

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Initiation of show cause) DOCKET NO. 951420-TI
proceedings against GE Capital) ORDER NO. PSC-96-0142-AS-TI
Communication Services) ISSUED: February 2, 1996
Corporation d/b/a GE Capital)
EXCHANGE and d/b/a GE EXCHANGE)
and d/b/a GECCS for violation of)
Rule 25-24.118, F.A.C.,)
Interexchange Carrier Selection.)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING OFFER OF SETTLEMENT

BY THE COMMISSION:

Between March and November, 1995, the Division of Consumer Affairs received 276 complaints against GE Capital Communication Services Corporation, d/b/a GE Capital EXCHANGE, and d/b/a GE EXCHANGE and d/b/a GECCS (GECCS or the company) concerning unauthorized carrier changes (slamming) compared to six slamming complaints in 1994.

GECCS contacted the Division of Consumer Affairs in July and asked to make a presentation to Commission staff regarding the slamming complaints. The company submitted a progress report and explained its relationship with New Enterprise Wholesale Services (NEWS), resellers and agents and responded to staff's questions.

When questioned about the distinction between agents and resellers, the company stated entities that have a certificate are resellers and those without a certificate are agents for GECCS. The company attributed the majority of its slamming complaints to the activities of two of its agents, Telcom Network, Inc. (TNI) and Telcom Global (TCG).

Many of the LOAs TCG and TNI submitted, on behalf of GECCS, did not mention GECCS as the long distance provider. Further, numerous complaints, filed with the Commission, stated that customers unknowingly switched from AT&T to GECCS when they were

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led to believe they would be receiving discounts on their existing AT&T service. Some examples of this type of activity, from consumer complaints, included the following: Customers were approached at flea markets by agents of GECCS that stated that they worked for AT&T and were offering special discount rates. One customer was approached in her office by an agent who offered her a discount by "switching to another AT&T program." One customer reported being approached outside of a department store and being told that a special bonus was being offered to all of AT&T's customers. In addition, to this type of activity, a letter was sent to one customer, who had been converted to GECCS, stating that "...your AT&T service has not been changed."

On December 4, 1995, the company filed an Offer of Settlement. See Attachment A. The settlement offer includes the following terms:

1. GECCS will provide within five (5) working days of Commission acceptance of this settlement offer a complete list of resellers certificated in Florida to whom GECCS provides service.
2. GECCS will provide within five (5) days of Commission acceptance of this settlement offer the names of all entities authorized to act as authorized independent sales representatives of GECCS in Florida.
3. GECCS has implemented or is implementing and will continue to follow and refine the procedures and practices to avoid the problems stated in the complaints filed with the Commission. The company asserts that these procedures are supplemental to the review of the marketing materials and practices of existing independent sales representatives previously conducted and reported to the Commission on September 15, 1995. The procedures include efforts to review and train prospective GECCS authorized independent sales representatives.
4. GECCS will remove the following sentence from its NEWS LOA:

GECCS is authorized to convert all future Automatic Number Identifications (ANIs) submitted orally or in writing by the Subscriber, in addition to those listed below.
5. GECCS will make a contribution to the general revenue fund of the State of Florida of \$90,000 with no admission

of liability or wrongdoing. The voluntary contribution of \$90,000 will be made no later than ten days following the issuance of an order accepting this Offer of Settlement.

6. GECCS will comply with and adhere to all of the rules and regulations of the Florida Public Service Commission and the Federal Communications Commission.

Upon consideration, we find GECCS' Offer of Settlement is appropriate. The company has outlined procedures to insure orders taken and submitted are in compliance with regulatory requirements in the future. Further, the terms of the settlement offer address our concerns regarding the marketing activities of GECCS' sales agents. Finally, the company has submitted a copy of the new LOA sales agents are required to use. It clearly indicates that the customer is choosing to switch to GECCS and is otherwise in compliance with Rule 25-4.118, Florida Administrative Code.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Offer of Settlement filed by GE Capital Communications Services Corporation, d/b/a GE Capital EXCHANGE, d/b/a GE EXCHANGE and d/b/a GECCS on December 4, 1995 is hereby approved. It is further

ORDERED that this docket shall be closed once the company provides the information and remits the \$90,000 voluntary contribution as described in and in accordance with the terms set forth in the Offer of Settlement. The voluntary contribution shall be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.

By ORDER of the Florida Public Service Commission, this 2nd day of February, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In Re: Initiation of Show Cause Proceedings)
Against GE Capital Communication Services) Docket No. 951420-TI
Corporation for Violation of Rule 25-4.118,)
Florida Administrative Code, Interexchange) Filed: December 4, 1995
Carrier Selection)**

OFFER OF SETTLEMENT

GE Capital Communication Services Corporation ("GECCS") submits the following terms in settlement of all outstanding unauthorized PIC change allegations filed with the Commission and all complaints which arise as the result of Telcom Global ("TCG") and Telcom Network, Inc. ("TNI") acting as authorized representatives of GECCS, and to avoid the possible issuance of a show cause order and the attendant costs and expenses of litigation of a show cause proceeding:

1. GECCS will provide within five (5) working days of Commission acceptance of this settlement offer a complete list of resellers certificated in Florida to whom GECCS provides service.
2. GECCS will provide within five (5) days of Commission acceptance of this settlement offer the names of all entities authorized to act as authorized independent sales representatives of GECCS in Florida.
3. GECCS has implemented or is implementing and will continue to follow and refine the procedures and practices outlined in Attachment A designed to avoid the problems stated in the complaints filed with the Commission. These procedures are supplemental to the review of the marketing materials and practices of existing independent sales representatives previously conducted and reported to the Commission on September 15, 1995. These procedures include efforts to review and train prospective GECCS authorized independent sales representatives. These procedures far

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exceed the requirements of the Florida Public Service Commission or Federal Communications Commission rules.

4. GECCS, although it believes its existing, approved NEWS Letter of Agency ("LOA") is in compliance with Florida Administrative Code Rule 25-4.118, will remove the following sentence from its NEWS LOA:

GECCS is authorized to convert all future Automatic Number Identifications (ANIs) submitted orally or in writing by the Subscriber, in addition to those listed below.

5. GECCS will make a contribution to the general revenue fund of the State of Florida of \$90,000 with no admission of liability or wrongdoing. The voluntary contribution of \$90,000 will be made no later than ten days following the issuance of an order accepting this Offer of Settlement.

6. GECCS will comply with and adhere to all of the rules and regulations of the Florida Public Service Commission and the Federal Communications Commission.

Respectfully submitted,

**GE CAPITAL COMMUNICATION
SERVICES CORPORATION**

By: Charles A. Guyton
Charles A. Guyton

STEEL HECTOR & DAVIS
215 South Monroe Street
Suite 601
Tallahassee, Florida 32301
(904) 222-2300

**Attorneys for GE Capital Communication
Services Corporation**

TAL/13652

ATTACHMENT A
CHANGES IN PROCEDURES

GECCS has changed a number of procedures at NEWS to avoid prospective unauthorized conversion complaints from customers. While GECCS's procedures may undergo further refinement, the following procedural changes have been identified. Many of these procedural changes are in place. Some are in the process of being implemented. Most of the procedures are designed to enhance the level of oversight exercised regarding entities acting as GECCS independent sales representatives, although some procedures will also impact entities acting as resellers of GECCS services. In addition, greater attention to existing procedures will be required and, in a few instances, some revisions to the Service and Marketing Agreement may be made. The primary focus of the remedial action is effective modification of GECCS operational practice so that Retail orders from independent sales representatives are reliably treated differently and held to a higher standard of review than Wholesale orders from resellers. The changes in procedures are summarized in detail below. They are arranged, more or less, chronologically in terms of process rather than in order of importance.

A. Due Diligence Reviews

As an arm of GECCS, NEWS has strengthened and formalized its due diligence review of entities acting as resellers and independent sales representatives. In the past, the review focused primarily on financial soundness and creditworthiness and reliable checks were not in place to assure that independent sales

representatives would comply with their contractual obligation to follow sound marketing practices. Consequently, NEWS has implemented procedures requiring the following:

- (1) No order will be provisioned until all due diligence reviews have been completed.
- (2) All due diligence documentation will be retained throughout the life of the relationship and for at least two years thereafter.
- (3) NEWS now requires new resellers and independent sales representatives to complete an extensive questionnaire supported with an affidavit which expressly acknowledges that the answers given are accurate and are a critical inducement to GECCS agreeing to do business. The questionnaire elicits facts needed to address a variety of regulatory, legal, financial and credit concerns. Part of the questions on the questionnaire address the prior conduct of the potential independent sales representative and are designed to elicit information regarding the fitness of the entity before it is retained as an independent sales representative. A copy of the questionnaire in its current form follows at the end of this Attachment.
- (4) Updated responses to questionnaires will be required at least yearly, and changes in certain information will require timely updates to NEWS as they occur. One response which must be updated as changes occur is the addition by the independent sales representative of any agents it employs to market for GECCS.
- (5) NEWS will conduct follow-up reviews of items of concern identified on the questionnaire. NEWS will independently verify certain items on the completed questionnaire and checklist. For example, NEWS now often checks state regulatory commissions regarding complaints received about potential new independent sales representatives if the entity states it has previously conducted significant business within a state.

B. Standard Form LOAs

GECCS/NEWS has developed and NEWS has forwarded to its independent sales representatives standard LOA forms for GECCS services. NEWS has communicated to its independent sales representatives that, going forward, only

LOAs conforming to this LOA form and no other shall be used to sign up GECCS subscribers and that each of its remaining independent sales representatives must agree to this change as a condition of maintaining their GECCS/NEWS relationship. If a GECCS independent sales representative indicated an unwillingness to respond or comply with this requirement, NEWS stopped provisioning orders until there was compliance.

The modification to the standard form LOA made as a result of Staff's concern in its Recommendation will be handled in the same fashion. A copy of the new standard form LOA to be used by GECCS/NEWS modified to address the Staff's concerns is also attached to this attachment.

At the time of the execution of new Services and Marketing Agreements, independent sales representatives contracting with GECCS/NEWS are to receive letter(s) requiring them to use the standard GECCS/NEWS LOA and are to be required to sign a separate certificate stating that they have received the standard LOA and understand the requirement that it be used. NEWS will not take orders from independent sales representatives who fail to provide such a certificate.

Independent sales representatives desiring to use "VLOA" (third party verification) will be required to either (i) use GECCS' current contractor for VLOA (on whom GECCS has already performed thorough due diligence); (ii) use some other generally acceptable GECCS contractor (if such contractor should subsequently be retained); or (iii) undergo a thorough scrutiny of the proposed VLOA solution by GECCS legal and regulatory personnel.

C. Contract Execution

It appears that one of the more important portions of the Services and Marketing Agreement, Exhibit B – a list of the jurisdictions in which the entity contracting with GECCS/NEWS is certified to resell telephone services – has, in some instances, not been accurately completed. Thus, NEWS will implement procedures requiring the following:

- (1) Entities entering into a Service and Marketing Agreement with GECCS/NEWS will provide an accurate Exhibit B, a list of jurisdictions in which they are certificated as resellers of telephone services.
- (2) NEWS will cross check the list in (1) above to the due diligence documentation regarding certification status and resolve any differences.
- (3) No orders will be accepted by NEWS until a complete Service and Marketing Agreement, including Exhibit B, is executed.

D. Independent Sales Representative Training

Historically, NEWS' independent sales representatives have not been trained regarding their marketing practices (although they have been trained in such operational matters as order entry and processing). Instead, NEWS relied upon its due diligence review and contractual protections to address the fitness of its independent sales representatives. While that process worked for the vast majority of its independent sales representatives, it has now been demonstrated to have weaknesses. While strengthening both the due diligence review and LOA monitoring will go a long way toward assuring that GECCS has reputable independent sales representatives which forward proper LOAs from fully informed customers, NEWS is also putting in place training requirements for its independent sales representatives

and their agents to assist them in complying with their contractual obligations to market GECCS services in an ethical matter that complies with all regulatory requirements. This training program will involve:

- (1) The promulgation of strict Sales and Marketing Guidelines concerning the independent sales representatives' marketing and sales literature. These guidelines will address not only the use of GE's name, logo, trademarks and/or bylines, but also FCC and state regulatory requirements regarding marketing materials.
- (2) The promulgation of strict Sales and Marketing Guidelines concerning the conduct of independent sales representatives. These guidelines will address FCC and state regulatory requirements as well as GECCS requirements for proper conduct. Quite simply, this will consist of "dos and don'ts" when acting as an independent sales representative of GECCS.
- (3) Prior to being able to process any orders with GECCS, new independent sales representatives will be required to attend training sessions at NEWS at which they not only will be trained about the Sales and Marketing Guidelines but also will be trained to train their own personnel and agents who will be marketing for GECCS. Participants will be tested as to their understanding of the guidelines and their ability to train and will be authorized to market and train only if they pass.
- (4) The trained independent sales representatives will be required to train their employees and agents and those employees and agents must pass the training before they will be allowed to market for GECCS.
- (5) In many instances independent sales representatives also perform some customer service functions on behalf of GECCS. Similar training efforts are being developed for customer service training. Guidelines and training materials are being developed, and each independent sales representative will be required to receive training and, in turn, train their employees and agents who will perform customer service functions on behalf of GECCS. This effort is discussed further later in this document.

E. LOA Monitoring

In the past, NEWS' independent sales representatives have retained LOAs on GECCS' behalf and have had the obligation to forward LOAs within two business

days of request. However, GECCS/NEWS has not had a formal process in place for the regular review or auditing of LOAs. This process will be changed through the adoption of procedures that will require the following:

- (1) Independent sales representatives will submit hard paper LOAs for all orders. These LOAs are to be date-stamped "received" and filed in a manner that will permit quick review and cross checking in the event of a complaint or for monitoring purposes as described in (2) and (3), below.
- (2) For orders submitted during at least the first thirty (30) days of a sales representative's tenure, all LOAs are to be visually inspected before the order is provisioned to be sure: (i) they are on the GECCS-approved form; and (ii) there is no other suspicious characteristic about them (e.g., similar-appearing handwriting on the signature lines).
- (3) Following the thirty (30) day period described in (2), an audit program will be set up involving an after-order review of a statistically significant number of LOAs, to determine whether they comply with GECCS requirements, as well as FCC and state requirements. Identified deficiencies will be remedied by appropriate disciplinary action.
- (4) NEWS will retain all LOAs for at least one year after the PIC change is submitted.

F. Welcome Packet

The notices sent to TCG and TNI customers worked well in informing customers of the status of their service. (For the most part, the notice also served to route customer concerns about their transfer to GECCS service, especially in the case of TNI, where the customer was explicitly told to call a NEWS-answered 1-800 number with questions.) Consequently, as a means of proactively addressing customer concerns, a procedure is being developed which will cause a "welcome packet" to go out from NEWS upon receipt of an order, explaining the move to GECCS, telling the customer that questions regarding the order can be directed to a

1-800 number answered by NEWS, providing the rate structure, explaining the service, and giving the customer information on how to make test calls to determine when service has been provisioned.

G. Order Processing

Order processing procedures will be dovetailed with the LOA procedures described above. This will include the following steps listed below. These steps have required extensive systems work, and, accordingly, are being phased in over time as the work is completed.

- (1) If an order is returned by the local exchange company on the basis of a PIC dispute, the order is to be returned to the independent sales representative and flagged in the system (preferably by ANI) so that it cannot be resubmitted by that or any other independent sales representative absent the following:
 - (a) The independent sales representative resubmitting the order includes a written LOA -- not a VLOA verification;
 - (b) The written LOA is visually inspected as described in E(2), above;
 - (c) The customer is contacted by telephone by NEWS to confirm the order and the contact is memorialized.
- (2) Provisions have been made in the NEWS system to keep a running count of rejects on the basis of PIC disputes, and to "sound an alarm" for further investigation if such rejects exceed two percent of all orders in any month, with shorter alarm periods for higher reject percentages (e.g., ten percent in any week).
- (3) There will be manual entry of orders at NEWS during the first thirty-day order period described in E(2) above. If feasible, this may be replaced with a process that allows automated order entry by the sales representative but automatically blocks the order from being sent on to the underlying interexchange company until the LOA has been manually cross-checked by appropriate NEWS personnel.

- (4) **Resellers and independent sales representatives are to be reminded that all orders should be denominated as either "Retail" (independent sales representatives) or "Wholesale" (reseller) orders, as the Agreements require. Systems are to be developed such that orders not so denominated will be kicked out by the system and returned. The classification of the orders by the submitting entity is to be cross-checked against the list of jurisdictions in which the entity is certified; mismatched orders are to be returned.**
- (5) **The system is to be modified to assure that no orders are accepted by NEWS which are based on LOAs that are more than thirty days old (i.e., that were signed more than thirty days before they are submitted to NEWS).**

H. Customer Service

Historically, many entities with which NEWS does business have been asked to handle front-end customer service. This is appropriate in the case of certificated resellers – who should, in fact, take complete responsibility for serving their customers. GECCS recognizes, however, that it is responsible for customer service to customers submitted by independent sales representatives. While GECCS believes that it can delegate some initial customer service contact to independent sales representatives – who, after all, have the initial contact with the customer and who have in the great majority of cases assisted with customer service in a fully satisfactory manner – GECCS has learned that additional control mechanisms are necessary to assure that GECCS can be satisfied that it has carried out its ultimate responsibility to satisfy customer complaints and service needs. To that end, GECCS will institute the following:

- (1) **The broadened customer service function established at NEWS in response to the TCG/TNI situation has been made permanent, with a dedicated 800 number. This 1-800 service now applies to all customers secured by independent sales representatives. Each invoice is to**

include that number in a manner designed to convey directly to the customer NEWS' availability to handle customer service issues, especially those as to which the customer has been unable to obtain a satisfactory response from the sales representative, using language such as "If no answer, line busy, or escalated complaint, call 1-800-XXX-XXXX."

- (2) NEWS is to standardize training for independent sales representative personnel who handle front line customer service contacts. Independent sales representatives' personnel are to be explicitly instructed to forward any unauthorized conversion complaints to NEWS for immediate handling.
- (3) NEWS is to establish specific, objective standards for measuring independent sales representatives' customer service performance, such as percentage of calls answered, issues resolved on the same day or similar measures.

I. Independent Sales Representative Discipline/Remedial Measures

Problems with LOAs submitted by independent sales representatives are to be addressed by means of a formal, objective policy which is expressly communicated to the sales representatives. This policy will include the following provisions:

- (1) Upon receipt of either a regulatory complaint or a complaint received directly from a customer alleging unauthorized conversion, the relevant LOA is to be immediately pulled from GECCS' files, and GECCS escalated customer service specialists (and regulatory personnel and legal personnel, as needed) are to be involved in handling the complaint.
- (2) The independent sales representative is to be instructed to produce any other supporting paperwork for the order in its files, and to specify how, when, where, and by whom the order was solicited.
- (3) Independent sales representatives who fail to comply with (2) within two business days are to have their ordering privileges suspended until they comply.
- (4) Individual independent sales representatives (or individual independent sales representative employees) are to be identified early. Any such individuals whose orders are the subject of more than one complaint

within any thirty-day period, or more than two complaints in any calendar quarter, are to have their ordering privileges suspended pending an investigation of the circumstances. Decisions to reinstate and/or terminate such individuals will be made on a case-by-case basis in close consultation with legal counsel.

- (5) NEWS will adopt a policy that it will take no further orders solicited by any individual where that individual has taken orders resulting in more than one apparently valid unauthorized conversion complaint, or in any instance in which the individual submitted an order where the signature appears to have been forged or the LOA tampered with by the individual.**
- (6) All correspondence with, and documents received from sales representatives regarding alleged unauthorized conversion are to be retained at NEWS for at least two years.**

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**INDEPENDENT SALES REPRESENTATIVE/RESELLER
QUESTIONNAIRE AND AFFIDAVIT**

Please give complete answers to all the following questions. Your Agreement cannot be executed, and no orders can be accepted from you, until NEWS receives a completely filled-out questionnaire. Inaccurate answers to this questionnaire are grounds for immediate suspension or termination of your Agreement. You will be required to submit a newly completed and updated questionnaire each year. In the event any of the information provided herein changes prior to the scheduled update, you must inform NEWS of those changes promptly in writing.

Name of Company: _____

Address: _____

Telephone: _____ Fax: _____

Name of Person to Contact with Questions Regarding Responses to This Form:

SECTION 1

a. Do you currently market, either as an independent sales representative, as an agency, or a resale basis, the services of any other long distance company? Yes/No
If so, which one(s)? _____

b. What states are you certified in? Please attach copies of all certificates. _____

c. What other states do you do business in? _____

Are you registered as a foreign corporation in those states? Yes/No/Some (if "Some", attach explanation). Please attach documentation.

d. Do you have a tariff and/or international Section 214 authorization with the FCC?
Yes/No. When was the tariff filed? _____ When was the
authorization granted? _____

SECTION 2

a. Have you or any company under related ownership been involved in any FCC-or state regulatory proceedings or investigation? Yes/No. If so, please attach a statement, stating the dates, applicable docket, case or file numbers, and your role (carrier, agent). Describe the facts alleged in each proceeding and the outcome thereof.

Initial _____
Initial _____

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- b. Have you or any company under related ownership been involved in any Department of Justice, State Attorney General, or Consumer Advocate Investigations? Yes/No. If so, please attach a statement, stating dates, and your role (carrier, agent). Describe the facts alleged in each proceeding and the outcome thereof.
- c. Have you or any company under related ownership been involved in any Better Business Bureau investigations? Yes/No. If so, please attach a statement, stating dates, role (carrier, agent, independent sales representative).

SECTION 3

- a. Have you or any company under related ownership ever been denied certification by a state regulatory agency or had such certification revoked or suspended? Yes/No. If so, please attach a statement, stating the dates, and applicable docket, case or file numbers.
- b. Have you ever filed and withdrawn any application for such certificate? Yes/No. If so, please attach a statement, stating the dates, and applicable docket, case or file numbers.

SECTION 4

Attach all LOAs currently in use by you. PLEASE REMEMBER THAT ONLY NEWS-APPROVED LOAS MAY BE USED TO DOCUMENT ORDERS TO NEWS.

SECTION 5

- a. Have any of your officers or directors ever been convicted of criminal misconduct or been an officer or director of a convicted company? Yes/No. If so, please attach a statement, stating the dates, and applicable docket, case or file numbers. -
- b. Has any of them ever been fined? Yes/No. If so, please attach a statement, stating the dates, applicable docket, case or file numbers, amount of the fine and the conduct alleged as the basis for the fine.
- c. Has any of them ever been ordered to make restitution, credits, or refunds? (Include consent orders.) Yes/No. If so, please attach a statement, stating the dates, applicable docket, case or file numbers, amount of the restitution, credits or refunds and the conduct alleged as the basis for the restitution, credits or refunds.

SECTION 6

Provide three business references.

Initial _____
Initial _____

**INDEPENDENT SALES REPRESENTATIVE/RESELLER
QUESTIONNAIRE AND AFFIDAVIT**

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SECTION 7

a. Are you currently marketing to any of the following market segments:

- Residential
- Business
- Hospitality
- Non-Profits
- Pay Phones
- Correctional Facilities
- Other (Explain: _____)

What segments would you market for GECCS? _____ (YOU
MAY NOT MARKET TO RESIDENTIAL, HOSPITALS, PAY PHONES OR
CORRECTIONAL FACILITIES WITHOUT GECCS' EXPRESS WRITTEN
APPROVAL.)

b. How do you market today?

- Telemarketing
- Direct Sales
- Agent Channel
- Affinity Groups
- Non-Profits
- "Take One" Cards left a high-traffic locations
- Direct Mail
- Other (Explain: _____)

Which of these methods do you propose to use to market GECCS services? _____

Initial _____
Initial _____

**INDEPENDENT SALES REPRESENTATIVE/RESELLER
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c. If "Direct Sales," do you (or your agents) market in any of the following?

- Flea Markets
- Airports
- Shopping Centers/Malls
- Sports Events
- Conventions
- Convalescent/Aged Facilities

d. Do you market in any languages other than English? Yes/No. If so, which languages?

**YOU MAY NOT MARKET GECCS SERVICES AS AN INDEPENDENT SALES
REPRESENTATIVE IN ANY LANGUAGE OTHER THAN ENGLISH.**

SECTION 8

Do you use oral third-party verification of orders ("VLOA")? If so, please answer the following:

a. What entity performs the verification? _____

b. What is the address at which the verification is performed?

c. List the owners of the entity performing verification services.

d. **Attach all scripts used to solicit and to verify orders. PLEASE BE ADVISED THAT NO
ORDERS MAY BE SUBMITTED TO NEWS USING VLOA UNLESS AND UNTIL
NEWS HAS APPROVED, IN WRITING, THE USE OF VLOA, THE ENTITY
PERFORMING VLOA AND ALL SCRIPTS USED.**

SECTION 9

**Please attach a statement describing how you cross-check the validity of your LOAs and
VLOA's.**

Initial _____
Initial _____

**INDEPENDENT SALES REPRESENTATIVE/RESELLER
QUESTIONNAIRE AND AFFIDAVIT
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SECTION 10

Please attach a list of sub-representatives or other non-employees you plan to use to market GECCS services. (No person may be added subsequently without prior notification to GECCS.) In addition, attach a statement answering the following questions:

- a. How do you assure that sub-representative/other non-employees are in compliance with regulatory and contractual requirements?
- b. How will those persons be trained on GECCS products?
- c. What will they do other than sales?
- d. What market segments will they target?

I swear that the foregoing information is true and correct.

Signature

Print Name

Title

Company Name

STATE OF _____:

COUNTY OF _____:

On this _____ day of _____, 1995, the foregoing instrument was acknowledged before me by _____.

In witness whereof, I have set my hand and official seal this _____ day of _____, 1995.

Notary Public

My Commission Expires: _____

Initial _____
Initial _____

LETTER OF AGENCY (LOA)

We, by the undersigned authorized representative of the Subscriber, hereby appoint GE Capital Communication Services (GECCS) as our Agent for purposes of obtaining our customer service records from local exchange and/or interexchange carriers, or their agents, so as to switch our long distance service and change our Primary Interexchange Carrier (PIC) from our current long distance provider to GECCS for interstate, intrastate and international services. We understand that only one primary long distance carrier may be designated for interstate and intrastate long distance service.

GECCS is authorized to request and receive any proprietary information necessary to implement and maintain our long distance service. This LOA supersedes all previous LOA's and shall remain in effect until canceled by the Subscriber in writing.

WE UNDERSTAND THAT OUR SIGNATURE BELOW WILL RESULT IN A CHANGE OF LONG DISTANCE CARRIER TO GECCS. IT IS UNDERSTOOD THAT OUR LOCAL EXCHANGE CARRIER (LEC) MAY IMPOSE A PER-ANI CHARGE FOR CONVERTING SUBSCRIBER'S ANI'S TO GECCS. FURTHER, IT IS UNDERSTOOD THAT IN THE FUTURE, IF GECCS WERE TO CHANGE OUR UNDERLYING CARRIER, THE LEC MAY IMPOSE A PER-ANI CHARGE FOR SWITCHING THE UNDERLYING CARRIER AS WELL.

We want the following telephone numbers to be switched to GECCS:

(AN ADDITIONAL SHEET FOR EXTRA NUMBERS IS AUTHORIZED BY GECCS)

Main Billing Number	Area Code ()	Number	Customer Code ()

Company (Subscriber) Billing Name: _____

Address: _____

City, State, Zip: _____

Printed Name: _____ Signature: _____

Title: _____ Contact Phone #: () _____ Date: _____