

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

CallCatchers Inc. :
d/b/a FreedomVOICE Systems :
Application for certificate of :
authority to operate as a reseller of : **Docket No. _____**
interexchange telecommunications :
services throughout the State of :
Illinois :

**DIRECT TESTIMONY OF ERIC THOMAS
ON BEHALF OF CALLCATCHERS INC. d/b/a FREEDOMVOICE SYSTEMS**

Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

A: Eric Thomas, 169 Saxony Road, Suite 206, Encinitas, California 92024.

Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A: I am President and Chief Executive Officer of CallCatchers Inc. d/b/a FreedomVOICE Systems (“FreedomVOICE”).

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 and CEO, I oversee and manage all aspects of the day-to-day operation of the Company, including all operational, administrative, legal and regulatory matters.

Q: PLEASE PROVIDE A BRIEF BACKGROUND ON YOUR EXPERIENCE IN TELECOMMUNICATIONS.

A: I bring more than 14 years of leadership in the development of virtual and hosted business phone solutions. As a pioneer of toll free virtual phone systems in 1996, I made my move towards the hosted VoIP phone system market in 2006 with the goal of

providing a better set of telecommunications tools that small businesses could use to enhance their image and maximize productivity. Not content to buy or borrow someone else's technology, I led FreedomVoice in the creation of FreedomIQ, an industry-leading hosted VoIP PBX platform engineered from the ground up.

I keep FreedomVoice a profitable, debt-free, and rapidly-growing company by attracting customers with a friendly, down-to-earth staff, a uniquely cost-effective billing model, and a commitment to outstanding quality of service.

Prior to FreedomVoice, I held the position of President at B/T SciTech, a molecular biology distribution firm I founded in 1991.

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 FREEDOMVOICE?

A: CallCatchers Inc. d/b/a FreedomVOICE is a corporation formed under the laws of the State of Delaware.

Q: WHICH CARRIER OR CARRIERS SERVE AS YOUR UNDERLYING CARRIER?

A: FreedomVOICE utilizes the services and facilities of several local exchange carriers, interexchange carriers and other telecommunications service providers, including Global Crossing, Level 3 Communications, LLC, Lightyear Network solutions, LLC,

360networks Corporation, Dash Carrier Services, LLC, NobelBiz, Verizon, VoIP Innovations, Inc. and XO Communications Services, Inc.

Q: WHAT SERVICES ARE PROVIDED BY FREEDOMVOICE?

A: FreedomVOICE is a retail service provider of integrated phone service solutions, virtual office, voicemail processing and other enhanced services to business end-users. FreedomVOICE provides business end-users toll-free and local access numbers to facilitate call conferencing/bridging and long distance service to access the Company's enhanced features provided through a Virtual Private Branch Exchange System. FreedomVOICE's long distance services are provided through local exchange and/or other connecting carriers from whom FreedomVOICE leases underlying facilities and other services

Q: HOW WILL FREEDOMVOICE BILL ITS CUSTOMERS?

A: FreedomVOICE bills any applicable initiation fees and monthly recurring charges in advance of the month of usage. FreedomVOICE invoices customers on a monthly basis for recurring monthly charges for the specific plan purchased by the customer and minutes used above the plan allowance for the previous month. Usage charges are billed in arrears for the previous month. At the time a customer signs up for service via FreedomVOICE's website, FreedomVOICE obtains credit or debit card information from the customer and automatically bills the customer's credit/debit card each month for the invoiced charges. If a customer elects to pay by check rather than credit card or to change to payment by check, FreedomVOICE may require a deposit equal to the monthly recurring charge.

Q: HOW WILL FREEDOMVOICE HANDLE CUSTOMER COMPLAINTS?

A: Customer complaints will be handled entirely in-house by FreedomVOICE's customer service staff. Customers may reach FreedomVOICE toll free by calling 800-477-1477 or by opening a support ticket at support@freedomvoice.com. In the event of a billing dispute between the customer and the FreedomVOICE, the customer shall notify FreedomVOICE of its disagreement within ninety (90) days of receiving its bill. The customer may request, and FreedomVOICE will provide, a detailed review of the disputed amount. In this event, the undisputed amount of any subsequent billing must be paid on a timely basis. If, after investigation by a manager of FreedomVOICE, there is still a disagreement about the disputed amount the customer will be notified by Applicant that an appeal to the Illinois Commerce Commission may be made. Customers may access FreedomVOICE's customer service to initiate service complaints or to receive updates on reported problems or pending customer service complaints 24 hours a day, seven days a week. Customers may also call this number to leave a message. Inquiries regarding service or billing may also be made in writing. The Company's tariff advises customers that they have the right to contact the Illinois Commerce Commission for resolution of customer service and billing issues.

Q: HOW LONG HAS FREEDOMVOICE BEEN IN BUSINESS?

A: FreedomVOICE has been in business since December 28, 1995. FreedomVOICE began operating in 1996, providing voicemail processing applications, such as voicemail access via the Internet and email delivery of voicemails, as well as other non-regulated enhanced or information services to business end-users.

Q. WHY IS FREEDOMVOICE APPLYING FOR AUTHORITY NOW?

A. Several operational and regulatory developments over the last year, culminating in a recent legal opinion that a certain sub-set of FreedomVOICE's services could be considered to be "telecommunications services," led FreedomVOICE to seek the approval requested in this application. Until now, FreedomVOICE considered all of its services to be non-regulated enhanced or information services. Moreover, until recently, FreedomVOICE lacked the ability to jurisdictionalize traffic on its system, *i.e.*, it could not segregate purely intrastate transmissions from interstate or international.

Q. PLEASE DESCRIBE THE OPERATIONAL DEVELOPMENTS YOU MENTIONED?

A. After determining that certain of FreedomVOICE's services may be considered to be telecommunications services subject to regulation in Illinois and elsewhere, management recognized that there were significant advantages to FreedomVOICE being able to rate calls on its own without relying on its underlying carriers. As a result, management initiated an internal review of the Company's systems and practices to develop a reliable means of jurisdictionalizing traffic. The Company now has in place a billing and accounting methodology for allocating revenue into intrastate, interstate and international categories for reporting purposes.

Q. HOW IS THE NEW BILLING SYSTEM RELATED TO THIS APPLICATION?

A. With this new ability to jurisdictionalize call traffic data, FreedomVOICE can determine how to allocate revenue derived from these calls and run reports on revenue, tax and regulatory fee liabilities for submission to the appropriate public utility commissions or taxing authority.

Q: DOES FREEDOMVOICE HAVE OFFICES IN ILLINOIS?

A: No. FreedomVOICE does not intend to have an office physically presence in Illinois at this time. FreedomVOICE markets and sells its services exclusively through its website. Accordingly, FreedomVOICE requests a waiver of Part 258 of 83 Illinois Administrative Code to allow it to maintain its books and records at its principal office located at 169 Saxony Road, Suite 206, Encinitas, California 92024. In the event that the Commission should desire to inspect such books and records, FreedomVOICE will provide access expeditiously at its own expense.

Q. DOES FREEDOMVOICE SEEK ANY ADDITIONAL WAIVERS IN ITS APPLICATION?

A. Yes. Because all of the services FreedomVOICE proposes to provide are competitive telecommunications services under Section 13-502(b) of the Public Utilities Act, FreedomVOICE seeks waivers of Part 710 of 83 Illinois Administrative Code concerning Uniform System of Accounts for Telecommunications Carriers and Part 735 of 83 Illinois Administrative Code regarding Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications Carriers in the State of Illinois. These waivers will reduce the economic burdens of regulation on FreedomVOICE, which will utilize GAAP and which is not seeking authority to provide local telecommunications services in the State of Illinois.

Q: WHY HAS FREEDOMVOICE FILED THIS APPLICATION?

A: FreedomVOICE's telecommunications offerings will be beneficial to Illinois consumers and, in particular, that segment of the consuming public which seeks an affordable virtual phone option for their business service.

Q: DOES FREEDOMVOICE PROVIDE CONVENTIONAL OR ALTERNATIVE OPERATOR SERVICES?

A: No.

Q: DOES FREEDOMVOICE PROVIDE PAYPHONE SERVICE?

A: No.

Q: WILL FREEDOMVOICE SERVE RESIDENTIAL USERS?

A: FreedomVOICE markets its services primarily to business customers. The flexibility, scalability and functionality of FreedomVOICE's virtual office services provide the greatest advantages for business users. However, FreedomVOICE will serve residential customers if they request service.

Q: DO YOU BELIEVE THAT YOUR PRINCIPAL MANAGERIAL AND TECHNICAL PERSONNEL HAVE THE QUALIFICATIONS AND TECHNICAL ABILITY NECESSARY TO PROVIDE THE PROPOSED INTEREXCHANGE SERVICES?

A: Yes, I do. Attached to FreedomVOICE's application for authority as Exhibit 3 is a brief biography which demonstrates FreedomVOICE has competent and experienced management with ample technical telecommunications experience to provide successful and continuous telecommunications services in Illinois.

Q: DOES FREEDOMVOICE HAVE THE FINANCIAL QUALIFICATIONS TO OPERATE AS A CARRIER IN ILLINOIS?

A: Yes. As demonstrated by the financial statements attached as Exhibit 6 to FreedomVOICE's Application, the Company has the financial resources necessary to provide reliable interexchange telecommunications services to residents of the State of Illinois.

Q: IN YOUR OPINION, WOULD GRANT OF FREEDOMVOICE'S APPLICATION BE IN THE PUBLIC INTEREST?

A: Yes. FreedomVOICE's proposed service will provide alternative services of the highest quality, will provide increased consumer ability to determine the payment options best suited to their situations, and will offer increased diversification and increased reliability of communications services. Grant of the Company's Application will enhance competition for telecommunications services in this state by providing consumers with an additional service provider choice for the satisfaction of their telecommunications needs.

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.

