



1 APPEARANCES: (Continued)

2

MS. KAREN CHANG

3 527 East Capitol Avenue

Springfield, Illinois 62701

4 appeared for Commission Staff,  
telephonically.

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SULLIVAN REPORTING COMPANY, by

19 Teresann B. Giorgi, CSR

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I N D E X

<u>Witnesses:</u>	<u>Dir.</u>	<u>Crx.</u>	<u>Re-</u> <u>dir.</u>	<u>Re-</u> <u>crx.</u>	<u>By</u> <u>Examiner</u>
Todd Satterwhite	6	13			17

E X H I B I T S

<u>APPLICANT'S</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
A through E	11	12

1 JUDGE TEAGUE: Pursuant to the direction  
2 of the Illinois Commerce Commission, I now  
3 call Docket No. 10-0311, Teleconnect LLC. This  
4 matter concerns an Application for a Certificate of  
5 Local and Interexchange Authority to operate as a  
6 reseller and limited-facilities based carrier of  
7 telecommunications services throughout the State of  
8 Illinois.

9 Ms. Riley, it's my understanding that  
10 you're appearing on behalf of the Applicant.

11 Can you please state your full name  
12 and office address for the record.

13 MS. RILEY: Yes.

14 Judith A. Riley, Regulatory Consultant  
15 for Teleconnect LLC, 5905 Northwest Expressway,  
16 Suite 101, Oklahoma City, Oklahoma 73132.

17 JUDGE TEAGUE: And would you like to make a  
18 pro hac vice motion to appear in this proceeding as  
19 an out-of-state attorney?

20 MS. RILEY: Your Honor, I'm appearing as a  
21 regulatory consultant.

22 JUDGE TEAGUE: Actually, we can't have you

1 represent them as a consultant. You have to  
2 represent them as an attorney, if at all.

3 MS. RILEY: All right. Your Honor, then I would  
4 like to request that I be allowed to appear on  
5 behalf of Teleconnect LLC as their attorney.

6 JUDGE TEAGUE: Okay. And where are you licensed  
7 to practice?

8 MS. RILEY: The state of Oklahoma.

9 JUDGE TEAGUE: And is it your understanding that  
10 Oklahoma attorneys have a reciprocal agreement to  
11 practice in Illinois and vice-versa?

12 MS. RILEY: I believe so. Yes.

13 JUDGE TEAGUE: The motion to appear pro hac vice  
14 is granted.

15 Ms. Chang, it's my understanding that  
16 you're appearing on behalf of Commission Staff.

17 Can you please state your full name  
18 and your office address for the record.

19 MS. CHANG: Yes, your Honor.

20 My name is Karen Chang. I am Staff  
21 for Illinois Commerce Commission. My office is  
22 locate at 527 East Capitol Avenue, Springfield,

1 Illinois 62701.

2 JUDGE TEAGUE: Okay. Thank you.

3 At this time, Ms. Riley, would you  
4 like to call your witness?

5 MS. RILEY: Yes, your Honor. My witness is  
6 Todd Satterwhite, President of Teleconnect LLC.

7 (Witness sworn.)

8 JUDGE TEAGUE: Ms. Riley, please proceed with  
9 any direct examination you may have.

10 MS. RILEY: Thank you, your Honor.

11 TODD SATTERWHITE,  
12 called as a witness herein, and after having been  
13 first duly sworn, was examined and testified as  
14 follows:

15 DIRECT EXAMINATION

16 BY

17 MS. RILEY:

18 Q Mr. Satterwhite, for the record please  
19 state your full name, title and business address.

20 A Sure. Todd Satterwhite, President of  
21 Teleconnect. My address is 27881 Via De Costa,  
22 that's San Juan Capistrano, California 92675.

1 Q Thank you.

2 As President of Teleconnect, what are  
3 your responsibilities?

4 A I'm responsible for the day to day  
5 operations of the organization and also for its  
6 strategic direction.

7 Q Please give us a brief description of your  
8 education background and experience in business in  
9 telecom.

10 A I have a Bachelor of Science degree from  
11 Rider University in Lawrenceville, New Jersey. The  
12 last 20 years I've been in the telecom arena  
13 starting out as a account executive with MCI back in  
14 the early '90s, moving through to national accounts  
15 at --

16 THE REPORTER: I'm sorry, I didn't --

17 JUDGE TEAGUE: I'm sorry, Mr. Satterwhite, our  
18 court reporter couldn't catch you.

19 THE WITNESS: I'm sorry about that. I'm  
20 actually on the road. I apologize for that, but I  
21 will repeat it.

22 -- national accounts at Sprint,

1 Global One, which is another international carrier.  
2 Started an organization about 10 years, sold  
3 national accounts and retail accounts all throughout  
4 the United States --

5 THE REPORTER: I'm sorry, I'm --

6 JUDGE TEAGUE: I'm sorry, Mr. Satterwhite, our  
7 court reporter can't hear you very well.

8 THE WITNESS: Okay. Let me speak up a little  
9 bit. Can she hear me better now? I'm talking into  
10 the microphone.

11 THE REPORTER: Yes.

12 THE WITNESS: And then about two years ago  
13 started Teleconnect.

14 MS. RILEY: Q Mr. Satterwhite, have you ever  
15 testified before this Commission before?

16 A No, I have not.

17 Q Was Teleconnect's application seeking  
18 authority to provide local and interexchange  
19 services throughout the state of Illinois filed with  
20 this Commission on April 23, 2010, prepared by you  
21 or under your direct supervision?

22 A Yes, it was.

1 Q Do you have modifications or changes to the  
2 original application or to any of the exhibits?

3 A I think we do, Judy. We spoke about that  
4 earlier in the call, correct?

5 Q Yes.

6 A And that is to the 9-1-1.

7 Q Appendix B, Question 10.

8 A That's correct.

9 Q Are you saying that that should be amended  
10 to reflect that we're not requesting those waivers?

11 A That is correct.

12 Q All right. Thank you.

13 Do you adopt this application as  
14 amended in this proceeding as part of your  
15 testimony?

16 A Yes, I do.

17 Q Mr. Satterwhite, your pre-filed testimony  
18 was filed with the Commission on July 15th, 2010, do  
19 you adopt that pre-filed testimony as part of your  
20 testimony today?

21 A Yes, I do.

22 Q Do you have anything to add to your

1 pre-filed testimony?

2 A I do not.

3 Q Thank you.

4 Can you please describe the services  
5 you intend to provide in Illinois and the manner in  
6 which they will be provided?

7 A Sure.

8 We plan on providing -- the market  
9 we're going to address initially is the business  
10 market, selling data, voice, video services to small  
11 and medium sized businesses all the way up to,  
12 maybe, you know, Fortune 2000 organization.

13 MS. RILEY: All right. Your Honor, I move that  
14 the application as amended and supplemented,  
15 together with all of the exhibits and the pre-filed  
16 testimony of Todd Satterwhite be admitted into the  
17 record here.

18 JUDGE TEAGUE: Okay. And would you also like to  
19 move to admit the updated financial statements for  
20 2009 as part of the record?

21 MS. RILEY: Yes, your Honor. I was intending  
22 that as the supplemental filing. But, yes, I would

1 like to move that those financial statements that  
2 were filed subsequent to the application also be  
3 admitted.

4 JUDGE TEAGUE: Okay. So let's do it this way.

5 I'll mark the Applicant's Articles of  
6 Organization Exhibit A.

7 The Applicant's Certificate of  
8 Authority to Transact Business in Illinois as  
9 Exhibit B.

10 The profiles of the management  
11 personnel as Exhibit C.

12 The financial statements as Exhibit D.

13 And the pre-filed testimony as  
14 Exhibit E.

15 MS. RILEY: Thank you.

16 (Whereupon, Applicant's  
17 Exhibits A through E were  
18 marked for identification.)

19 JUDGE TEAGUE: And, Ms. Chang, do you have any  
20 objections to the admissions of these exhibits?

21 MS. CHANG: No, your Honor, I have no  
22 objections.

1 JUDGE TEAGUE: Okay.

2 (Whereupon, Applicant's  
3 Exhibits A through E were  
4 admitted into the record.)

5 JUDGE TEAGUE: Ms. Riley, do you have anything  
6 further.

7 MS. RILEY: Yes.

8 Q Mr. Satterwhite, in your opinion, is  
9 Teleconnect technically, managerially and  
10 financially qualified to provide the services for  
11 which authority is requested, specifically, local  
12 and interexchange services in Illinois?

13 A Yes, we are.

14 Q Do you believe that it is in the public's  
15 best interest to allow Teleconnect into this market  
16 at this time?

17 A Yes, I do.

18 Q Are you familiar with and will you abide by  
19 the rules and regulations of the Commission and the  
20 state of Illinois?

21 A I am familiar with them. Yes, I will abide  
22 by them.

1 MS. RILEY: Thank you.

2 Your Honor, at this time I have  
3 nothing further of Mr. Satterwhite.

4 JUDGE TEAGUE: Okay. Ms. Chang, do you have any  
5 questions for the witness?

6 MS. CHANG: Yes, I have a couple of questions  
7 for Mr. Satterwhite.

8 CROSS-EXAMINATION

9 BY

10 MS. CHANG:

11 Q Mr. Satterwhite, this is Karen Chang. I'm  
12 the ICC Staff.

13 A Hi, Karen.

14 Q Hi.

15 Are you familiar with the financial  
16 statement that we have just admitted as Exhibit D,  
17 for the financials as of December 31st, 2009?

18 A Yes, I am.

19 Q Even though it have been seven months, will  
20 you briefly describe the changes since for the  
21 company's financial condition?

22 A We've actually increased revenues. We

1 started actually a separate company which is going  
2 to be (witness broke up on cell phone) -- we have  
3 enough money. We are seeking additional funds. We  
4 do have a couple investors lined up. We're trying  
5 to negotiate the terms and conditions of any funds  
6 they give to the organization.

7 Q Tell me, has the company expanded since  
8 they filed their application? For example, have you  
9 gained more certificates from the other  
10 jurisdictions?

11 THE WITNESS: Judy, help me on that one.

12 I think we have -- we are authority in  
13 New York and authority in Florida.

14 Is that what your question was?

15 MS. CHANG: Q Right.

16 I believe in the pre-filed testimony  
17 it was talking about -- Teleconnect was going to  
18 file application in Michigan -- the state of  
19 Michigan. Has you received that application yet?

20 THE WITNESS: Yes, we have.

21 MS. RILEY: That has not been filed.

22 THE WITNESS: Oh, we haven't?

1 THE REPORTER: I'm sorry --

2 MS. RILEY: No, that one has not been filed.

3 THE WITNESS: Okay.

4 MS. CHANG: Q Okay. Let me ask,

5 Mr. Satterwhite, in your opinion, has the company's

6 financial condition have significant change since

7 December 2009?

8 A Well, actually, it's grown in a positive

9 way. As a matter of fact, close to two to three

10 times what we do in 2009.

11 MS. CHANG: Okay. That will be all the

12 questions I have, your Honor.

13 Thank you, Mr. Satterwhite.

14 THE WITNESS: Okay.

15 JUDGE TEAGUE: Okay. I have a couple of

16 questions. The first is for Ms. Riley.

17 With respect to the Waiver 735 that we

18 discussed off the record, would you like to make a

19 motion to amend the application to reflect that your

20 not requesting a waiver of Part 735?

21 MS. RILEY: Yes, your Honor.

22 Part 735 request for waiver that was

1 in the original application, that should not have  
2 been marked. We would like to remove that request  
3 from our original application.

4 JUDGE TEAGUE: Okay.

5 And it's also my understanding that  
6 the Applicant is not requesting authority to provide  
7 prepaid calling service.

8 So, Ms. Riley, would you like to make  
9 a motion to amend the application by striking the  
10 answers to those questions in Exhibit D, which  
11 concern prepaid calling service and replacing those  
12 answers with the phrase "not applicable"?

13 MS. RILEY: Yes, your Honor.

14 We would like to modify our response  
15 to the questions concerning prepaid service inasmuch  
16 as we will not be providing prepaid service. We  
17 should have responded that those questions were not  
18 applicable to this company.

19 JUDGE TEAGUE: Okay. Your motion for those two  
20 amendments is granted.

21 And, finally, in response to  
22 Question 9 in the application, the Applicant states

1 that it's currently offering service in New York.  
2 However, in the pre-filed testimony the Applicant  
3 states that it's now offering service in New York  
4 and Florida.

5                   So would you like to make a motion to  
6 include Florida in the answer to Question 9?

7           MS. RILEY: Yes, your Honor.

8                   I would like to expand our response to  
9 Question 9 to include the state of Florida as well  
10 as since the pre-filed testimony was filed, the  
11 company has also completed its registration in the  
12 state of California to provide VOIP service.

13           JUDGE TEAGUE: Okay.

14                                   EXAMINATION

15                                   BY

16                                   JUDGE TEAGUE:

17           Q     Mr. Satterwhite, can you please briefly  
18 describe your CEO, Chris Codero's professional  
19 background for the record, please.

20           A     Yes. He's been in the marketing industry  
21 (witness broke up on cell phone) five years ago. He  
22 had 35 or so employees. He's more of a strategic

1 figure. He's got a lot of connections in the  
2 marketing industry, in the political arena for, you  
3 know, contacts in terms of putting, you know,  
4 business networks in (cell phone broke up) --

5 JUDGE TEAGUE: I'm sorry, Mr. Satterwhite, we  
6 can't hear you now.

7 THE WITNESS: Okay. Can you hear me now?

8 JUDGE TEAGUE: It's better.

9 THE WITNESS: He's more connected in the  
10 business world in terms of large organizations. He  
11 already has a couple of companies that were -- that  
12 will do business with us in Chicago once we have our  
13 license and facilities there. So that will help us  
14 get, you know, a running start in that location.

15 JUDGE TEAGUE: Q Does the Applicant plan to do  
16 business under an assumed name or doing business as  
17 name in Illinois?

18 A You broke up there.

19 We're going to use Teleconnect LLC.

20 Q Will the Applicant provide its own  
21 technical support or will that be left to the  
22 underlying carrier?

1           A       We have our own technical staff.

2           Q       Okay.  And will the Applicant offer  
3 operator-assistance or will that be provided by the  
4 underlying carrier?

5           A       That will probably be operated by the  
6 underlying carrier.

7           Q       Has the Applicant had any complaints or  
8 judgments levied against it in any jurisdiction?

9           A       No, we have not.

10          Q       And it's my understanding that Applicant  
11 plans to keep its books and records in California.

12                        Will the Applicant notify the  
13 Commission if there's a change in the location of  
14 the books and records?

15          A       Yes, we will.

16          JUDGE TEAGUE:  I have no further questions.

17                        Ms. Riley, do you have any additional  
18 questions?

19          MS. RILEY:  No, your Honor, I do not.

20          JUDGE TEAGUE:  Ms. Chang, does Staff have a  
21 recommendation with regard to this application?

22          MS. CHANG:  Yes, your Honor.

1                   Based on my review of the documents  
2 filed by Teleconnect LLC, Staff feels the Applicant  
3 possess the sufficient financial, technical and  
4 managerial abilities to provide this service as they  
5 requested.

6           JUDGE TEAGUE:   Okay.

7                   The final thing that I would like to  
8 deal with is the motion for confidential and  
9 proprietary treatment of the financial information  
10 provided.

11                   Previously we've admitted all of the  
12 exhibits including the financial statements for 2008  
13 and 2009.

14                   Ms. Riley, as I mentioned off the  
15 record, it's the Commission's current practice to  
16 grant confidential and proprietary treatment for a  
17 period of two years.

18                   Does Staff have any objection to  
19 according this treatment for period of two years?

20           MS. CHANG:   Staff has no objection for the  
21 confidential treatment for two years.

22           JUDGE TEAGUE:   Okay.   The motion is granted.

1 And all such information will be kept confidential  
2 and proprietary for a period of two years.

3                   So Exhibit D will include the  
4 proprietary and the public version of the financial  
5 statements.

6           MS. RILEY: Thank you, your Honor.

7           JUDGE TEAGUE: Ms. Riley, do you have anything  
8 further to offer in support of the application?

9           MS. RILEY: Nothing further.

10          JUDGE TEAGUE: At this point I'll direct the  
11 court reporter to mark this matter heard and taken  
12 and I'll have an order prepared at the earliest  
13 possible time.

14          MS. RILEY: Thank you, your Honor, very much.

15   HEARD AND TAKEN

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