

PUBLIC SERVICE COMMISSION  
P O BOX 360  
JEFFERSON CITY MO 65102

MO 419-4183 (12-91)



7001 1940 0002 6942 6249

1340 U.S. POSTAGE PB2232  
1839 \*04.880 FEB 20  
7030 FROM ZIP CODE 65

FILED<sup>2</sup>

MAR 01 2004

Missouri Public  
Service Commission

52  
R/O

REASON CHECKED  
Unclaimed ☒  
Refused ☒  
Attempted Not Known ☒  
Insufficient Address ☒  
No Such Street ☒  
No Such Number ☒  
No Such Office In State ☒  
Do not remain in this envelope

EqualNet Corporation  
Legal Department  
1250 Wood Branch Park Drive  
Houston, TX 77079

Refused  
2904  
02/25/04  
REASON CHECKED  
Unclaimed ☒  
Refused ☒  
Attempted Not Known ☒  
Insufficient Address ☒  
No Such Street ☒  
No Such Number ☒  
No Such Office In State ☒  
Do not remain in this envelope

TC-04-404

2-20-04

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

EqualNet Corporation  
Legal Department  
1250 Wood Branch Park Drive  
Houston, TX 77079

2. Article Number

(Transfer from service label)

7001 1940 0002 6942 6249

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

The Staff of the  
Missouri Public Service Commission,

Complainant,

v.

EqualNet Corporation,

Respondent.

**Case No. TC-2004-0404**

**NOTICE OF COMPLAINT**

EqualNet Corporation  
1250 Wood Branch Park Drive  
Houston, Texas 77079

EqualNet Corporation  
c/o The Corporation Company  
120 South Central Avenue  
Clayton, Missouri 63105

**CERTIFIED MAIL**

On February 17, 2004, the Staff of the Missouri Public Service Commission filed a complaint with the Commission against EqualNet. A copy of the complaint is enclosed. Under Commission Rule 4 CSR 240-2.070, EqualNet has 30 days from the date of this notice to file an answer or to file notification that the complaint has been satisfied. EqualNet is reminded that, as a corporation, it cannot appear before the Commission unless it is represented by an attorney licensed to practice law in Missouri. Therefore, its answer must be signed by a Missouri attorney.

All pleadings must be mailed to:

Secretary of the Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102-0360

A copy must be served upon the Staff of the Commission at the address listed within the enclosed complaint.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, somewhat stylized script.

**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

(S E A L)

Dated at Jefferson City, Missouri,  
on this 20th day of February, 2004.

Pridgin, Regulatory Law Judge

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

The Staff of the Missouri Public Service  
Commission,  
  
Complainant,  
  
v.  
  
EqualNet Corporation,  
  
Respondent.

Case No. TC-2004-\_\_\_\_

**COMPLAINT**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and initiates its complaint pursuant to Section 386.390 and 4 CSR 240-2.070, against EqualNet Corporation, (the "Company") for violation of the Commission's statutes and rules relating to annual report filings and annual assessments. In support of its complaint, Staff respectfully states as follows:

**GENERAL ALLEGATIONS**

1. Respondent EqualNet Corporation is a "telecommunications company" and "public utility" as defined in Section 386.020 RSMo (2000) and is subject to the jurisdiction of the Missouri Public Service Commission pursuant to Section 386.250. The Commission granted the Company a certificate of service authority to provide interexchange telecommunications services in Case No. TA-94-164 on February 8, 1994. EqualNet Corporation has provided the following contact information to the Commission:

EqualNet Corporation  
1250 Wood Branch Park Drive  
Houston, TX 77079

The Missouri Secretary of State's Office lists the following registered agent contact information for EqualNet Corporation:

EqualNet Corporation  
c/o The Corporation Company  
120 South Central Avenue  
Clayton, MO 63105

2. According to the Office of the Secretary of State of Missouri official web site, EqualNet Corporation *was administratively dissolved on February 4, 1999.*

3. Section 386.390.1 authorizes the Commission to entertain a complaint "setting forth any act or thing done or omitted to be done by a public utility in violation of any law, or of any rule, order or decision" of the Commission.

4. Commission practice Rule 4 CSR 240-2.070(1) provides that the Commission's Staff, through the General Counsel, may file a complaint.

5. The Missouri courts have imposed a duty upon the Public Service Commission to first determine matters within its jurisdiction before proceeding to those courts. As a result, "[t]he courts have ruled that the Division cannot act only on the information of its staff to authorize the filing of a penalty action in circuit court; it can authorize a penalty action only after a contested hearing." *State ex rel. Sure-Way Transp., Inc. v. Division of Transp., Dept. of Economic Development, State of Mo.*, 836 S.W.2d 23, 27 (Mo.App. W.D. 1992) (relying on *State v. Carroll*, 620 S.W.2d 22 (Mo. App. 1981)); see also *State ex rel. Cirese v. Ridge*, 138 S.W.2d 1012 (Mo.banc 1940). If the Commission determines after a contested hearing that the Company failed, omitted, or neglected to file its annual report and/or pay its annual assessment, the Commission may then authorize its General Counsel to bring a penalty action in the circuit court as provided in Section 386.600.

## COUNT ONE

6. Section 392.210.1 states that telecommunications companies must "file an annual report with the Commission at a time and covering the yearly period fixed by the commission."

7. Commission Rule 4 CSR 240-3.540(1) requires all telecommunications companies to file their annual reports on or before April 15 of each year.

8. On February 3, 2003, the Executive Director of the Commission sent all regulated utilities, including EqualNet Corporation, a letter notifying them of the requirement to file an annual report covering the calendar year 2002, together with the appropriate form for the Company to complete and return to the Commission and instructions on how the Company may complete its filing electronically. The letter was sent to the address that was current in the Commission's Electronic Filing and Information System ("EFIS") at that time, and the letter was not returned.

9. The Company never returned a completed form, nor did it file its annual report electronically; and as of the date of this pleading, has not filed its 2002 Annual Report. See Affidavit of Janis Fischer, attached to this Complaint as Exhibit A.

10. Section 392.210.1 provides that "[i]f any telecommunications company shall fail to make and file its annual report as and when required or within such extended time as the commission may allow, such company shall forfeit to the state the sum of one hundred dollars for each and every day it shall continue to be in default with respect to such report..."

## COUNT TWO

11. Section 386.370 authorizes the Commission to determine the amount of an annual assessment for expenses of the Commission to be collected from public utilities operating in this state. This statute provides that the public utility shall pay the amount assessed by July 15 or

may at its election pay the assessment in four equal installments not later than July 15, October 15, January 15 and April 15.

12. Pursuant to Section 386.370, the Commission promulgated its *Assessment Order for Fiscal Year 2004* in Case No. AO-2003-0573, "In the Matter of the Assessment Against the Public Utilities in the State of Missouri for the Expenses of the Commission for the Fiscal Year Commencing July 1, 2003."

13. As called for by the *Assessment Order* in Case No. AO-2003-0573, the Budget and Fiscal Services Department calculated the amount of the 2004 Fiscal Year annual assessment for the Company and the Commission's Director of Administration rendered the statement of its assessment on behalf of the Commission by letter on June 27, 2003.

14. Also in the *Assessment Order*, the Commission directed "[t]hat each public utility shall pay its assessment as set forth herein."

15. If the Company elected to pay on a quarterly basis, quarterly installments were due on July 15, 2003; October 15, 2003; and January 15, 2004. Thus, the Company is delinquent on at least the first three-quarters of its 2004 annual assessment.

16. On October 29, 2003, the Executive Director of the Commission sent a letter to an address that the Company had provided and that was contained in the EFIS system, informing the Company of its unpaid assessment for Fiscal Year 2004.

17. The Company, as of the date of this pleading, has not paid its Fiscal Year 2004 assessment and therefore has not complied with the Commission's *Assessment Order*. See Affidavit of Helen Davis, attached to this Complaint as Exhibit B.

### COUNT THREE

18. Section 386.370 authorizes the Commission to determine the amount of an annual assessment for expenses of the Commission to be collected from public utilities operating in this state. This statute provides that the public utility shall pay the amount assessed by July 15 or may at its election pay the assessment in four equal installments not later than July 15, October 15, January 15 and April 15.

19. Pursuant to Section 386.370, the Commission promulgated its *Assessment Order for Fiscal Year 2003* in Case No. AO-2002-1156, "In the Matter of the Assessment Against the Public Utilities in the State of Missouri for the Expenses of the Commission for the Fiscal Year Commencing July 1, 2002."

20. As called for by the *Assessment Order* in Case No. AO-2002-1156, the Budget and Fiscal Services Department calculated the amount of the 2003 Fiscal Year annual assessment for the Company and the Commission's Director of Administration rendered the statement of its assessment on behalf of the Commission by letter on June 26, 2002.

21. Also in the *Assessment Order*, the Commission directed "[t]hat each public utility shall pay its assessment as set forth herein."

22. On January 29, 2003, the Executive Director of the Commission sent a letter to an address that the Company had provided and that was contained in the EFIS system, informing the Company of its unpaid assessment for Fiscal Year 2003.

23. The Company, as of the date of this pleading, has not paid its Fiscal Year 2003 assessment or its Fiscal Year 2004 (as pled in COUNT TWO) and therefore has not complied with the Commission's *Assessment Orders for Fiscal Years 2003 and 2004*. See Affidavit of Helen Davis, attached to this Complaint as Exhibit B.

24. Any public utility that fails, omits, or neglects to obey an order of the Commission "is subject to a penalty of not less than one hundred dollars nor more than two thousand dollars" for each offense, if there is no penalty otherwise provided. Section 386.570.1. The statute further states that "in the case of a continuing violation each day's continuance thereof shall be and be deemed to be a separate and distinct offense." Section 386.570.2. No penalty for failing to pay annual assessments is otherwise provided in Chapter 386 or elsewhere in the Commission's statutes.

25. Staff points out that with regard to the Company's past due assessments for Fiscal Years 2003 and 2004, Section 386.590 provides that "[a]ll penalties accruing under this chapter shall be cumulative of each other, and the suit for recovery of one penalty shall not be a bar to or affect the recovery of any other penalty or forfeiture or be a bar to any original prosecution against any corporation, person or public utility, or any officer, director, agent or employee thereof."

26. As part of the Commission *Order* in this case, the Staff requests that the Commission formally find that it may publicly release the amounts of the overdue assessments for Fiscal Years 2004 and 2003. As the assessments are derived from statements of revenue provided by regulated utilities and thus subject to the provisions of Section 386.480 ("No information furnished to the commission by a ... public utility ... shall be open to public inspection or made public except on order of the commission ..."), Staff is concerned that in the absence of a Commission order directing its release, the revelation of the assessment amounts in circuit court or elsewhere may be improper.

#### COUNT FOUR

27. The Commission has the authority to cancel a certificate of service authority if not against the wishes of the certificate holder. *State ex rel. City of Sikeston v. Public Serv. Comm'n*, 82 S.W.2d 105, 109 (Mo. 1935). Thus, the Commission has the authority to cancel a telecommunications company certificate pursuant to Section 392.410.5, which provides that "[a]ny certificate of service authority may be altered or modified by the commission after notice and hearing, upon its own motion or upon application of the person or company affected." However, the Commission need not hold a hearing, if, after proper notice and opportunity to intervene, no party requests such a hearing. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Serv. Comm'n*, 776 S.W.2d 494 (Mo.App. W.D. 1989).

28. If the Company fails to respond to this Complaint in a timely manner as required by 4 CSR 240-2.070(8), Staff requests that the Commission find that the Company's default constitutes its consent for the Commission to cancel its certificate and tariff, and therefore cancel the certificate of service authority of EqualNet Corporation to provide interexchange telecommunications services and the accompanying tariff, Mo. PSC Tariff No. 2. There is no record of a Mo. PSC Tariff No. 1.

#### PRAYER FOR RELIEF

**WHEREFORE**, Staff now requests that the Commission open a complaint case pursuant Section 386.390; and, after hearing, find that EqualNet Corporation failed, omitted, or neglected to file its 2002 Annual Report as required by Missouri statute; and authorize its General Counsel to bring a penalty action against the Company in the circuit court as provided in Section 386.600, based on the statutory penalties set forth in Sections 392.210.1 (for failing to

file annual reports) and 386.570 and 386.590 (for failing to pay assessments); and order that the amounts of the overdue assessments may be publicly released.

Moreover, if the Company fails to respond to this Complaint in a timely manner as required by 4 CSR 240-2.070(8), in addition to a finding in default under 4 CSR 240-2.070(9), Staff requests that the Commission take notice of EqualNet Corporation's dissolved status since February 4, 1999 and find that the Company's default constitutes its consent for the Commission to cancel its certificate and tariff, and therefore cancel the certificate of service authority of EqualNet Corporation to provide interexchange telecommunications services and the accompanying tariff, Mo. PSC No. 2.

Respectfully submitted,

DANA K. JOYCE  
General Counsel

**/s/ Robert S. Berlin**

---

Robert S. Berlin  
Assistant General Counsel  
Missouri Bar No. 51709

Attorney for the Staff of the  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
(573) 526-7779 (Telephone)  
(573) 751-9285 (Fax)  
[bob.berlin@psc.mo.gov](mailto:bob.berlin@psc.mo.gov)

### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 17<sup>th</sup> day of February 2004.

**/s/ Robert S. Berlin**

---

EqualNet Corporation  
1250 Wood Branch Park Drive  
Houston, TX 77079

EqualNet Corporation  
c/o The Corporation Company  
120 South Central Avenue  
Clayton, MO 63105

John Coffman, Esq.  
Office of the Public Counsel  
P. O. Box 7800  
Jefferson City, MO 65102

AFFIDAVIT

STATE OF MISSOURI )

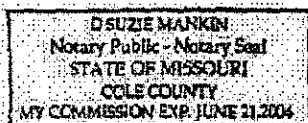
COUNTY OF COLE )

I, Janis E. Fischer, Utility Regulatory Auditor IV, of the Commission's Auditing Department, first being duly sworn on my oath state that the Public Service Commission's records do not reflect the receipt of the 2002 Annual Report from EqualNet Corporation.

Janis E. Fischer

Janis E. Fischer

Subscribed and sworn to before me this 17<sup>th</sup> day of February, 2004.



Suzie Mankin

NOTARY PUBLIC

Exhibit A

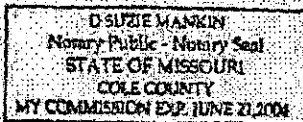
AFFIDAVIT

STATE OF MISSOURI     )  
                                  )  
COUNTY OF COLE     )

I, Helen Davis, Accountant II in the Commission's Budget and Fiscal Services Department, first being duly sworn on my oath state that the Public Service Commission's records do not reflect the receipt of the Fiscal Year 2004 and Fiscal Year 2003 annual assessments from EqualNet Corporation.

Helen Davis  
Helen Davis

Subscribed and sworn to before me this 17<sup>th</sup> day of February, 2004.



D. Suzie Mankin  
NOTARY PUBLIC

**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and  
I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City,  
Missouri, this 20<sup>th</sup> day of Feb. 2004 .**

*Dale Hardy Roberts*

---

**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

**MISSOURI PUBLIC SERVICE COMMISSION**

**February 20, 2004**

**Case No. TC-2004-0404**

Dana K Joyce  
P.O. Box 360  
200 Madison Street, Suite 800  
Jefferson City, MO 65102

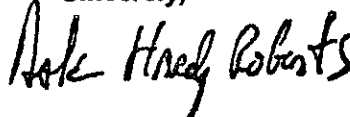
John B Coffman  
P.O. Box 7800  
200 Madison Street, Suite 640  
Jefferson City, MO 65102

EqualNet Corporation  
The Corporation Company  
120 South Central Avenue  
Clayton, MO 63105

EqualNet Corporation  
Legal Department  
1250 Wood Branch Park Drive  
Houston, TX 77079

**Enclosed find a certified copy of a NOTICE in the above-numbered case(s).**

*Sincerely,*

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**