BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of M. Gene Hand, Director, Nebraska Public Service Commission Communications Department Application No. C-982
Departmental Complaint No. 003

Complainant,

vs.

International Telecommunications (Exchange Corporation, Atlanta, Georgia, a Common Carrier, and Curt) Hendrix, Phillip Cox, and Gerry Willis, its officers, Defendants.

FINAL ORDER: COMPLAINT NO. 003
DISMISSED

Entered: April 19, 1993

APPEARANCES

For the Communications Department. For International Telecommunications Exchange Corporation and its officers.

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BY THE COMMISSION

OPINION AND FINDINGS

The Communications Department, by and through its Director, M. Gene Hand, filed a departmental complaint against International Telecommunications Exchange Corporation ("INTEX"), an Atlanta, Georgia long distance reseller which holds a certificate of authority from this Commission (Application No. C-962).

In that complaint, it was alleged that the rates advertised on behalf of INTEX were inaccurate and therefore not in conformance with the filed tariff containing INTEX's long distance service rates and that multi-level marketing was being conducted on INTEX's behalf by Telefriend, Inc., Global Wats One, Inc., and Global Family Network (hereafter "Telefriend/Global Wats,"), three interrelated corporate entities based in Knoxville, Tennessee,

Subsequent to the complaint's filing, the parties filed a motion dated April 16, 1993 requesting that the Commission enter an

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order dismissing the complaint. In the motion, the parties incorporated a Settlement Agreement which establishes:

- 1. Participation in the Settlement Agreement does not constitute an admission by the Defendants of any of the allegations contained in the Complaint except Allegation Nos. 1, 2, 3, and $4.^1$
- 2. As part of the settlement, the Defendants agree to the following terms and conditions:
 - a. On April 14, 1993, INTEX terminated its preliminary agreement with Global Wats One, Inc., dated January 18, 1993. Copy(ies) of the termination notice(s) were provided to the Communications Department.
 - b. INTEX will not sell intrastate long distance telecommunications services through multi-level marketing plans in Nebraska except in conformance with the Commission's policy with respect to "fitness" for certification.
 - c. INTEX will not enter any agreement with Global Wats One, Inc. to sell telecommunications services through multi-level marketing plans in Nebraska during such time as such plans are against the Commission's policy with respect to "fitness" for certification. INTEX may sell its services through Global Wats One, Inc. and its affiliates in Nebraska pursuant to non-multi-level marketing methods.
 - d. This Settlement Agreement binds the corporate officers of INTEX in the same manner in which it binds INTEX.

The Commission finds the Settlement Agreement to be reasonable and the joint motion to dismiss the departmental complaint should be granted; the Defendants should therefore be released from liability for the violations alleged in the departmental complaint.

ORDER

IT IS THEREFORE ordered by the Nebraska Public Service Commission that Application No. C-982/Departmental Complaint No. 003 filed against International Telecommunications Exchange

¹These allegations identify the parties and the basis of the Commission's jurisdiction.

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Corporation and its officers be dismissed by the terms and conditions set forth in the Settlement Agreement made between the Commission's Communications Department and the Defendants.

IT IS FURTHER ordered that the Defendants abide by the terms and conditions set forth in the Settlement Agreement and described at page 2 of this order.

IT IS FURTHER ordered that the hearing scheduled for May 10, 1993 be cancelled and that the Answer due from the Defendants be waived in lieu of the Settlement Agreement.

IT IS FINALLY ordered that the Defendants are released from liability for the violations alleged in the departmental complaint, the Defendants not having admitted to any of the allegations contained therein, except Allegation Nos. 1, 2, 3, and 4.

MADE AND ENTERED at Lincoln, Nebraska this 19th day of April, 1993.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

//s//Rod Johnson

//s//Frank E. Landis, Jr.

//s//James F. Munnelly

ATTEST:

Executive Directo