

## Cintex Points

- WI PSC issued an “Interim Order” “provisionally revoking XX ETC designation pending further investigation into the company practices. While this Interim Order is in Effect, XX is not eligible to receive USF support.” – FN – depending on outcome of additional investigation into XX’s practices, under certain circumstances, XX may be able to recover USF funding for this period.
- Cintex Wireless, LLC is wholly owned by Paul V. Greene – DR response 10/2011
- Paul Greene is CEO and Officer – DR response 10/2011
- Affiliated companies are Cintex Group, LLC and Cozak Wireless, LLC – Dr Response 10/2011
- The Missouri Board approved customer application form was submitted as “[t]he Cintex application form” – DR Response 10/2011 Att 4 (see attached)
- Cintex designated as MO ETC 12/21/11
- On or about ? 2012, Cintex began marketing free phone and free service via direct mailing. Copy attached. Non-Board-approved application says “You have been selected to receive a special offer”, “Cintex has been authorized by the Missouri Public Service Commission to offer this service”. Mailing envelope says in large red bold font: **“YOU HAVE BEEN PRE-SELECTED!”**
- Consumer Services has received X calls about mailing. KMOV interviewed people in St. Louis that received and stated they clearly did not qualify. Some PSC employees received the mailers.
  - When questioned about the people receiving the mailing that indicates they hve been pre-selected and selected to receive a special offer, Cintex indicated it used a list received from Infogroup, Inc – “a well established company that assists businesses with direct mailing campaigns”. Cintex had a vendor – BeQuick “convert” Cintex ETC-authorized exchanges into zip codes for advertisements. Dr response – March 27
- As part of its initial investigation related to the ? 2012 mailings, Staff identified the following names as somehow associated with Cintex or its employees. In March 2012, Cintex provided the following explanations of the names.
  - Link-Up America-Simply a name that Cintex occasionally calls its Lifeline/LinkUp program. It is not a separate company or a dba.
  - Liberty-trade name for non-Lifeline wireless service provided by Cintex.

- Movida LLC-Cozak Wireless manages a small base of customers under the “Movida” brand on behalf of Movida, LLC. “Movida” service is a non-Lifeline service
- AmericaTel-no affiliation – Cintex general counsel used to work for Americatel. Americatel responsibility to update Commission records.
- Technologies Management, Inc.-provides compliance and reporting for Cintex. Unrelated ownership.
- “Cintex does not provide service under any brand other than “Cintex” in Missouri.” Yet – Return address on mass mailer was to

Link-Up America

**PO Box 10707**

**Gaithersburg, MD 20898-9946**

**Attn: Free Phone Dept.**

- March 27, 2012 DR response says Cintex activating its first MO customers this month. Cintex already has 10,000 MO customers as of May 2012. (FCC email)
- Cintex began operating in Missouri prior to receiving FCC approval of its compliance plan. From FCC email chain that I was provided: With respect to the issue of Cintex providing Lifeline service in Missouri, paragraph 380 of the Lifeline Order provides that “[n]o designations shall be granted for any pending or new Lifeline-only ETC applications filed with the states or the Commission after December 29 . . .” Cintex interpreted this language as suggesting that the obligation was on the state commissions, not the individual ETC, to enforce the December 29<sup>th</sup> date, as it is the state commissions that grant the designations. Moreover, the order designating Cintex an ETC was issued on December 21<sup>st</sup>, with an effective date of December 31<sup>st</sup>. Accordingly, Cintex believed that its petition was “granted” December 21<sup>st</sup>, with an effective date of December 31<sup>st</sup>.
- Cintex has not received any money for Missouri customers. This was verified by USAC/FCC on May 14. Not entitled since compliance plan has not been approved.
- KMOV investigative report – Paul Greene had not paid taxes. Federal tax liens against Paul Greene. Cintex did not pay rent on business location. Securities Exchange Commission suit. <http://www.kmov.com/home/Free-Phone-Company-collecting-Millions-of-dollars-while-CEO-faces-a-fraud-lawsuit-149136295.html>

SEC filing (attached)

- From late 2005 through early 2007, Len A. Familant, an InPhonic senior vice president, and Paul V. Greene, president of telephone supplier America's Premier Corporation ("APC"), engaged in a series of fraudulent "round-trip transactions" that resulted in misstatement of InPhonic's reported financial results for the third quarter of 2005 and each quarter of 2006.
- The round-trip scheme agreed to and implemented by Familant and Greene resulted in misstatement of InPhonic's reported quarterly and annual financial statements by more than \$7.5 million. Familant and Greene knew that the bogus credits were being used to

improperly inflate InPhonic's reported financial results. They also knew that their conduct was illegal, and they took steps to conceal the scheme.

- By engaging in this fraudulent scheme, Greene violated Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder, as well as Exchange Act Rule 13b2-1. He also aided and abetted InPhonic's and Familant's violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c), and aided and abetted InPhonic's violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, and 13a-13, and Section 13(b)(2)(A) of the Exchange Act.