

BEFORE THE
ILLINOIS COMMERCE COMMISSION

ILLINOIS *JAM*
COMMERCE COMMISSION

2005 OCT 12 A 11: 28

TRANSCEND MULTIMEDIA, LLC
APPLICATION FOR A CERTIFICATE OF
INTEREXCHANGE AUTHORITY TO
OPERATE AS A RESELLER OF
TELECOMMUNICATIONS SERVICES
IN THE STATE OF ILLINOIS.

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CHIEF CLERK'S OFFICE
DOCKET NO. 05-0592

DIRECT TESTIMONY OF PATRICK B. HAFNER
ON BEHALF OF TRANSCEND MULTIMEDIA, LLC

Q: Please state your name and business address for the record.

A: Patrick B. Hafner, 869 N. LaSalle, Suite 300, Chicago, Illinois 60610.

Q: By whom are you employed and in what capacity?

A: Transcend Multimedia, LLC ("Transcend"). I am its President and Member of the LLC.

Q: Is the address of the company the same as that which you have just supplied?

A: Yes.

Q: Please describe your duties for the company.

A: As President, I am responsible for overseeing the day-to-day operations of the company. Specific duties include managing staff and employees, business development, overseeing corporate finances and financial accounts, marketing and sales, and managing suppliers and vendors. I am also in charge of coordinating all administrative and regulatory issues relating to the services of Transcend.

Q: Please provide a brief background on your experience in telecommunications.

A: Prior to founding Transcend, I was the Managing Director of Aperios, an Internet security company. Prior to Aperios, I held several senior sales positions with UUNET/MCI.

I have accumulated 11 years of business experience with the last six years focused on technology and communications. In this time, I have developed an understanding and working knowledge of the complex and ever-changing telecommunications industry in which Transcend operates.

Transcend also utilizes experienced telecommunications legal counsel and consultants when such assistance is required. As President, I am responsible for overseeing and monitoring the work performed on Transcend's behalf by these experts.

Q: Are you familiar with the Application your company submitted to this Commission?

A: Yes.

Q: Do you ratify and confirm the statements and representations made in that Application?

A: Yes.

Q: What is the ownership structure of Transcend?

A: Transcend is a limited liability company organized in the State of Illinois.

Q: Which carrier or carriers serve as your underlying carrier?

A: Transcend will resell the interexchange telecommunications services of MCI.

Q: Do any other carriers provide Transcend with service?

A: Yes. Primus provides Transcend with wholesale long distance services, but only in Canada.

Q: What services are provided by Transcend?

A: Transcend proposes to offer resold long distance telephone services, primarily 1+ equal access calling, dedicated private line, calling cards and toll free access.

Q: How does Transcend involve itself in the billing cycle of its customers?

A: Transcend bills its customers directly.

Q: How does Transcend handle customer complaints?

A: We have a Customer Service Department and a 24-hour toll free customer service number. Customer inquiries regarding service or billing may be made in writing or by telephone. Transcend's customer service personnel will respond either in person or via telephone as soon as possible but no later than 24 hours from receipt of inquiry.

Address and Toll-Free Number of Customer Service Department:

869 N. LaSalle, Suite 300
Chicago, Illinois 60610
Toll-free: (877) 462-7171

Q: Have you had any complaints?

A: No, we haven't.

Q: How long has Transcend been in business?

A: Transcend was organized in the State of Illinois on June 9, 2004.

Q: Does Transcend have offices in Illinois?

A: Yes.

Q: Why has Transcend filed this Application?

A: Transcend's telecommunications offering will be beneficial to small, medium and enterprise sized business customers across the nation. Transcend's primary target customer base, however, is enterprise businesses, i.e., those corporate customers with offices in multiple states. Therefore, Transcend is seeking certification as a long distance provider in several states in different parts of the country.

Q: Will Transcend provide intraLATA service?

A: Yes.

Q: Does Transcend provide conventional or alternative operator services?

A: No.

Q: Does Transcend provide payphone service?

A: No.

Q: Will Transcend serve residential users?

A: No.

Q: Is Transcend certified or otherwise authorized to provide intrastate resale services of the type described herein in any other states?

A: Yes. Transcend is certified or otherwise registered and thereby authorized to offer long distance service in Michigan, New Jersey and Texas. Transcend is in the process of applying for certification or registering in California, Georgia, New York, Ohio and Wisconsin.

Q: Do you believe that your principal managerial and technical personnel have the qualifications and technical ability necessary to provide the proposed intrastate services?

A: Yes I do. Attached to this testimony as Attachment 1 are the resumes of principal managerial personnel. Transcend has competent and experienced management. Through its close relationships to its underlying carriers, Transcend also has access to the technical personnel necessary to provide successful and continuous telecommunications services in Illinois.

Q: Does Transcend have the financial qualifications to operate as a carrier in Illinois?

A: Yes. See Exhibit 7 of Transcend's Application for verified financial statements for the period ending July 31, 2005. As set forth therein, Transcend has sufficient revenue and cash resources to support expansion of its operations.

Q: In your opinion, why is Transcend's service in the public interest?

A: Transcend's proposed service will provide alternative services of the highest quality, will provide increased consumer choice in billing options, and will offer increased diversification and increased reliability of communications services. Our service offerings will enhance competition for telecommunications services in this state because the addition of another supplier of telephone service will increase competition in terms of price and quality of service for the business of telephone service consumers.

Q: Does Transcend currently offer intrastate telecommunications services in Illinois?

A: No. However, Transcend has provided interstate telecommunications that originated in Illinois since registering with the Federal Communications Commission as an interstate telecommunications provider on or about August 2005.

Q: Does this complete your prefiled testimony in support of your Application?

A: Yes, it does.

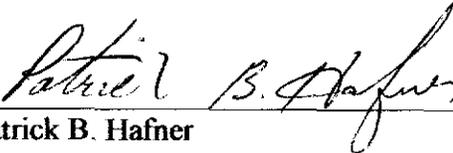
Q: Will you remain available to respond to any additional questions from the Commission or its staff about your Application or company if necessary?

A: Yes.

AFFIDAVIT

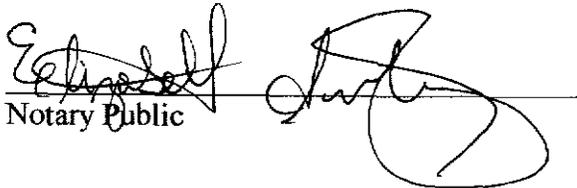
State of Illinois)
)
County of Cook) ss.

Patrick B. Hafner, being duly sworn, deposes and says: that he is the President of Transcend Multimedia, LLC; that he has read the foregoing Pre-filed Testimony and knows the contents thereof, and that the same is true of his knowledge except as to the matters therein stated upon information and belief; and as to those matters he believes them to be true; and that he consents to the Pre-filed Testimony being used as evidence in this proceeding.

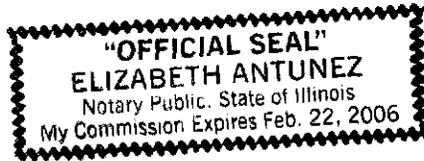


Patrick B. Hafner

Subscribed and sworn to before this 10th day of October, 2005.



Notary Public



My commission expires: 02/22/06

Patrick Hafner — President

Patrick Hafner is the President of Transcend Multimedia, LLC. Mr. Hafner is responsible for overseeing all aspects of the organization with a focus on building out operations, sales and service.

Mr. Hafner has 11 years of business experience with the last 6 years focused on technology and telecommunications. Prior to Transcend Multimedia Mr. Hafner was the Managing Director of Aperios, an Internet security company. Prior to Aperios, Mr. Hafner held several senior sales positions with UUNET/MCI.

Mr. Hafner received a bachelor's degree in Communications from Western Illinois University in Macomb.

Jesse A. Alejos — Director of Sales

Jesse Alejos is the Director of Sales for Transcend Multimedia, LLC. Mr. Alejos is responsible for overseeing all retail and channel operations, including developing and executing the company's sales strategy and continuing to build and strengthen its world-class sales team.

Mr. Alejos has 7 years of telecom experience leading sales organizations and building business relationships. Previously, Mr. Alejos held the positions of Senior Sales Manager and Senior Indirect Sales Manager at Allegiance Telecom, a facilities-based national integrated communications provider. In three years, Mr. Alejos successfully rebuilt Allegiance's Chicago sales into one of the most successful territories in the nation, expanding the number of sales teams from 1 to 3 teams and growing revenue 185%.

Mr. Alejos received a bachelor's degree in Broadcast Communications from Western Illinois University in Macomb.