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BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:)
)
ASSURANCE HOME PHONE)
SERVICES, INC.)
) No. 10-0542
Application for a certificate)
of local authority to operate)
as a resale and facilities-)
based/UNE carrier of)
telecommunications services)
throughout the State of)
Illinois.)

Chicago, Illinois
October 21, 2010

Met, pursuant to adjournment, at 1:30 p.m.

BEFORE:

Ms. Sonya J. Teague, Administrative Law Judge

APPEARANCES:

MR. LANCE J. STEINHART
1720 Windward Concourse, Suite 115
Alpharetta, GA 30005
appearing via telephone for Applicant;

MS. KAREN CHANG
527 East Capitol Avenue
Springfield, IL 62701
appearing via telephone for ICC Staff.

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I N D E X

<u>Witnesses:</u>	<u>Direct</u>	<u>Cross</u>	<u>Re- direct</u>	<u>Re- cross</u>	<u>By Examiner</u>
G.W. Birch	8	9			13

E X H I B I T S

<u>Number</u>	<u>For Identification</u>	<u>In Evidence</u>
Applicant's A-F		17
Applicant's G-H		18
Applicant's I (late-filed)		18
Applicant's J (late-filed)		19

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1 JUDGE TEAGUE: Pursuant to the direction of the
2 Illinois Commerce Commission, I now call Docket
3 No. 10-0542, Assurance Home Phone Services, Inc.
4 This matter concerns an application for a certificate
5 of local authority to operate as a resale and
6 facilities-based/UNE carrier of telecommunications
7 services throughout the State of Illinois.

8 Mr. Steinhart, it's my understanding
9 you're appearing on behalf of the Applicant. Can you
10 please state your full name and your office address
11 for the record.

12 MR. STEINHART: Yes. Lance Steinhart, the
13 attorney for the Applicant. My business address is
14 1720 Windward Concourse, Suite 115, Alpharetta,
15 Georgia, 30005. Business telephone is
16 (770) 232-9200.

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

20 MR. STEINHART: Yes, I would, your Honor.

21 JUDGE TEAGUE: Okay. Is it your understanding
22 that Georgia attorneys have a reciprocal agreement to

1 practice in Illinois and vice versa?

2 MR. STEINHART: Yes, your Honor, that is my
3 understanding.

4 JUDGE TEAGUE: Okay. The motion is granted.

5 MR. STEINHART: Thank you.

6 JUDGE TEAGUE: Ms. Chang, it's my understanding
7 you're appearing on behalf of Commission Staff. Can
8 you please state your full name and office address
9 for the record.

10 MS. CHANG: Yes, your Honor. My name is Karen
11 Chang. I am Staff for Illinois Commerce Commission.
12 My office location is at 527 East Capitol Avenue,
13 Springfield, Illinois, 62701.

14 JUDGE TEAGUE: Thank you.

15 At this time, Mr. Steinhart, would you
16 like to call your witness?

17 MR. STEINHART: Yes, I would. I'm calling Gary
18 Birch, who is the president of the company.

19 JUDGE TEAGUE: Okay.

20 (Witness sworn.)

21 JUDGE TEAGUE: Okay. Mr. Steinhart, please
22 proceed with any direct examination you may have.

1 MR. STEINHART: Okay. Thank you, your Honor.

2 GARY W. BIRCH,
3 called as a witness herein, having been first duly
4 sworn, was examined and testified as follows:

5 DIRECT EXAMINATION

6 BY

7 MR. STEINHART:

8 Q Mr. Birch, could you please state your full
9 name, position and business address for the record,
10 please.

11 A Gary Wayne Birch, president, 3023 Southeast
12 13th Street, Ocala, Florida, 34471.

13 Q Thank you.

14 Mr. Birch, are you familiar with the
15 application and the exhibits that were filed in this
16 docket?

17 A Yes, sir.

18 Q And is the information contained therein
19 true and correct in all material respects to the best
20 of your knowledge?

21 A Yes, it is.

22 MR. STEINHART: Okay. Your Honor, I have no

1 further direct exam at this time.

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

4 MS. CHANG: I have a few questions for
5 Mr. Birch.

6 CROSS-EXAMINATION

7 BY

8 MS. CHANG:

9 Q Mr. Birch, on this application,
10 specifically Appendix A, you have requested to keep
11 the books outside of the State of Illinois.

12 Where will the books be kept?

13 A They will be kept in Ocala, Florida.

14 Q Okay. Which is the 3023 Southeast
15 13th Street; is that right?

16 A Correct.

17 Q Okay. And who will provide customer repair
18 services for your company?

19 A The actual ILEC itself.

20 Q Pardon me?

21 A The ILEC, the incumbent exchange carrier.

22 MS. CHANG: Okay. Your Honor, so that will

1 be -- I guess that clarifies the answer under
2 Question No. 5 on Appendix A.

3 JUDGE TEAGUE: Okay.

4 MS. CHANG: The answer was the company will
5 provide its own customer repair service.

6 BY MS. CHANG:

7 Q Mr. Birch, how many people does the company
8 employ?

9 A Myself.

10 Q Okay. Will you be doing the billing and
11 regulatory services as well by yourself?

12 A I will be using SpanDocs for billing.

13 Q Okay.

14 A And I'll be using the Telecom Service
15 Bureau for the regulatory. Those are the consultants
16 that I touched on earlier. And I'll be paying them
17 at a per customer rate type of thing to help me
18 moving forward, who are also going to be helping me
19 injecting capital as needed.

20 Q Okay. How many years of experience -- have
21 you experienced in telecommunications services?

22 A Since 2007, I worked for -- I was a call

1 center director. I put together planning, training,
2 handled the -- facilitating for imbalanced sales
3 calls, customer service calls and things of that
4 nature.

5 Q According to this confidential and
6 proprietary information, you have projected a number
7 of customers in the entire business plan for -- let's
8 see -- for the remainder of this year and the year
9 2011.

10 Do you foresee the infusion of capital
11 once you start providing services?

12 A If so, only for a very short, limited time.

13 Q In making -- who will be assisting you in,
14 for example, negotiating interconnection agreements
15 and so on and so forth?

16 A That will also be the Telecom Service
17 Bureau. They will be assisting me moving forward.

18 Q And is this bureau widely recognized in the
19 telecom industry?

20 A Yes, ma'am.

21 Q Could you give us the specific -- the name
22 and the location of this bureau you are referring to?

1 THE WITNESS: Lance, I believe you have all
2 this information, if you would like to answer that
3 question for me, sir.

4 MR. STEINHART: I thought the name is Telecom
5 Service Bureau.

6 THE WITNESS: Yeah, Telecom Service Bureau,
7 Incorporated. And it's located in Ocala, Florida.

8 MS. CHANG: Okay.

9 MR. STEINHART: That's actually the name.

10 BY MS. CHANG:

11 Q And they've been in business for a long
12 time, have they?

13 A I believe over a year.

14 Did you need the physical address of
15 Telecom Service Bureau as well?

16 MS. CHANG: I was just trying to ascertain that
17 there's enough telecom industry experience to be
18 present to assist you since you have the sales
19 experience since 2007.

20 MR. STEINHART: Ms. Chang?

21 MS. CHANG: Yes.

22 MR. STEINHART: If I could just interject, I

1 know the company provides back office support for
2 eight or ten CLECs minimum at this time.

3 MS. CHANG: Okay.

4 MR. STEINHART: So they help out with billing,
5 customer service, telecom contracts, et cetera, I
6 think ongoing compliance, also.

7 MS. CHANG: Okay. All right. That's all the
8 questions I have, your Honor.

9 JUDGE TEAGUE: Okay. I have a few questions.
10 The first is, Mr. Steinhart, do you
11 want to make an amendment to the application to
12 Question 5 of Appendix A to reflect the answer that
13 Mr. Birch gave regarding the repair, who's going to
14 do the repairs?

15 MR. STEINHART: Yes, I would, your Honor.

16 JUDGE TEAGUE: Okay. Your motion is granted.

17 MR. STEINHART: Thank you.

18 EXAMINATION

19 BY

20 JUDGE TEAGUE:

21 Q And, Mr. Birch, I wanted to know if you
22 anticipate employing others and, you know, having

1 other officers and, if so, about how many employees
2 you plan to hire in the future.

3 A At this time, your Honor, I don't have
4 anything in my business proposal in the near future
5 to have anybody else other than myself. And I will
6 be relying on consultants such as my lawyers and also
7 the Telecom Service Bureau to handle all my other
8 needs that I might have with the company for our
9 customers.

10 Q Okay. Does the Applicant plan to do
11 business under an assumed name or doing business as
12 name in Illinois?

13 A No.

14 Q Has the Applicant had any complaints or
15 judgments levied against it in any other
16 jurisdiction?

17 A No.

18 Q And you plan to keep the books and records
19 in Florida.

20 Will you notify the Commission if
21 there's a change in the location of the books and
22 records?

1 A Yes.

2 JUDGE TEAGUE: Okay. I have no further
3 questions.

4 Mr. Steinhart, do you have any
5 additional questions?

6 MR. STEINHART: No, your Honor. Thank you.

7 JUDGE TEAGUE: Okay. Ms. Chang, does Staff
8 have a recommendation regarding this application?

9 MS. CHANG: Can we go off the record for a
10 little while, please?

11 JUDGE TEAGUE: Sure.

12 (Whereupon, a discussion was had
13 off the record.)

14 JUDGE TEAGUE: We can go back on the record.

15 Ms. Chang, does Staff have a
16 recommendation with regard to this application?

17 MS. CHANG: Yes, your Honor. Based on my
18 review of the application and the questions and
19 answers in this hearing, Staff wants to reserve my
20 recommendation until more technical, supplemental
21 documents can be received; that is specifically that
22 the company who will assist Mr. Birch in his

1 technical and regulatory issues regarding the
2 telecommunications industry, once I get that
3 confirmed, Staff would be making a positive
4 recommendation.

5 JUDGE TEAGUE: Okay. And what we're going to
6 do next is admit all of the exhibits into the record.

7 Mr. Steinhart, would you like to make
8 a motion for confidential and proprietary treatment
9 of the financial data that was submitted?

10 MR. STEINHART: Yes, your Honor, I would so
11 move at this time.

12 JUDGE TEAGUE: Does Staff have any
13 recommendations regarding confidential and
14 proprietary treatment to the financial data
15 submitted?

16 MS. CHANG: Staff has no objection in admitting
17 the financial data.

18 JUDGE TEAGUE: Okay. The motion is granted,
19 and all such information will be kept confidential
20 and proprietary for a period of two years.

21 Mr. Steinhart, are you moving for the
22 admission of Exhibits A through F into evidence as

1 they have been marked and filed on the Commission's
2 e-Docket system?

3 MR. STEINHART: Yes, I am, your Honor.

4 JUDGE TEAGUE: Ms. Chang, does Staff have any
5 objection to the admission of these exhibits?

6 MS. CHANG: Staff has no objection.

7 JUDGE TEAGUE: Okay. Then the motion is
8 granted and the exhibits are admitted into evidence.

9 (Whereupon, Applicant's
10 Exhibits A-F were admitted into
11 evidence.)

12 JUDGE TEAGUE: Mr. Steinhart, would you also
13 like to move into evidence Mr. Gary Birch's prefiled
14 testimony as Exhibit G and the compilation report,
15 balance sheet and start-up expenses filed on the
16 Commission's e-Docket system on October 12th as
17 Exhibit H?

18 MR. STEINHART: Yes, I would, your Honor.

19 JUDGE TEAGUE: Does Staff have any objections?

20 MS. CHANG: No, your Honor.

21 JUDGE TEAGUE: Okay. The motion is granted and
22 those exhibits are admitted.

1 (Whereupon, Applicant's
2 Exhibit G-H were admitted into
3 evidence.)

4 JUDGE TEAGUE: Also, Mr. Steinhart, would you
5 be able to file the copy of Appendix B that you
6 forwarded to Staff and myself with the Clerk's Office
7 within the next two weeks?

8 MR. STEINHART: Yes, your Honor.

9 JUDGE TEAGUE: Okay. And you're moving for the
10 admission of that Exhibit (sic) B as Late-Filed
11 Exhibit I?

12 MR. STEINHART: Yes, your Honor, that's
13 correct.

14 JUDGE TEAGUE: Does Staff have any objection?

15 MS. CHANG: No objection from Staff.

16 JUDGE TEAGUE: Okay. The motion is granted and
17 Applicant's Late-Filed Exhibit I is admitted into
18 evidence.

19 (Whereupon, Applicant's
20 Late-Filed Exhibit I was
21 admitted into evidence.)

22 JUDGE TEAGUE: Also, as Ms. Chang referenced,

1 the company will be filing additional information or
2 supplemental information regarding the company that
3 will be assisting it. I believe it's called the
4 Telecom Service Bureau.

5 Mr. Steinhart, would you like to move
6 for admission of that information into the record as
7 Late-Filed Exhibit J?

8 MR. STEINHART: Yes, your Honor, I'd like to so
9 move. Thank you.

10 JUDGE TEAGUE: Okay. Does Staff have any
11 objection?

12 MS. CHANG: No objection from Staff.

13 JUDGE TEAGUE: Okay. The motion is granted.

14 (Whereupon, Applicant's
15 Late-Filed Exhibit J was
16 admitted into evidence.)

17 JUDGE TEAGUE: Mr. Steinhart, do you have
18 anything else you would like to offer in support of
19 the application?

20 MR. STEINHART: No, not at this time, your
21 Honor. Thank you.

22 JUDGE TEAGUE: At this point, I'll continue the

1 matter. And, as Ms. Chang mentioned, the
2 supplemental information will be filed on e-Docket
3 and then Staff will give us their recommendation at
4 that time. So we're continued for today.

5 (Whereupon, the above-entitled
6 matter was continued sine die.)

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