037 issued on November 16, 2020 by the California Public Utilities Commission's Communications Division is dismissed.
2. The violation and penalty set in Citation No. CD-2020-11-037 are affirmed.
3. International Telcom, Ltd. must pay the penalty of $1,000.00 within 30 days of the date of issuance of this resolution by check or money order payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, San Francisco, CA 94102-3298. International Telcom, Ltd. shall write on the face of the check or money order "For deposit to the State of California General Fund per Resolution ALJ-407."
4. This proceeding is closed.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on _____, the following Commissioners voting favorably thereon:

_____

RACHEL PETERSON
Executive Director

ALJ/PWI/gp2/sgu

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RESOLUTION ALJ-407. Resolves K.20-12-019, the Appeal by International Telcom, Ltd. of Citation No. CD-2020-11-037 issued by the Communications Division.

INFORMATION REGARDING SERVICE

I have electronically served all persons on the attached official service list who have provided an e-mail address for K.20-12-019.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the filed document to be served by U.S. mail on all parties listed in the "Party" category of the official service list for whom no e-mail address is provided.

Dated July 13, 2021, at San Francisco, California.

/s/ GABRIELA PEREZ
Gabriela Perez

/s/ SHANE GUTTO
Shane Gutto

NOTICE

Persons should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

* *

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event

********** SERVICE LIST **********
Last Updated on 13-JUL-2021 by: KB3
K2012019 LIST

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Kevin Alward - Biography

Kevin Alward is the Owner and CEO of International Telcom, LLC, and focuses on delivering impactful business solutions and finding new and effective ways to connect brands with their customers. International Telcom brands currently include Kall8 and Dial800, which serve over 20,000 companies internationally. Kevin has proudly spent the past 30 years leading numerous communications companies who serve a variety of industries including enterprise, finance, government and technology.

Kevin holds a Bachelor of Science degree in computer science from Alfred University. Outside of work, Kevin enjoys giving his time to the Villanova Center of Innovation, Creativity and Entrepreneurship (ICE), Oasis, Boy Scouts of America, Keep Our Police Safe (KOPS), Highlands Hockey Association and It's a Wonderful Life.

2016 - present:	CEO of International Telcom, LLC
2006 - 2018:	CEO of SwiftReach Networks
2002 - 2006:	President of Covista Communications
1998 - 2001:	President of NA Destia Communications f/k/a Econophone USA
1988 - 1998:	President of TotalTel USA

Nicholas Felmlee - Biography

Nicholas Felmlee is the Owner and Chief Technology Officer of International Telcom, LLC. Nick has over 20 years of software, telecommunications, and strategic planning experience leading technology and engineering departments. Prior to joining International Telcom in November, 2016, Nick spent almost two decades as owner and CTO of multiple communications and telecom businesses.

Nick holds a Bachelor of Science degree in Electrical Engineering from Penn State University.

2016 - present:	CTO of International Telcom, LLC
2002 - 2018:	CTO of SwiftReach Networks
1998 - 2002:	Engineer at Bell Labs

INTERNATIONAL TELCOM, LLC AND AFFILIATES

Audited Consolidated Financial Statements
And Supplementary Information

December 31, 2018

GRAY GRAY & GRAY®
CERTIFIED PUBLIC ACCOUNTANTS | ADVISORS
BEYOND THE NUMBERS

NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT

This report was prepared subject to the terms and conditions set forth in an engagement letter. By relying upon this report, all users shall be deemed to agree to the terms and conditions of that engagement letter. Users intending to rely upon this report should contact the issuer to obtain a copy of its applicable terms and conditions. This report is intended for the exclusive use of the clients of the issuer and others to whom the issuer has expressly granted consent.

INTERNATIONAL TELCOM, LLC AND AFFILIATES

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
International Telcom, LLC and Affiliates

We have audited the accompanying consolidated financial statements of **International Telcom, LLC and Affiliates**, which comprise the balance sheet as of December 31, 2018, and the related statements of income, members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statement.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statement referred to above present fairly, in all material respects, the consolidated financial position of **International Telcom, LLC and Affiliates** as of December 31, 2018, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statement as a whole. The consolidating information in the consolidating balance sheet and consolidating statement of income is presented for purposes of additional analysis of the consolidated financial statement rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statement. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statement or to the consolidated financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statement as a whole.

GRAY, GRAY & GRAY, LLP

Gray, Gray & Gray, LLP

Canton, MA
April 30, 2019

INTERNATIONAL TELCOM , LLC AND AFFILIATES
CONSOLIDATED BALANCE SHEET
December 31, 2018

ASSETS	
CURRENT ASSETS	
Cash	$ 1,478,643
Accounts receivable	1,696,466
Due from related parties	650,113
Prepaid expenses and other current assets	296,431
TOTAL CURRENT ASSETS	4,121,653
PROPERTY AND EQUIPMENT, NET	237,775
OTHER ASSETS	
Security deposits	84,782
Goodwill, net	14,621,193
TOTAL OTHER ASSETS	14,705,975
TOTAL ASSETS	$ 19,065,403

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LLC AND AFFILIATES
CONSOLIDATED BALANCE SHEET
December 31, 2018

LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES	
Current portion of long-term debt	$ 3,456,728
Accounts payable	589,738
Accrued distribution payable	1,339,974
Due to related parties	53,548
Accrued expenses and other current liabilities	261,727
Deferred revenue	609,993
TOTAL CURRENT LIABILITIES	6,311,708
LONG-TERM LIABILITIES	
Long-term debt, net of current portion	9,609,993
TOTAL LIABILITIES	15,921,701
TOTAL MEMBERS' EQUITY ATTRIBUTABLE TO INTERNATIONAL TELCOM, LLC.	3,476,244
NON-CONTROLLING INTEREST	(332,542)
TOTAL MEMBERS' EQUITY	3,143,702
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 19,065,403

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LLC AND AFFILIATES
CONSOLIDATED STATEMENT OF INCOME
Year Ended December 31, 2018

REVENUE	$ 19,640,433
COST OF REVENUE	3,076,572
GROSS PROFIT	16,563,861
OPERATING EXPENSES	
Selling, general and administrative expenses	10,311,727
Depreciation and amortization	1,966,343
TOTAL OPERATING EXPENSES	12,278,070
INCOME FROM OPERATIONS	4,285,791
OTHER INCOME (EXPENSES)	
Interest expense	(1,172,433)
Loss on disposal of property and equipment	(87,653)
Other expense	(15,840)
Other income	3,154
TOTAL OTHER INCOME (EXPENSES)	(1,272,772)
NET INCOME	3,013,019
NON-CONTROLLING INTEREST	167,239
NET INCOME ATTRIBUTED TO INTERNATIONAL TELCOM, LLC	$ 3,180,258

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LLC AND AFFILIATES
CONSOLIDATED STATEMENT OF MEMBERS' EQUITY
Year Ended December 31, 2018

	MEMBER'S EQUITY ATTRIBUTABLE TO INTERNATIONAL TELCOM, LLC	NON-CONTROLING INTEREST	TOTAL MEMBERS' EQUITY
Beginning of year	$ 3,608,288	$ -	$ 3,608,288
Distributions	(3,312,302)	(165,303)	(3,477,605)
Net Income	3,180,258	(167,239)	3,013,019
End of Year	$ 3,476,244	$ (332,542)	$ 3,143,702

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LLC AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ 3,013,019
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	99,435
Loss on disposal of property and equipment	87,653
Amortization of goodwill	1,866,908
Amortization of debt issuance costs	80,269
(Increase) decrease in assets:	
Accounts receivable	(765,024)
Due from related parties	(53,838)
Prepaid expenses and other current assets	(42,930)
Security deposits	(35,933)
Increase (decrease) in liabilities:	
Payable to seller	-
Accounts payable	409,878
Due to related parties	53,548
Accrued expenses and other current liabilities	(45,148)
Deferred revenue	191,220
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,859,057
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(67,029)
NET CASH USED BY INVESTING ACTIVITIES	(67,029)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments of long-term debts	(3,072,862)
Distributions	(811,895)
NET CASH USED BY FINANCING ACTIVITIES	(3,884,757)
NET INCREASE IN CASH	907,271
CASH AT BEGINNING OF YEAR	571,372
CASH AT END OF YEAR	$ 1,478,643
NON CASH FINANCING ACTIVITY	
Transfer of long-term debt recorded as distribution	$ 1,857,000
Transfer of due to related party as a reduction of distribution	$ (531,264)
Distribution payable	$ 1,866,908

The accompanying notes are an integral part of these financial statements.

NOTE 1: BUSINESS

Principal Business Activity: International Telcom, LLC, a Delaware limited corporation, ("ITL"), is an enhanced telecommunications firm that provides market-leading real-time call performance, routing, and tracking solutions and offers its customers a large "bank" of memorable toll-free telephone numbers that can enhance response rates from call-driven marketing campaigns. Dial 800 is a division of ITL.

ITL has a 25% membership interest in ITL GS Holdings, LLC. ITL GS Holdings, LLC, a Delaware limited corporation, ("Holding"), has 50% membership interest in ITL Global Services, LLC, ("GS"). GS, a Delaware limited corporation, has extensive experience delivering customized, diverse, flexible and scalable network solutions (Wavelength/Dark Fiber/Ethernet/Cloud Services) to customers. The primary activity of ITLGS involves designing and implementing network solutions by matching providers of high-speed, high capacity network providers with clients seeking access to such services.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Variable Interest Entity: A variable interest entity ("VIE") is an entity with insufficient equity investment or in which the equity holders lack one or more of the characteristics of controlling interest (which are adequate decision-making ability, the obligation to absorb the expected losses, and the rights to receive the expected residual returns). Accounting principles generally accepted in the United States of America ("GAAP") require VIEs to be consolidated in an entity's financial statements if the entity is the primary beneficiary of the VIE. In determining whether it is the primary beneficiary, the Company considers, among other things, whether it has the power to direct the activities of the VIE that most significantly impact the entity's economic performance, including, but not limited to, determining or limiting the scope of purpose of the VIE, selling or transferring property owned or controlled by the VIE, or arranging financing for the VIE. The Company also considers whether it has the obligation to absorb losses of or the right to receive benefits from the VIE. The Company assesses its determination as the primary beneficiary on an ongoing basis.

ITL has a variable interest in GS because GS's ability to obtain financing was contingent upon financial support from ITL. ITL is the primary beneficiary of GS since it has the power to direct the activities that most significantly impact GS's economic performance.

Basis of Consolidation: The consolidated financial statements include the accounts of ITL, Holding, and GS (collectively, the "Company"). All significant inter-company balances and transactions have been eliminated during consolidation.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Term of Company and Operating Agreement: The Company will continue, unless terminated pursuant to its operating agreement.

Cash: During the course of the normal business cycle, the Company may, at times, maintain cash balances in excess of the Federal Deposit Insurance Corporation's (FDIC) limit.

Accounts Receivable: Accounts receivable are uncollateralized customer obligations due under normal trade terms. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice. Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. The carrying amounts of accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management reviews all accounts receivable balances that exceed the due date and, based on an assessment of current creditworthiness and past experience with the customers, estimates the portion, if any, of the balance that will not be collected. At December 31, 2018, no allowance for doubtful account was considered necessary.

Property and Equipment: Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimate useful life ranging from 3 to 15 years. Maintenance and repairs are charged to expense as incurred. The Company reviews the property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no indications of impairment at December 31, 2018.

Goodwill: The Company accounts for goodwill in conformity with the requirements of Statement of Accounting Standards Codification ("ASC") 350, "Goodwill and Other Intangible Assets". Additionally, the Company has elected application of the accounting alternative allowed under the Accounting Standards Update ("ASU") "No. 2014-02 Intangibles – Goodwill and Other (Topic 350)" that stipulates goodwill be amortized over the lesser of ten (10) years or the useful life. The Company is amortizing goodwill over a ten (10) year life. Goodwill is tested for impairment only when a triggering event occurs. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. The Company has determined no triggering event has occurred.

Revenue Recognition: Revenue is generally recorded when the services have been performed provided that persuasive evidence of an arrangement exists, the price to the buyer is fixed and determined, and collectively is reasonably assured. Revenue is recognized as services are provided according to the customer contracts, either on a subscription basis or based on the actual usage. Payments received in advance of services being performed under contracts are recorded as deferred revenue.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes: The Company is a limited liability corporation and taxed as a partnership. As such the income and loss of the Company are reported on the members' individual income tax returns.

The Company is required to recognize the financial statement impact of a tax position unless it is more likely than not that the position will be sustained upon examination. If applicable, the Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company has no amounts accrued for interest and penalties as of December 31, 2018. Based on the evaluation of the Company's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2018. The Company is not subject to income tax examinations by the federal and state tax authorities for tax years before 2016.

Advertising: Advertising costs are expensed as incurred. Advertising expense was approximately $141,000 for the year ended December 31, 2018.

NOTE 3: VARIABLE INTEREST ENTITIES

Selected information from the consolidated balance sheets and statements of income of GS as of and for the year ended December 31, 2018 is as follows:

Total assets	$ 500,574
Total liabilities	$ 880,622
Total members' deficits	$ (380,048)
Net loss	$ (191,130)

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2018:

Computer equipment and software	$ 393,677
Furniture and fixtures	26,152
	419,829
Less accumulated depreciation	182,054
	$ 237,775

NOTE 5: GOODWILL

Goodwill consists of the following as of December 31, 2018:

	Costs	Accumulated Amortization	Net Book Value
Goodwill	$ 18,609,638	$ (3,988,445)	$ 14,621,193

Amortization for the next five years will amount to approximately $1,870,000 annually.

NOTE 6: LINE OF CREDIT

The Company has a line of credit with a bank which allows the Company to borrow up to $3,500,000 which was subject to certain restrictions on availability. The line of credit bears interest at either the bank's applicable margin plus prime rate or the bank's applicable margin plus the relevant LIBOR (10% or 8% at December 31, 2018). The line of credit is secured by the Company's assets and membership interests in ITL and subject to certain financial covenants. No amount was outstanding as of December 31, 2018. The line of credit was refinanced on March 22, 2019, see Note 13.

NOTE 7: LONG-TERM DEBT

Long-term debt consisted of the following as of December 31, 2018:

Term loans payable to a bank payable in quarterly principal installments ranging from $212,500 to $450,500 with the final payment of $7,382,518 due on December 31, 2020. Bears interest at either the bank's applicable margin plus prime rate or bank's applicable margin plus the relevant LIBOR (8% at December 31, 2018). In general, interest is payable quarterly. Term loans are secured by the Company's assets and the membership interest in ITL and subject to certain financial covenants. The note was refinanced on March 22, 2019, see Note 13.	$ 12,085,268
Subordinated note payable of $2,000,000 payable in quarterly installments of $143,000 and the final payment of $999,000 will be due on June 30, 2019. Bears interest at 5%.	1,142,000
	13,227,268
Less debt issuance costs	(160,547)
Less current portion	(3,456,728)
	$ 9,609,993

NOTE 7: LONG-TERM DEBT (CONTINUED)

Future minimum debt payments are as follows:

Years Ending December 31,	Payments	Amortization	Net
2019	$ 3,537,000	$ (80,272)	$ 3,456,728
2020	9,690,268	(80,275)	9,609,993
	$ 13,227,268	$ (160,547)	$ 13,066,721

NOTE 8: OPERATING LEASES

The Company leases office space under operating lease agreements expiring through July 2026. The aggregate minimum future payments under these leases are payable as follows:

Years Ending December 31,	
2019	$ 827,940
2020	920,382
2021	350,079
2022	360,803
2023	371,527
Thereafter	890,159
	$ 3,720,890

Rent expense under operating leases was approximately $680,000 the year ended December 31, 2018.

A portion of this space was being subleased under a non-cancelable lease that expires in December 2020. The Company's lease expense will be offset by payments due under the sublease as follows:

Years Ending December 31,	
2019	$ 509,800
2020	523,788
	$ 1,033,588

Rental income under the sublease amounted to approximately $63,408 in 2018.

NOTE 9: RETIREMENT PLAN

The Company maintains 401(k) profit sharing plans for all employees meeting certain age and service requirements. The Company's total contributions to the plans were approximately $12,000 for the year ended December 31, 2018.

NOTE 10: RELATED PARTY TRANSACTIONS

The Company had the following related party transactions for the year ended December 31, 2018:

Selling, general, and administrative expenses with members of ITL and GS	$ 532,082
Selling, general, and administrative expenses reimbursement from members of ITL	(81,561)
	$ 450,521

At the December 31, 2018, the due from related parties consisted of:

Loan receivable from members of ITL	$ 445,316
Interest receivable from members of ITL	85,948
Accounts receivable from entity owned by member of ITL	118,849
Due from related parties	$ 650,113
Due to a member of ITL	$ 53,548

NOTE 11: SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended December 31, 2018, the Company paid approximately $1,020,000 for interest.

NOTE 12: CONTINGENCY

The Company is party to legal actions arising in the normal course of business. Management believes the outcome of these legal actions will not, in the aggregate, have a material adverse effect on the results of operations or the financial condition of the Company.

NOTE 13: SUBSEQUENT EVENTS

On March 22, 2019, the Company entered into Amended and Restated Revolving Credit Term Loan and Security Agreement (the "Amendment"). Under the Amendment, the maximum line of credit availability was reduced to $2,500,000 with expiration of March 29, 2024. The term loans were re-financed with a new term loan of $12,100,000. The new term loan requires quarterly payments ranging from $375,000 to $687,500 starting June 20, 2019 and the final payment of $2,537,500 due on March 29, 2024.

The Company has evaluated subsequent events through April 30, 2019 when the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

INTERNATIONAL TELCOM, LLC AND AFFILIATES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2018

ASSETS

	Dial 800	ITL Global Services, LLC	International Telcom, LLC	Eliminations	Consolidated Total
CURRENT ASSETS					
Cash	$ 1,047,431	$ 144,974	$ 286,238	$ -	$ 1,478,643
Accounts receivable	976,657	249,452	466,494	3,863	1,696,466
Due from related parties	134,864	-	825,060	(309,811)	650,113
Prepaid expenses and other current assets	86,388	104,132	105,911	-	296,431
TOTAL CURRENT ASSETS	2,245,340	498,558	1,683,703	(305,948)	4,121,653
PROPERTY AND EQUIPMENT, NET	10,549	2,016	225,210	-	237,775
OTHER ASSETS					
Security deposits	30,346	-	54,436	-	84,782
Goodwill, net	7,481,857	-	7,139,336	-	14,621,193
TOTAL OTHER ASSETS	7,512,203	-	7,193,772	-	14,705,975
TOTAL ASSETS	$ 9,768,092	$ 500,574	$ 9,102,685	$ (305,948)	$ 19,065,403

INTERNATIONAL TELCOM, LLC AND AFFILIATES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2018

LIABILITIES AND STOCKHOLDER'S EQUITY

	Dial 800	ITL Global Services, LLC	International Telcom, LLC	Eliminations	Consolidated Total
CURRENT LIABILITIES					
Current portion of long-term debts	$ 769,728	$ -	$ 2,687,000	$ -	$ 3,456,728
Accounts payable	77,753	237,153	274,832	-	589,738
Accrued distribution payable	-	-	1,339,974	-	1,339,974
Due to related parties	-	53,548	-	-	53,548
Accrued expenses and other current liabilities	208,170	5,407	48,150	-	261,727
Deferred revenue	331,427	278,566	-	-	609,993
TOTAL CURRENT LIABILITIES	1,387,078	574,674	4,349,956	-	6,311,708
LONG-TERM LIABILITIES					
Long-term debts, net of current portion	7,122,739	305,948	2,487,254	(305,948)	9,609,993
TOTAL LIABILITIES	8,509,817	880,622	6,837,210	(305,948)	15,921,701
TOTAL MEMBERS' EQUITY ATTRIBUTABLE TO INTERNATIONAL TELCOM, LLC.	1,258,275	(380,048)	2,265,475	332,542	3,476,244
NON-CONTROLLING INTEREST	-	-	-	(332,542)	(332,542)
TOTAL MEMBERS' EQUITY	1,258,275	(380,048)	2,265,475	-	3,143,702
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 9,768,092	$ 500,574	$ 9,102,685	$ (305,948)	$ 19,065,403

INTERNATIONAL TELCOM, LLC AND AFFILIATES
CONSOLIDATING STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2018

	Dial 800	ITL Global Services, LLC	International Telcom, LLC	Eliminations	Consolidated Total
REVENUE	$ 8,476,283	$ 1,872,864	$ 9,291,286	$ -	$ 19,640,433
COST OF REVENUE	828,792	1,183,861	1,063,919	-	3,076,572
GROSS PROFIT	7,647,491	689,003	8,227,367	-	16,563,861
OPERATING EXPENSES					
Selling, general and administrative expenses	4,212,109	880,133	5,219,485	-	10,311,727
Depreciation and amortization	847,003	-	1,119,340	-	1,966,343
TOTAL OPERATING EXPENSES	5,059,112	880,133	6,338,825	-	12,278,070
INCOME (LOSS) FROM OPERATIONS	2,588,379	(191,130)	1,888,542	-	4,285,791
OTHER INCOME (EXPENSES)					
Interest expense	(722,901)	-	(449,532)	-	(1,172,433)
Loss on disposal of property and equipment	-	-	(87,653)	-	(87,653)
Other expense	(15,840)	-	-	-	(15,840)
Other income	-	-	3,154	-	3,154
TOTAL OTHER INCOME (EXPENSES)	(738,741)	-	(534,031)	-	(1,272,772)
NET INCOME (LOSS)	1,849,638	(191,130)	1,354,511	-	3,013,019
NON-CONTROLLING INTEREST	-	-	-	167,239	167,239
NET INCOME (LOSS) ATTRIBUTED TO INTERNATIONAL TELCOM, LLC	1,849,638	(191,130)	1,354,511	167,239	3,180,258
MEMBERS' EQUITY ATTRIBUTABLE TO INTERNATIONAL TELCOM, LLC., BEGINNING OF YEAR	(500,792)	-	4,109,080	-	3,608,288
DISTRIBUTIONS	(90,571)	(188,918)	(3,198,116)	165,303	(3,312,301)
TOTAL MEMBERS' EQUITY ATTRIBUTABLE TO INTERNATIONAL TELCOM, LLC., END OF YEAR	$ 1,258,275	$ (380,048)	$ 2,265,475	$ 332,542	$ 3,476,244

INTERNATIONAL TELCOM, LLC AND AFFILIATE

Audited Consolidated Financial Statements
And Supplementary Information

December 31, 2020 and 2019

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NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT

INTERNATIONAL TELCOM, LLC AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
International Telcom, LLC and Affiliate

We have audited the accompanying consolidated financial statements of **International Telcom, LLC and Affiliate**, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **International Telcom, LLC and Affiliate** as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the consolidating balance sheet and consolidating statement of income and members' equity is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

GRAY, GRAY & GRAY, LLP

Gray, Gray & Gray, LLP

Canton, MA
April 30, 2021

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019

ASSETS	2020	2019
CURRENT ASSETS		
Cash	**$ 2,929,391**	$ 1,489,282
Accounts receivable, net of allowance for doubtful accounts of $27,327 and $15,000 in 2020 and 2019, respectively	**1,138,678**	1,069,294
Due from related parties	**1,308,342**	1,256,489
Prepaid expenses and other current assets	**191,828**	314,745
TOTAL CURRENT ASSETS	**5,568,239**	4,129,810
PROPERTY AND EQUIPMENT, NET	**616,642**	518,715
OTHER ASSETS		
Security deposits	**86,591**	87,192
Goodwill, net	**10,672,229**	12,507,652
TOTAL OTHER ASSETS	**10,758,820**	12,594,844
TOTAL ASSETS	**$ 16,943,701**	$ 17,243,369

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019

LIABILITIES AND MEMBERS' EQUITY	2020	2019
CURRENT LIABILITIES		
Current portion of long-term debt	**$ 2,121,830**	$ 1,632,755
Accounts payable	**362,806**	307,779
Accrued distribution payable	**822,725**	1,245,000
Due to related parties	**25,767**	45,000
Accrued expenses and other current liabilities	**495,885**	588,696
Deferred revenue	**4,500**	4,995
TOTAL CURRENT LIABILITIES	**3,833,513**	3,824,225
LONG-TERM LIABILITIES		
Paycheck protection program loan	**902,500**	-
Long-term debt, net of current portion	**6,579,133**	9,109,576
TOTAL LIABILITIES	**11,315,146**	12,933,801
TOTAL MEMBERS' EQUITY	**5,628,555**	4,309,568
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$ 16,943,701**	$ 17,243,369

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2020 and 2019

	2020	2019
REVENUE	**$ 17,418,556**	$ 17,425,132
COST OF REVENUE	**2,743,880**	2,197,517
GROSS PROFIT	**14,674,676**	15,227,615
OPERATING EXPENSES		
Selling, general and administrative expenses	**10,273,541**	9,529,875
Depreciation and amortization	**2,008,231**	2,001,700
TOTAL OPERATING EXPENSES	**12,281,772**	11,531,575
INCOME FROM OPERATIONS	**2,392,904**	3,696,040
OTHER INCOME (EXPENSES)		
Interest income	**12,432**	9,827
Interest expense	**(781,530)**	(1,141,140)
Gain on sale of investment	**-**	1,210,707
Other income (expense)	**26**	(12,701)
TOTAL OTHER INCOME (EXPENSES)	**(769,072)**	66,693
NET INCOME	**$ 1,623,832**	$ 3,762,733

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
Years Ended December 31, 2020 and 2019

	MEMBERS' EQUITY ATTRIBUTABLE TO INTERNATIONAL TELCOM, LLC	NON-CONTROLLING INTEREST	TOTAL MEMBERS' EQUITY
MEMBERS' EQUITY AS OF DECEMBER 31, 2018	$ 3,476,244	$ (332,542)	$ 3,143,702
DISTRIBUTIONS	(2,929,409)	-	(2,929,409)
DECONSOLIDATION OF AFFILIATE	-	332,542	332,542
NET INCOME	3,762,733	-	3,762,733
MEMBERS' EQUITY AS OF DECEMBER 31, 2019	4,309,568	-	4,309,568
DISTRIBUTIONS	**(304,845)**	**-**	**(304,845)**
NET INCOME	**1,623,832**	**-**	**1,623,832**
MEMBERS' EQUITY AS OF DECEMBER 31, 2020	**$ 5,628,555**	**$ -**	**$ 5,628,555**

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 1,623,832**	$ 3,762,733
Adjustments to reconcile net income to net cash provided by operating activities:		
Deconsolidation of affiliate	**-**	380,048
Gain on sale of investment	**-**	(1,210,707)
Depreciation	**172,808**	153,159
Loss on disposal of property and equipment	**41,957**	-
Amortization of goodwill	**1,835,423**	1,848,541
Amortization of debt issuance costs	**54,744**	216,337
(Increase) decrease in assets:		
Accounts receivable	**(69,384)**	627,172
Due from related parties	**(51,853)**	(606,376)
Prepaid expenses and other current assets	**122,917**	(18,314)
Security deposits	**601**	(2,410)
Increase (decrease) in liabilities:		
Accounts payable	**55,027**	(281,959)
Due to related parties	**(19,233)**	(8,548)
Accrued expenses and other current liabilities	**(92,811)**	326,969
Deferred revenue	**(495)**	(604,998)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**3,673,533**	4,581,647
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(312,692)**	(434,099)
Proceeds from purchase price adjustment	**-**	265,000
NET CASH USED BY INVESTING ACTIVITIES	**(312,692)**	(169,099)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	**(2,096,112)**	(2,267,000)
Proceeds on paycheck protection program loan	**902,500**	-
Distributions	**(727,120)**	(1,861,182)
Payment of debt issuance costs	**-**	(273,727)
NET CASH USED BY FINANCING ACTIVITIES	**(1,920,732)**	(4,401,909)
NET INCREASE IN CASH	**1,440,109**	10,639
CASH AT BEGINNING OF YEAR	**1,489,282**	1,478,643
CASH AT END OF YEAR	**$ 2,929,391**	$ 1,489,282
NON CASH FINANCING ACTIVITY		
Accrued distribution payable	**$ 822,725**	$ 1,245,000
Proceed from sale of investment distributed to members	**$ -**	$ 1,163,201
Refinance of long-term debt	**$ -**	$ 12,085,268

The accompanying notes are an integral part of these financial statements.

NOTE 1: BUSINESS

Principal Business Activity: International Telcom, LLC, a Delaware limited corporation, ("ITL"), is an enhanced telecommunications firm that provides market-leading real-time call performance, routing, and tracking solutions and offers its customers a large "bank" of memorable toll-free telephone numbers that can enhance response rates from call-driven marketing campaigns. Dial 800 ("D800") is a division of ITL.

ITL had a 25% membership interest in ITL GS Holdings, LLC ("Holdings"). Holdings, a Delaware limited corporation, and had a 50% membership interest in ITL Global Services, LLC, ("GS"). GS, a Delaware limited corporation, has extensive experience delivering customized, diverse, flexible and scalable network solutions (Wavelength/Dark Fiber/Ethernet/Cloud Services) to customers. The primary activity of GS involves designing and implementing network solutions by matching providers of high-speed, high capacity network providers with clients seeking access to such services. In 2019, Holdings sold its membership interest in GS.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Variable Interest Entity and Basis of Consolidation: A variable interest entity ("VIE") is an entity with insufficient equity investment or in which the equity holders lack one or more of the characteristics of controlling interest (which are adequate decision-making ability, the obligation to absorb the expected losses, and the rights to receive the expected residual returns). Accounting principles generally accepted in the United States of America ("GAAP") require VIEs to be consolidated in an entity's financial statements if the entity is the primary beneficiary of the VIE. In determining whether it is the primary beneficiary, the Company considers, among other things, whether it has the power to direct the activities of the VIE that most significantly impact the entity's economic performance, including, but not limited to, determining or limiting the scope of purpose of the VIE, selling or transferring property owned or controlled by the VIE, or arranging financing for the VIE. The Company also considers whether it has the obligation to absorb losses of or the right to receive benefits from the VIE. The Company assesses its determination as the primary beneficiary on an ongoing basis.

ITL had a variable interest in GS because GS's ability to obtain financing was contingent upon financial support from ITL. ITL was the primary beneficiary of GS since it had the power to direct the activities that most significantly impact GS's economic performance. The consolidated financial statements include the accounts of ITL and GS (collectively, the "Company"). All significant inter-company balances and transactions have been eliminated during consolidation.

Due to the sale of membership interest in GS by Holdings, GS was deconsolidated in 2019.

Use of Estimates: The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Term of Company and Operating Agreement: The Company will continue, unless terminated pursuant to its operating agreement.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash: During the course of the normal business cycle, the Company may, at times, maintain cash balances in excess of the Federal Deposit Insurance Corporation's (FDIC) limit.

Accounts Receivable: Accounts receivable are uncollateralized customer obligations due under normal trade terms. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice. Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. The carrying amounts of accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management reviews all accounts receivable balances that exceed the due date and, based on an assessment of current creditworthiness and past experience with the customers, estimates the portion, if any, of the balance that will not be collected.

Property and Equipment: Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimate useful life ranging from 3 to 15 years. Maintenance and repairs are charged to expense as incurred. The Company reviews the property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no indications of impairment at December 31, 2020 and 2019.

Goodwill: The Company accounts for goodwill in conformity with the requirements of Statement of Accounting Standards Codification ("ASC") 350, "Goodwill and Other Intangible Assets". Additionally, the Company has elected application of the accounting alternative allowed under the Accounting Standards Update ("ASU") "No. 2014-02 Intangibles – Goodwill and Other (Topic 350)" that stipulates goodwill be amortized over the lesser of ten (10) years or the useful life. The Company is amortizing goodwill over a ten (10) year life. Goodwill is tested for impairment only when a triggering event occurs. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. The Company has determined no triggering event has occurred.

Revenue Recognition: Effective January 1, 2019, the Company adopted Revenue from Contracts with Customers (ASU 2014-09). The new standard replaces all current U.S. GAAP guidance on this topic and eliminates all industry-specific guidance, providing a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company determines revenue recognition by:

1. Identifying the contract, or contracts, with a customer;
2. Identifying the performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to performance obligations in the contract;
5. Recognizing revenue when, or as, the Company satisfies performance obligations by transferring the promised goods or services.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company adopted ASU 2014-09 utilizing the modified retrospective method. Upon adoption, The Company applied ASU 2014-09 only to contracts that were not completed. The Company applied the standard's practical expedient that permits the omission of prior-period information about remaining performance obligations, which are not material to restated information. The adoption of ASU 2014-09 did not have any impact to the financial statements.

The Company enters into agreements with customers to provide toll-free service with a complete set of online tools to manage and track toll-free numbers in real time, internet faxes and messaging services. The transaction price is allocated to each performance obligation based on the standalone selling price.

Under the agreements, the Company has a performance obligation to provide toll-free service, on-line tools, internet faxes and messaging platforms available for their customers. The performance obligation is satisfied over time when the services are provided to the customers.

Various economic factors affect revenues and cash flows. The Company bills the customer monthly. The customer payment is typically due in 30 days. The timing of revenue recognition, billings, and cash collections results in accounts receivable and deferred revenue on the consolidated balance sheets.

Income Taxes: The Company is a limited liability corporation and taxed as a partnership. As such the income and loss of the Company are reported on the members' individual income tax returns.

The Company is required to recognize the financial statement impact of a tax position unless it is more likely than not that the position will be sustained upon examination. If applicable, the Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company has no amounts accrued for interest and penalties as of December 31, 2020 and 2019. Based on the evaluation of the Company's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2020. The Company is not subject to income tax examinations by the federal and state tax authorities for tax years before 2017.

Advertising: Advertising costs are expensed as incurred. Advertising expense was approximately $268,000 and $195,000 for the years ended December 31, 2020 and 2019.

Risks and Uncertainties: In March 2020, the World Health Organization deemed the Coronavirus ("COVID-19") a pandemic. This pandemic may cause a potential disruption to the Company's operations; although to-date, there has been no material adverse effect on the Company's financial condition and results of operations.

Reclassifications: Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2020	2019
Computer equipment and software	**$ 466,160**	$ 445,184
Vehicles	**529,604**	335,861
Furniture and fixtures	**15,487**	11,038
Leasehold improvements	**19,373**	19,373
	1,030,624	811,456
Less accumulated depreciation	**413,982**	292,741
	$ 616,642	$ 518,715

NOTE 4: GOODWILL

In June 2019, the Company settled a dispute over the purchase price of D800. As a result, the purchase price was reduced by $265,000 which resulted in a reduction of goodwill. Goodwill consisted of the following as of December 31:

	Cost	Accumulated Amortization	Net Book Value
2020	**$ 18,344,638**	**$ (7,672,409)**	**$ 10,672,229**
2019	$ 18,344,638	$ (5,836,986)	$ 12,507,652

Amortization for the next five years will amount to approximately $1,835,000 annually.

NOTE 5: LINE OF CREDIT

The Company has a line of credit with a bank which allows borrowings up to $2,500,000 which is subject to certain restrictions on availability. The line of credit bears interests the bank's applicable margin plus the prime rate or the bank's applicable margin plus the relevant LIBOR (7% or 5% at December 31, 2020). The line of credit is secured by the Company's assets and membership interests in ITL and subject to certain financial covenants. The line of credit expires on March 29, 2024. There were no amounts outstanding as of December 31, 2020 and 2019.

NOTE 6: LONG-TERM DEBT

Long-term debt consisted of the following as of December 31:

	2020	2019
Term loan payable to a bank payable in quarterly principal installments ranging from $375,000 to $687,500 with the final payment of $2,128,888 due on March 29, 2024. Bears interest at either the bank's applicable margin plus prime rate or bank's applicable margin plus the relevant LIBOR (6% at December 31, 2020). In general, interest is payable quarterly. Term loans are secured by the Company's assets and the membership interest in ITL, guaranteed by a member, and subject to certain financial covenants.	**$ 8,878,888**	$ 10,975,000
	8,878,888	10,975,000
Less debt issuance costs	**(177,925)**	(232,669)
Less current portion	**(2,121,830)**	(1,632,755)
	$ 6,579,133	$ 9,109,576

Future minimum debt payments are as follows:

Years Ending December 31,	Payments	Amortization	Net
2021	$ 2,176,575	$ (54,745)	$ 2,121,830
2022	2,187,500	(54,745)	2,132,755
2023	2,625,000	(54,745)	2,570,255
2024	1,889,813	(13,690)	1,876,123
	$ 8,878,888	$ (177,925)	$ 8,700,963

NOTE 7: OPERATING LEASES

The Company leases office and parking space under operating lease agreements expiring through July 2026. The aggregate minimum future payments under these leases are payable as follows:

Years Ending December 31,	
2021	$ 596,668
2022	348,481
2023	356,205
2024	363,929
2025	291,903
Thereafter	174,112
	$ 2,131,298

Rent expense under operating leases was approximately $1,071,000 and $1,095,000 the years ended December 31, 2020 and 2019, respectively.

A portion of this space was being subleased under a non-cancelable lease that expires in May 2021. The Company's lease expense will be offset by payments of approximately $224,000 during 2021.

Rental income under the sublease amounted to approximately $524,000 and $510,000 in 2020 and 2019, respectively.

NOTE 8: RETIREMENT PLAN

The Company maintains a 401(k) profit sharing plan for all employees meeting certain age and service requirements. The Company's total contributions to the plan were approximately $29,000 and $17,000 for the years ended December 31, 2020 and 2019, respectively.

NOTE 9: RELATED PARTY TRANSACTIONS

The Company had the following related party transactions for the years ended December 31:

	2020	2019
Expenses with members of ITL	**$ 947,185**	$ 387,134
Interest income from Holdings	**$ -**	$ 2,813
Interest income from members' loans	**$ 12,432**	$ 7,014
Gain on sale of investment in Holdings	**$ -**	$ 1,210,707

NOTE 9: RELATED PARTY TRANSACTIONS (CONTINUED)

At December 31, due from related parties consisted of:

	2020	2019
Loan receivable from members	**$ 976,380**	$ 944,249
Interest receivable from members	**30,888**	92,962
Receivable due from a member	**-**	49,784
Accounts receivable from entity owned by a member	**301,074**	169,494
Due from related parties	**$ 1,308,342**	$ 1,256,489
Due to a member	**$ 25,767**	$ 45,000

The Company instituted an adjustment to the interest rate for the related party loan receivable in 2020 which resulted in the reduction of interest receivable by approximately $75,000.

NOTE 10: INCENTIVE UNITS PLAN

In October 2020, the Members approved the International Telcom, LLC Incentive Unit Plan (the "Plan"). The purpose of the Plan is to enable service providers to acquire profit interests in the Company, thereby increasing their personal stake in the Company's growth and success, providing a means of rewarding outstanding services and incentivizing growth of Company value driven by such service providers.

The Plan is accounted for based upon the guidance within ASC 718, "*Compensation—Stock Compensation*". Since the shares issued pursuant to the Plan are settled in cash, such awards are considered liability awards. Additionally, the payout for such shares only occurs upon achievement of a liquidity event, such as a change in control or initial public offering. Liquidity events are not considered probable until they occur. Accordingly, the fair value of the units, at the time of a triggering event, will be immediately recorded as an expense.

Given that there was no triggering event in 2020, the Company has not recorded any share-based compensation relating to the share grants issued and outstanding. At December 31, 2020, 80.25 shares were issued and outstanding.

NOTE 11: PAYCHECK PROTECTION PROGRAM LOAN

In May 2020, the Company was granted a loan in the amount of $902,500, pursuant to the Paycheck Protection Program ("PPP") as provided for in the Federal CARES Act. The Cares Act allows for the loan to be forgiven if certain conditions are met.

NOTE 11: PAYCHECK PROTECTION PROGRAM LOAN (CONTINUED)

The loan matures in May 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing 10 months after the last day of the Company's loan forgiveness covered period, unless forgiven. The note may be prepaid by the Company at any time prior to maturity with no prepayment penalties. To qualify for forgiveness, funds from the loan may only be used for payroll costs, employee benefits, rent and utilities, and certain wage and employment levels need to be maintained. The Company intends to use the entire loan amount for qualifying expenses.

The PPP loan is unsecured and guaranteed by the United States Small Business Administration. The Company intends to apply for forgiveness of the PPP note, with the amount which may be forgiven equal to the sum of payroll costs and other allowed costs incurred by the Company during the twenty-four week period beginning upon receipt of PPP term note funds, calculated in accordance with the terms of the Cares Act. The Company has elected to account for this note under FASB ASC Topic 470, *Debt* ("ASC 470"). Under ASC 470, the proceeds from the note will remain as a liability in the accompanying statements of financial position until either the loan is in part or wholly forgiven, or repayment is made. If the loan is forgiven, the Company recognizes a gain on the extinguishment of debt.

The PPP loan was forgiven in April 2021 and recognized as a gain on the extinguishment of debt.

NOTE 12: SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended December 31, 2020 and 2019, the Company paid approximately $724,000 and $975,000 for interest.

NOTE 13: SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 30, 2021, when the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATING BALANCE SHEET
December 31, 2020

ASSETS

	Dial 800	International Telcom, LLC	Eliminations	Consolidated Total
CURRENT ASSETS				
Cash	$ 2,657,025	$ 272,366	$ -	$ 2,929,391
Accounts receivable	627,802	510,876	-	1,138,678
Due from related parties	-	2,304,638	(996,296)	1,308,342
Prepaid expenses and other current assets	90,146	101,682	-	191,828
TOTAL CURRENT ASSETS	3,374,973	3,189,562	(996,296)	5,568,239
PROPERTY AND EQUIPMENT, NET	20,805	595,837	-	616,642
OTHER ASSETS				
Security deposits	32,155	54,436	-	86,591
Goodwill, net	5,572,703	5,099,526	-	10,672,229
TOTAL OTHER ASSETS	5,604,858	5,153,962	-	10,758,820
TOTAL ASSETS	$ 9,000,636	$ 8,939,361	$ (996,296)	$ 16,943,701

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATING BALANCE SHEET
December 31, 2020

LIABILITIES AND MEMBERS' EQUITY

	Dial 800	International Telcom, LLC	Eliminations	Consolidated Total
CURRENT LIABILITIES				
Current portion of long-term debts	$ -	$ 2,121,830	$ -	$ 2,121,830
Accounts payable	2,297	360,509	-	362,806
Accrued distribution payable	-	822,725	-	822,725
Due to related parties	996,296	25,767	(996,296)	25,767
Accrued expenses and other current liabilities	139,575	356,310	-	495,885
Deferred revenue	4,500	-	-	4,500
TOTAL CURRENT LIABILITIES	1,142,668	3,687,141	(996,296)	3,833,513
LONG-TERM LIABILITIES				
Paycheck protection program loan	-	902,500	-	902,500
Long-term debts, net of current portion	-	6,579,133	-	6,579,133
TOTAL LIABILITIES	1,142,668	11,168,774	(996,296)	11,315,146
TOTAL MEMBERS' EQUITY	7,857,968	(2,229,413)	-	5,628,555
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 9,000,636	$ 8,939,361	$ (996,296)	$ 16,943,701

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATING STATEMENT OF INCOME AND MEMBERS' EQUITY
Year Ended December 31, 2020

	Dial 800	International Telcom, LLC	Eliminations	Consolidated Total
REVENUE	$ 8,843,482	$ 8,575,074	$ -	$ 17,418,556
COST OF REVENUE	1,559,208	1,184,672	-	2,743,880
GROSS PROFIT	7,284,274	7,390,402	-	14,674,676
OPERATING EXPENSES				
Selling, general and administrative expenses	3,267,872	7,005,669	-	10,273,541
Depreciation and amortization	828,098	1,180,133	-	2,008,231
TOTAL OPERATING EXPENSES	4,095,970	8,185,802	-	12,281,772
INCOME (LOSS) FROM OPERATIONS	3,188,304	(795,400)	-	2,392,904
OTHER INCOME (EXPENSES)				
Interest income	-	12,432	-	12,432
Interest expense	-	(781,530)	-	(781,530)
Other income	26	-	-	26
TOTAL OTHER INCOME (EXPENSES)	26	(769,098)	-	(769,072)
NET INCOME	3,188,330	(1,564,498)	-	1,623,832
MEMBERS' EQUITY, BEGINNING OF YEAR	4,669,638	(360,070)	-	4,309,568
DISTRIBUTIONS	-	(304,845)	-	(304,845)
TOTAL MEMBERS' EQUITY, END OF YEAR	$ 7,857,968	$ (2,229,413)	$ -	$ 5,628,555

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATING BALANCE SHEET
December 31, 2019

ASSETS

	Dial 800 Division	ITL Global Services, LLC	International Telcom, LLC	Eliminations	Consolidated Total
CURRENT ASSETS					
Cash	$ 1,183,159	$ -	$ 306,123	$ -	$ 1,489,282
Accounts receivable	636,985	-	432,309	-	1,069,294
Due from related party	-	-	4,568,237	(3,311,748)	1,256,489
Prepaid expenses and other current assets	110,231	-	204,514	-	314,745
TOTAL CURRENT ASSETS	1,930,375	-	5,511,183	(3,311,748)	4,129,810
PROPERTY, PLANT, AND EQUIPMENT, NET	24,308	-	494,407	-	518,715
OTHER ASSETS					
Security deposits	32,756	-	54,436	-	87,192
Goodwill, net	6,388,221	-	6,119,431	-	12,507,652
TOTAL OTHER ASSETS	6,420,977	-	6,173,867	-	12,594,844
TOTAL ASSETS	$ 8,375,660	$ -	$ 12,179,457	$ (3,311,748)	$ 17,243,369

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATING BALANCE SHEET
December 31, 2019

LIABILITIES AND MEMBERS' EQUITY

	Dial 800 Division	ITL Global Services, LLC	International Telcom, LLC	Eliminations	Consolidated Total
CURRENT LIABILITIES					
Current portion of long-term debts	$ -	$ -	$ 1,632,755	$ -	$ 1,632,755
Accounts payable	6,615	-	301,164	-	307,779
Accrued distributions	-	-	1,245,000	-	1,245,000
Due to related parties	3,311,748	-	45,000	(3,311,748)	45,000
Accrued expenses and other current liabilities	382,664	-	206,032	-	588,696
Deferred revenue	4,995	-	-	-	4,995
TOTAL CURRENT LIABILITIES	3,706,022	-	3,429,951	(3,311,748)	3,824,225
LONG-TERM LIABILITIES					
Long-term debt, net of current portion	-	-	9,109,576	-	9,109,576
TOTAL LIABILITIES	3,706,022	-	12,539,527	(3,311,748)	12,933,801
TOTAL MEMBERS' EQUITY	4,669,638	-	(360,070)	-	4,309,568
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 8,375,660	$ -	$ 12,179,457	$ (3,311,748)	$ 17,243,369

INTERNATIONAL TELCOM, LLC AND AFFILIATE
CONSOLIDATING STATEMENT OF INCOME AND MEMBERS' EQU ITY
Year Ended December 31, 2019

	Dial 800 Division	ITL Global Services, LLC	International Telecom, Ltd.	Eliminations	Consolidated Total
REVENUE	$ 8,802,751	$ -	$ 8,622,381	$ -	$ 17,425,132
COST OF REVENUE	1,030,778	-	1,166,739	-	2,197,517
GROSS PROFIT	7,771,973	-	7,455,642	-	15,227,615
OPERATING EXPENSES					
Selling, general and administrative expenses	3,175,942	-	6,353,933	-	9,529,875
Depreciation and amortization	833,651	-	1,168,049	-	2,001,700
TOTAL OPERATING EXPENSES	4,009,593	-	7,521,982	-	11,531,575
INCOME (LOSS) FROM OPERATIONS	3,762,380	-	(66,340)	-	3,696,040
OTHER INCOME (EXPENSES)					
Interest income	-	-	9,827	-	9,827
Interest expense	(349,512)	-	(791,628)	-	(1,141,140)
Gain on sale of investment	-	-	1,163,201	47,506	1,210,707
Other expense	(1,505)	-	(11,196)	-	(12,701)
TOTAL OTHER INCOME (EXPENSES)	(351,017)	-	370,204	47,506	66,693
NET INCOME	3,411,363	-	303,864	47,506	3,762,733
NON-CONTROLLING INTEREST	-	-	-	-	-
NET INCOME ATTRIBUTED TO INTERNATIONAL TELCOM, LLC	3,411,363	-	303,864	47,506	3,762,733
TOTAL MEMBERS' EQUITY ATTRIBUTABLE TO INTERNATIONAL TELCOM, LLC	1,258,275	(380,048)	2,265,475	332,542	3,476,244
DECONSOLIDATION OF AFFILIATES	-	380,048	-	(380,048)	-
DISTRIBUTIONS	-	-	(2,929,409)	-	(2,929,409)
TOTAL MEMBERS' EQUITY, END OF YEAR	$ 4,669,638	$ -	$ (360,070)	$ -	$ 4,309,568