

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * *

CLEAR RATE COMMUNICATIONS, INC.'s)
Formal Complaint, Application and Request)
for Emergency Relief Against)
Local Exchange Carriers of Michigan, Inc.)
And Internet 123, Inc.)
_____)

Case No. U-15424

DIRECT TESTIMONY

OF

THANE NAMY

ON BEHALF OF

CLEAR RATE COMMUNICATIONS, INC.

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

2 A. My name is Thane Namy. My business address is 24700 Northwestern Hwy, Suite 340
3 Southfield, Michigan 48075.

4 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT ARE YOUR DUTIES?**

5 A. I am the CEO of Clear Rate Communications, Inc. ("Clear Rate"). I am responsible for
6 the continuity of the business and network and all day to day operations.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. I am testifying in support of Clear Rate's complaint against Local Exchange Carriers of
9 Michigan, Inc. ("LECM") and Internet 123, Inc. ("I 123") for their violations of the
10 Michigan Telecommunications Act ("MTA") in retaliating against Clear Rate for
11 purchasing service from another provider, unilaterally changing Clear Rate's billing
12 terms, attempting to unilaterally increase Clear Rate's agreed-upon rates, temporarily
13 suspending Clear Rate's services, and threatening to permanently terminate Clear Rate's
14 services without adequate time to transition services to another network. Clear Rate
15 requests that the Commission require LECM and I 123 to stop these improper practices
16 and allow Clear Rate a reasonable amount of time to migrate to another network .

17 **Q. WOULD YOU PLEASE DESCRIBE CLEAR RATE?**

18 A. Clear Rate is a resale, UNE-P, facilities-based competitive local exchange carrier
19 ("CLEC") and is licensed to provide local exchange service in Michigan and Illinois.
20 Clear Rate provides a variety of local, long distance, and enhanced telecommunications
21 services to various residential, small, medium-sized and multi-national businesses and
22 governmental customers in Michigan, including a police department, medical facilities,
23 public and private schools, government offices, banks and credit unions, colleges, car

1 dealerships, television stations, hotels, churches, propane supply companies,
2 manufacturing facilities, non-profit organizations, and numerous other private businesses.
3 In order to provide these retail services to its customers, Clear Rate purchases wholesale
4 basic local exchange and other telecommunications services from other carriers.

5 **Q. HOW MANY END USERS AND ACCESS LINES DOES CLEAR RATE SERVE**
6 **IN MICHIGAN?**

7 A. Clear Rate has less than 250,000 end users and access lines in Michigan.

8 **Q. WOULD YOU PLEASE DESCRIBE LECM?**

9 A. LECM is a Michigan corporation and competitive local exchange carrier (“CLEC”).
10 LECM obtained a license to provide local exchange service in Michigan on April 23,
11 1999 in Case U-11877.

12 **Q. WOULD YOU PLEASE DESCRIBE I 123?**

13 A. I 123 is a Michigan corporation and, as discussed later in my testimony, is a provider of
14 local exchange and other telecommunications services in Michigan.

15 **Q. WHAT IS THE RELATIONSHIP BETWEEN LECM AND I 123?**

16 A. I 123 is an affiliate of LECM and shares the same corporate president with LECM. His
17 name is Mr. Dan Irvin. I 123 shares the same key employees with LECM. These include:
18 (1) James Kandler, who negotiates and signs interconnection agreements for LECM,
19 manages E-911 services and E-911 trunking for LECM, assigns facilities for wholesale
20 use for LECM and places circuit orders for LECM, performs all local number portability
21 tasks for LECM and I 123, assists in billing intercarrier compensation for LECM, does
22 wiring in the collocation facility for both LECM and I 123, does all Central Office wiring
23 and installation work within LECM’s collocated facilities in Verizon and AT&T’s central

1 offices, provisions T-1 & DS-3 circuits for I 123, and is listed as an employee of Internet
2 123 on its website; (2) Kyle McKinley, who directly assists James Kandler on all of the
3 tasks mentioned above and is also listed as an employee for I 123 on its website; and (3)
4 Dave Wolven, who is responsible for providing call detail records or CDR's to all
5 wholesale customers of I 123 and LECM, provides billing data for I 123 customers to I
6 123 billing personnel, is listed as an I 123 employee on its website, does provisioning of
7 new local exchange services for LECM and I 123, and verifies and approves intercarrier
8 compensation invoices to LECM from their customers. For example, Dave Wolven
9 requested invoices and intercarrier compensation information from Clear Rate to review
10 the outstanding invoices. After he reviewed the information and all the data was
11 provided, he simply decided Clear Rate was in a bill and keep agreement and LECM
12 would not pay the invoices. There are likely other key employees who are shared by
13 LECM and I 123, but these are the individuals of whom I have first-hand knowledge.

14 I 123 also shares telecommunication facilities and equipment with LECM. In fact,
15 while Clear Rate is collocated and interconnected with the LECM switch, Clear Rate is
16 billed by I 123 for local exchange service, which includes dial tone, local calling,
17 directory assistance and E-911 services, as well as collocation services. I 123 also shares
18 the same business locations with LECM at 50572 Jefferson, New Baltimore, Michigan
19 48047 and 24700 Northwestern Highway, Suite 50, Southfield, MI 48075.

20 LECM and I 123 are alter egos of each other. In fact, Mr. Kandler has candidly
21 stated that the one of the reasons the two separate companies exist is for the purpose of
22 subterfuge with respect to intercarrier compensation billings. When calls are originated,
23 the network signaling information identifies LECM as the originating carrier which owes

1 the terminating carrier for the cost for the call termination. While I 123 maintains a high
2 public profile, LECM does not. This makes it very difficult for the terminating carriers
3 who do not know the relationship between LECM and I 123 to locate and collect from
4 LECM the intercarrier compensation which is owed to them.

5 **Q. WHAT TYPES OF SERVICES DO THESE COMPANIES OFFER?**

6 A. LECM is licensed to provide local exchange service in Michigan and does actually provide
7 local exchange service in Michigan. While LECM does not have a local exchange tariff on
8 file with the Commission, LECM does actually provide basic local exchange services to
9 retail customers in Michigan, including plain old telephone services and other services.
10 When the facilities used by LECM to provide local exchange and other services are resold
11 to other providers, those services are invoiced by I 123. These invoices clearly show that
12 the services being resold relate to local exchange service. Exhibit C-1 is the September 1,
13 2007 invoice from I 123 to Clear Rate showing local usage charges. This usage includes
14 switched local voice service and is not merely VoIP service, as may be claimed by I 123.
15 As a matter of fact, LECM/I 123 cannot claim for this to be related to VoIP because they
16 signed a non-compete agreement with another telecommunication provider in regards to
17 providing VoIP services on a wholesale or retail basis. In addition to providing local
18 exchange service through its alter ego, LECM, I 123 clearly resells or wholesales local
19 exchange service to other providers such as Clear Rate. I have just recently learned that I
20 123 does not have a local exchange license from the Commission. In addition to providing
21 regulated local exchange service, LECM/I 123 also provide a variety of a unregulated
22 services including but not limited to long distance, toll-free and dial-up services.

23 **Q. WHEN DID CLEAR RATE FIRST ENGAGE THE SERVICES OF LECM / I 123?**

1 A. In September 2004, Clear Rate entered into an agreement with LECM / I 123 to purchase
2 certain wholesale basic local exchange and telecommunications services from LECM /I
3 123. The services Clear Rate purchased from LECM / I 123, include, but are not limited
4 to:
5 Collocation
6 24/7 unescorted Access to all Clear Rate Equipment
7 24/7 unescorted Access to the collocation room
8 24/7 unescorted access to all Cabinets
9 Uninterrupted AC/DC Power
10 Uninterrupted transport and cross-connect services
11 Uninterrupted unrestricted Internet Bandwidth & Connectivity
12 Maintenance of current Cabinet & Rack locations
13 Maintenance of current security level of Cabinet & Rack locations
14 ISDN PRI T-1 Service
15 Local Exchange Service
16 Intralata & Interlata Access Services
17 EMERGENCY E911 services for all end-users currently served by E911
18 CAS T-1 Service
19 SS7 Interconnection & Trunking
20 D-users currently served by E911
21 Local Number Portability
22 "Port-In" & "Port-Out" of Clear Rate telephone numbers or End-User Telephone numbers
23 Interoffice transport & ILEC Facilities

- 1 DS-3 Multiplexer Units
- 2 Interoffice transport
- 3 Leased T-1 Services
- 4 High-Speed Internet & Bandwidth
- 5 100 Megabit per second Internet Access

6 Clear Rate chose to purchase these services from LECM / I 123 because their costs were
7 much more competitive than the incumbent local exchange carriers, and because LECM /
8 I 123 sold Local Voice T-1's. Clear Rate purchased these wholesale basic local exchange
9 and telecommunications services from September 2004 until September 7, 2007.

10 **Q. DID CLEAR RATE HAVE AN AGREEMENT WITH LECM / I 123 REGARDING**
11 **RATES?**

12 A. Yes. Clear Rate and LECM/I 123 would periodically meet to adjust prices for various
13 services. The most recent price agreement was reached February, 2007. Exhibit C-2 is the
14 most recent agreed to pricing.

15 **Q. WHAT WAS THE TERM OF THE AGREEMENT?**

16 A. The term of the agreement was not month to month as erroneously and all too
17 conveniently claimed by Mr. Irvin, the President of LECM/I 123. This claim is easily
18 refuted by the billing records. First, for many of the services, Clear Rate was billed large
19 non-recurring charges ("NRCs"). Exhibit C-3 are some examples. No rational person
20 would ever pay such large NRCs if the term of the agreement was subject to cancellation
21 on one month's notice. Both parties understood that in order for Clear Rate to recoup the
22 large NRCs, it would need to maintain the facilities for its retail customers' use for a
23 considerable period of time. Second, Exhibit C- 4 demonstrates that certain facilities

1 were purchased for a period of at least a year. If the circuit was cancelled by Clear Rate
2 prior to fulfilling the term, Clear Rate would be subject to an early termination penalty.
3 These are some of the very facilities that LECM/I 123 now seeks to cancel on one
4 month's notice. Third, Clear Rate purchased a Class 5 Switch in June of 2007 and
5 collocated it in the LECM/I 123 facilities. By their nature Class 5 switches are not to be
6 moved once installed, and therefore it was inherently understood Clear Rate would be
7 interconnected with LECM/ I 123 beyond a mere month to month arrangement.

8 **Q. DID CLEAR RATE HAVE AN AGREEMENT WITH LECM / I 123 REGARDING**
9 **PAYMENT TERMS?**

10 LECM / I 123 agreed to invoice Clear Rate on a monthly basis for the services that were
11 used by Clear Rate in the prior month. Clear Rate was then given 30 days in which to
12 pay the invoice. This was the arrangement followed by LECM / I 123 and Clear Rate
13 since Clear Rate received its first invoice on February 16, 2005. Clear Rate has always
14 consistently paid net 30 days. Exhibit C- 5 is a spreadsheet of invoices and payment
15 dates. Exhibit C-5 shows Clear Rate has an excellent payment record.

16 **Q. DID CLEAR RATE EVER HAVE ANY DISPUTES WITH LECM / I 123**
17 **REGARDING BILLING OR PAYMENT TERMS?**

18 A. Yes. There were a few occasions on which LECM / I 123 overcharged Clear Rate for
19 their services. For instance, LECM / I 123 overcharged Clear Rate \$231.26 on its
20 October 1, 2006 invoice (invoice #29269) and \$876.67 on its November 1, 2006 invoice
21 (invoice #29402). On both occasions Clear Rate notified LECM / I 123 of the
22 overcharges and LECM / I 123 issued Clear Rate credits for the over billed amounts.

1 **Q. DID CLEAR RATE EVER HAVE ANY OTHER DISPUTES WITH LECM / I 123**
2 **REGARDING BILLING OR SERVICES?**

3 A. Yes. Another dispute arose on March 5, 2007 when LECM / I 123 sent Clear Rate an
4 invoice for \$7,350.66, claiming that they had failed to bill Clear Rate in the past for
5 various services and requesting that Clear Rate pay the backbilled amount. However,
6 Clear Rate did not pay the backbilled amount right away, because Clear Rate hoped to
7 negotiate an off-set of the backbilled charges from the intercarrier compensation charges
8 that Clear Rate had begun invoicing LECM for in June 2005, but which LECM had
9 refused, and continues to refuse, to pay.

10 **Q. DID CLEAR RATE EVER PAY THE BACKBILLED AMOUNT?**

11 A. Yes. The issue came to a head on September 6, 2007, when Ryan Duda of LECM / I 123
12 sent me an email, again requesting that Clear Rate pay the outstanding backbill for
13 \$7,350.66. Sam Namy, Clear Rate's CFO, responded via e-mail and told Mr. Duda that
14 Clear Rate had no problem paying the backbill, but Clear Rate would, in return, like some
15 resolution to the intercarrier compensation invoices that they had failed to pay Clear Rate
16 for the past 3 years.

17 The next day, September 7, 2007, Mr. Duda called Sam Namy and stated that
18 LECM/I 123 would not pay any intercarrier compensation billing to Clear Rate because
19 he erroneously asserted that there was a bill and keep agreement with Clear Rate. LECM
20 / I 123 and Clear Rate had never negotiated a bill and keep agreement.

21 Eventually during the negotiations where Sam Namy attempted to offset the
22 intercarrier compensation bills with the backbill, Mr. Duda told Sam that if Clear Rate
23 did not pay the backbill in full by 5:00 p.m. that day (September 7, 2007), LECM / I 123

1 would suspend all new service orders for new and current Clear Rate customers.
2 Consequently, in order to avoid a disruption of changes and new orders of Clear Rate's
3 provisioning services, Sam and I agreed to pay the full amount of the backbill to LECM /
4 I 123 and Clear Rate avoided having their provisioning new and change services
5 suspended by LECM / I 123.

6 **Q. WHAT HAPPENED AFTER CLEAR RATE PAID THE BACKBILL?**

7 A. Due to LECM's / I 123's bullying and threat to stop provisioning new services due to
8 Clear Rate's request that they pay the intercarrier compensation bill, Clear Rate decided
9 to begin diversifying the sources of some of its wholesale basic local exchange and
10 telecommunications services to prevent a complete shutdown of its services in the event
11 LECM / I 123 again threatened to suspend Clear Rates' services. As a result, on
12 September 7, 2007, Clear Rate canceled an order for a DS-3 MUX that it had originally
13 placed with LECM / I 123 on September 5, 2007, and placed that order with another
14 vendor. Clear Rate's decision to purchase the equipment from another provider was not
15 only helpful in beginning to insulate Clear Rate from complete interruption of service in
16 the event LECM / I 123 would suspend Clear Rate's services, but it would also save Clear
17 Rate money because the new provider's rate was lower.

18 **Q. WHAT WAS LECM'S / I 123'S REACTION TO CLEAR RATE'S DECISION TO**
19 **NOT PURCHASE THIS D-3 MUX FROM LECM / I 123?**

20 A. After Clear Rate's decision to diversify its source, LECM / I 123 retaliated. Simply
21 because Clear Rate refused to purchase one DS-3 MUX from them, LECM/I 123
22 threatened to cease providing all services to Clear Rate. In doing so, LECM/ I 123 was

1 refusing Clear Rate access to the local exchange and the PSTN and impaired its use of
2 facilities, including loops to provide local service to its customers.

3 On September 11, 2007, Mr. Irvin sent Sam and I an email at 12:01 p.m. demanding
4 payment of Clear Rate's September 1, 2007 invoice by 5:00 p.m. the next day, September
5 12, 2007, even though the invoice was not due until September 30, 2007. Exhibit C -6 is
6 the email chain relating to the acceleration of payment on the 9/1/07 invoice. I therefore
7 immediately set up a telephone conference with Mr. Irvin and asked him why LECM / I
8 123 was suddenly and unilaterally changing the payment terms. While Mr. Irvin offered
9 no rational basis for this unilateral change, Mr. Irvin also stated that LECM / I 123 were
10 changing their billing practice from net 30 days invoicing to billing in advance for
11 services. We do not know of any other LECM / I 123 customers for whom LECM/I 123
12 also made the same changes to their billing terms. In fact, I know of at least one other
13 LECM/I 123 customer that has had no changes to its billing terms and condition imposed
14 by LECM/I 123. By all accounts this action appears to be isolated to Clear Rate and in
15 retaliation for canceling the DS3 MUX order and placing it with another provider.

16 As evidence by Exhibit C-6, later that day Sam Namy sent an email to Mr. Irvin
17 requesting a meeting to discuss and resolve LECM/I 123's issues with Clear Rate and to
18 work out the payments. In his email Sam stated that Clear Rate was willing to work with
19 LECM / I 123. However, Mr. Irvin replied to Sam's email stating that he appreciated the
20 gesture but that he did not believe a meeting would be prudent, and again stated his
21 timeframe for payment.

22 On September 12, 2007 Sam Namy replied to Mr. Irvin's email at 4:30 p.m., and told
23 Mr. Irvin that Clear Rate would not pay the September 1, 2007 invoice by September 12,

1 2007 because it is not due until September 30, 2007, per the invoice due date. Sam
2 pointed out that Clear Rate had an excellent payment history with LECM / I 123, and any
3 attempt to change the payment terms unilaterally was unfair and unnecessary. Sam stated
4 that LECM / I 123 had not provided a valid business reason for the billing change, and
5 that Clear Rate needed time to review and approve the invoice per its payment system.

6 As set forth in Exhibit C-7, Mr. Irvin responded to Sam and me at 7:30 p.m. via e-
7 mail, stating that he regretted Clear Rate's decision and he was going to suspend all
8 services by 5:00 p.m. on September 13, 2007 unless LECM / I 123 received payment for
9 both the September 1, 2007 invoice and for October's services – even though LECM / I
10 123 had not yet invoiced Clear Rate for October - by the end of business day on
11 September 13, 2007. Mr. Irvin further notified us that all of Clear Rate's rates were going
12 to be immediately increased almost three-fold. Mr. Irvin further demanded that Clear
13 Rate move all of its customers off of LECM's / I 123's network within 30 days. In
14 addition, Mr. Irvin also stated that he was limiting Clear Rate's access to its equipment
15 and that a LECM / I 123 employee must escort anyone seeking access to Clear Rate's
16 equipment. He also demanded that Clear Rate sign a "Bill and Keep" agreement for all
17 intercarrier compensation billings with LECM or he would disrupt Clear Rate's service.

18 **Q. DID CLEAR RATE ACED TO LECM'S / I 123'S DEMANDS FOR PAYMENT**
19 **BY SEPTEMBER 13, 2007?**

20 A. No. Clear Rate did not give in to LECM's / I 123's unlawful demands, because LECM / I
21 123 unreasonably and without cause wanted Clear Rate to pay its September invoice 17
22 days before it was due, and insisted that the agreement to provide wholesale services that
23 Clear Rate used to serve its local customers be terminated in only 30 days. Mr. Irvin

1 simply laughed at us when Same and I explained that it was not humanly possible to
2 transfer services from LECM/I 123's network to another network in only 30 days,
3 because he knows this is not possible. For example, LECM/I 123 required 56 days to port
4 in all of the telephone numbers from Verizon for a PRI T-1 for one of Clear Rate's
5 customers. Since it took LECM/I 123 fifty-six days to migrate just one of Clear Rate's
6 customers, this demonstrates that it is not reasonable or even possible to migrate all
7 customers within 30 days. If LECM/I 123 are allowed to carry through on this retaliatory
8 threat, then local exchange and E911 service to Clear Rate's retail customers will be
9 disrupted. While Clear Rate was anxious to migrate-off of LECM/ I 123's network as a
10 result of LECM/I 123's discriminatory and retaliatory treatment, it also knew that it
11 would need to bring litigation to prevent LECM / I 123 from interrupting service to its
12 customers because LECM/ I 123's arbitrary 30 day deadline is impossible to meet.

13 As a result, on September 13, 2007 Clear Rate filed a complaint and a request for
14 a temporary restraining in the Macomb County Circuit Court, seeking a court order that
15 would prevent LECM / I 123 from suspending service to Clear Rate. Exhibit C-8 is our
16 complaint and requested injunctive relief to allow this Commission time to address this
17 dispute. The Macomb County Circuit Court issued Clear Rate's requested temporary
18 restraining order ("TRO"), which is Exhibit C- 9. The complaint and TRO was
19 subsequently faxed to Mr. Irvin at 4:30 p.m. that day. Sam Namy also emailed Mr. Irvin
20 at 5:00 p.m. on September 13, 2007 to notify him that the TRO was issued.

21 **Q. DID LECM / I 123 EVER SHUT OFF SERVICE TO CLEAR RATE?**

22 **A.** Yes. Despite having actual knowledge of the existence of the TRO, at approximately
23 5:00 p.m. Mr. Irvin telephoned me to inquire about payment. I stated that payment for

1 the September 1, 2007 invoice, due on September 30, 2007, would be paid and received
2 by LECM / I 123 by September 27, 2007. Mr. Irvin stated that was unacceptable. I then
3 explained to Mr. Irvin that Clear Rate currently had a TRO against LECM / I 123
4 preventing them from interrupting Clear Rate's service.

5 Mr. Irvin then informed me that he was going to disconnect Clear Rate's service
6 because LECM / I 123 had not received payment as demanded. A few minutes later
7 LECM / I 123 did, in fact, shut down Clear Rate's I 123 access, and Clear Rate's VoIP
8 and Internet access customers were interrupted.

9 As a result, in order to get service restored to Clear Rate's customers, I told Mr.
10 Irvin that Clear Rate would pay September's invoice. However, Mr. Irvin then demanded
11 that Clear Rate also pay for October's invoice. I told Mr. Irvin that Clear Rate would pay
12 the October invoice as long as it was provided an itemized invoice. Mr. Irvin agreed, and
13 subsequently restored Clear Rate's services.

14 **Q. WHAT IS THE EFFECT THAT LECM'S / I 123'S ACTIONS AND DEMANDS**
15 **HAVE HAD, OR WILL HAVE, ON CLEAR RATE?**

16 A. LECM / I 123 are doing everything in their power to ruin Clear Rate's business. They are
17 putting financial strains on Clear Rate by demanding payment well in advance of services
18 being rendered and attempting to unilaterally triple rates; they are jeopardizing Clear
19 Rate's customer base by providing an inadequate timeframe to migrate Clear Rate's
20 customers off of their network; and they are also hurting Clear Rate's ability to service its
21 customers in a timely and effective manner by limiting access to Clear Rate's equipment.
22 LECM / I 123 has intentionally chosen a timeframe of 30 days to move all of Clear Rate's
23 customers because they know it is literally impossible to do so in that short amount of

1 time. Clear Rate is collocated within LECM switch and is heavily interconnected to their
2 switch. The work which needs to be done consists of: identifying a physical location and
3 arranging for a lease to house our equipment, negotiating interconnection agreements for
4 fiber installation, establishing E-911 trunking, establishing E-911 inbound trunking for
5 inbound telephone calls, establishing new circuits to customers in rural areas, moving T-1
6 loops, porting phone numbers, and physically moving Clear Rate's switching facilities.
7 Thus, if LECM / I 123 is allowed to implement its 30 day time deadline, LECM / I 123
8 will shut off a large portion of Clear Rate's customers because they will not be moved in
9 the compressed 30 day timeframe allotted by LECM/ I 123.

10 **Q. WHAT WOULD BE THE IMPACT ON THE PUBLIC IF THIS WERE TO**
11 **OCCUR?**

12 If LECM / I 123 are allowed to shut off service Clear Rate's customers it will have a
13 significant adverse impact on the public welfare. Clear Rate provides retail
14 telecommunications service, including local exchange service and E911 to numerous
15 businesses and governmental entities, including a police department, medical facilities,
16 public and private schools, government offices, banks and credit unions, colleges, car
17 dealerships, television stations, hotels, churches, propane supply companies,
18 manufacturing facilities, non-profit organizations, and numerous other private businesses.
19 These entities simply cannot lose local exchange service and access to E911 service
20 without a significant adverse impact on the public. Additionally, these customers will be
21 unable to replace these complex services (including E911 service) for approximately 30-
22 60 days, which will have a disastrous consequence for these customers.

23 **Q. WHAT RELIEF DO YOU SEEK FROM THE COMMISSION?**

1 A. The Macomb County Circuit Court has granted us relief to give the Commission
2 the opportunity to act before LECM/ I 123 interrupts service. Given the recent treatment
3 by LECM/ I 123, Clear Rate is anxious to migrate from LECM/ I 123 network to a new
4 network. What Clear Rate needs from the Commission is an order preventing LECM/ I
5 123 from discontinuing service during a reasonable timeframe to allow this migration to
6 occur and maintaining previously-negotiated rates established in the February 2007 e-
7 mail that was mutually agreed upon by both parties. As a result, Clear Rate is asking for
8 emergency relief from the Commission. This case clearly demonstrates exigent
9 circumstances that warrant emergency relief.

10 Further, Clear Rate is entitled to emergency relief because LECM/ I 123's abusive
11 and retaliatory actions clearly violate the prohibitions set forth of the MTA including
12 those set forth in Section 305 and threaten customers access 911 service in violation of
13 the MTA. The harm to Clear Rate, its customers, and the public will be irreparable if its
14 customer such as a police department, medical facilities, public and private schools,
15 government offices, banks and credit unions, colleges, car dealerships, television stations,
16 hotels, churches, propane supply companies, manufacturing facilities, non-profit
17 organizations, and numerous other private businesses their telecommunication services
18 including local exchange and 911 services. Granting emergency relief would protect vital
19 public interests.

20 **Q. IS OTHER RELIEF POSSIBLE?**

21 A. Yes. Section 203(13) of the MTA provides that: "If a complaint is filed under this
22 section by a provider against another provider, the provider of service shall not
23 discontinue service during the period of the contested case, including the alternative

1 dispute process, if the provider receiving the service has posted a surety bond, provided
2 an irrevocable letter of credit, or provided other adequate security in an amount and on a
3 form as determined by the commission." Clear Rate is seeking with all deliberate speed to
4 remove its services from LECM/I 123's network. Clear Rate is willing to begin to pay for
5 services at the previously agreed upon rates as set forth in Exhibit C-2 between the
6 parties a month in advance while this transition occurs. Instead of issuing an emergency
7 order, the Commission could issue an order preventing discontinuous of service, maintain
8 the pricing schedule and set forth in Exhibit C-2 which both parties mutually agreeing
9 upon and require Clear Rate to post a bond with the Commission in the amount of
10 \$26,791.28, which is the amount of the amount of the last monthly invoice. Clear Rate's
11 willingness to pay in advance and a bond equal to one month's invoice should provide
12 more than ample protection to LECM/ I 123 while the migration occurs.

13 **Q. HOW LONG WILL THE MIGRATION TAKE?**

14 A. We have already begun the planning process and hope to begin moving customers with 2
15 weeks. Due to the complex services at issue and the need to coordinate with many other
16 providers, it will take several months to complete the process. We expect to have most
17 customers migrated within 4 months. Due to circumstances outside of our control some
18 customers may take as long as 6 months to migrate.

19 **Q. DO YOU HAVE OTHER DAMAGES?**

20 A. Yes, we have lost considerable time and money addressing LECM/I 123's illegal conduct
21 and threats. Clear Rate will incur huge expenses in having to accelerate the migration of
22 its customers to another network. Because this work has just begun the costs are not
23 known, but will be substantial.

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A. Yes.

EXHIBIT C-1

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

Invoice

248-724-2751 jan@123.net

Date	Invoice #
9/1/2007	30858

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	9/30/2007

Quantity	Description	Rate	Amount
6,389	114 - Subscriber Interface 9897997500 - First State Bank localcall minutes	0.01	63.90
890	1567 - Subscriber ID: 9893863851 ClareGladwi interlata minutes	0.01117	9.94
1,488	1567 - Subscriber ID: 9893863851 ClareGladwi intralata minutes	0.01001	14.89
2,330	1575 - Subscriber ID: 9894963110 Caltech interlata minutes	0.01906	44.42
181	1575 - Subscriber ID: 9894963110 Caltech intralata minutes	0.01	1.81
1,193	1575 - Subscriber ID: 9894963110 Caltech localcall minutes	0.01	11.93
3	1604 - 8xx: 8006070839 interlata minutes	0.02	0.06
4,337	1605 - 8xx: 8006070840 interlata minutes	0.02	86.74
54	1774 - IOM://99090036 interlata minutes	0.01352	0.73
28	1774 - IOM://99090036 intralata minutes	0.01	0.28
12,304	1852 - CRI.MLS1 2489459001 interlata minutes	0.01977	243.27
1,563	1852 - CRI.MLS1 2489459001 intralata minutes	0.01	15.63
1,536	1852 - CRI.MLS1 2489459001 localcall minutes	0.01	15.36
2,703	1853 - CRI.MLS1 2483566757 interlata minutes	0.01982	53.58
17	1853 - CRI.MLS1 2483566757 intralata minutes	0.01	0.17
58	1853 - CRI.MLS1 2483566757 localcall minutes	0.01017	0.59
19	1912 - IOM://99090037 interlata minutes	0.01053	0.20
2	1912 - IOM://99090037 intralata minutes	0.015	0.03
3	1912 - IOM://99090037 localcall minutes	0.01333	0.04
179	2027 - CRI.DirectFin 2488556670 interlata minutes	0.01916	3.43
478	2027 - CRI.DirectFin 2488556670 intralata minutes	0.01002	4.79
520	2027 - CRI.DirectFin 2488556670 localcall minutes	0.01	5.20
14	2055 - 8xx: 8886121110 interlata minutes	0.01929	0.27
1	2056 - 8xx: 8886121110 interlata minutes	0.01	0.01
186	2058 - 8xx: 8886121110 interlata minutes	0.02	3.72
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

248-724-2751 jan@i23.net

Invoice

Date	Invoice #
9/1/2007	30858

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	9/30/2007

Quantity	Description	Rate	Amount
305	2077 - CR1.DirectFin 2488556671 interlata minutes	0.01954	5.96
401	2077 - CR1.DirectFin 2488556671 intralata minutes	0.01002	4.02
194	2077 - CR1.DirectFin 2488556671 localcall minutes	0.01	1.94
3,450	2079 - CR1.MichTitle 2484870200 interlata minutes	0.01985	68.47
4	2079 - CR1.MichTitle 2484870200 international minutes	0.415	1.66
1,765	2079 - CR1.MichTitle 2484870200 intralata minutes	0.01001	17.66
941	2079 - CR1.MichTitle 2484870200 localcall minutes	0.01	9.41
646	2081 - CR1.Carcoustics 2486687200 interlata minutes	0.01799	11.62
753	2081 - CR1.Carcoustics 2486687200 international minutes	0.11669	87.87
1,543	2081 - CR1.Carcoustics 2486687200 intralata minutes	0.01	15.43
296	2081 - CR1.Carcoustics 2486687200 localcall minutes	0.01	2.96
3,039	2168 - ECM interlata minutes	0.01926	58.34
6	2168 - ECM international minutes	0.36167	2.17
2,477	2168 - ECM intralata minutes	0.01	24.78
1,299	2168 - ECM localcall minutes	0.01	12.99
1	2188 - Caltech interlata minutes	0.01	0.01
6	2188 - Caltech intralata minutes	0.01	0.06
6	2188 - Caltech localcall minutes	0.01	0.06
884	2215 - Staybridge interlata minutes	0.01686	14.90
20	2215 - Staybridge international minutes	0.118	2.36
624	2215 - Staybridge intralata minutes	0.01	6.24
5,829	2215 - Staybridge localcall minutes	0.01	58.30
1,056	2225 - Frankenmuth interlata minutes	0.01155	12.20
458	2225 - Frankenmuth intralata minutes	0.01	4.58
64	2225 - Frankenmuth localcall minutes	0.01	0.64
1,291	2265 - ITG interlata minutes	0.01466	18.93
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

Invoice

248-724-2751 jan@123.net

Date	Invoice #
9/1/2007	30858

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	9/30/2007

Quantity	Description	Rate	Amount
534	2265 - ITG intralata minutes	0.01	5.34
3,217	2265 - ITG localcall minutes	0.01	32.18
24,705	2266 - MidlandFund interlata minutes	0.01931	477.00
1,129	2266 - MidlandFund intralata minutes	0.01001	11.30
2,199	2266 - MidlandFund localcall minutes	0.01	21.99
6,275	2288 - SagMental interlata minutes	0.01329	83.39
2,647	2288 - SagMental intralata minutes	0.01	26.47
42,182	2288 - SagMental localcall minutes	0.01	421.82
474	2308 - Orthopedic interlata minutes	0.01154	5.47
1,439	2308 - Orthopedic intralata minutes	0.01	14.39
5,034	2308 - Orthopedic localcall minutes	0.01	50.35
656	2318 - Farwell interlata minutes	0.01223	8.02
1,715	2318 - Farwell intralata minutes	0.01	17.15
4,004	2318 - Farwell localcall minutes	0.01	40.04
1,027	24 - Subscriber Interface 9896314411 - Midland Evan interlata minutes	0.01893	19.44
264	24 - Subscriber Interface 9896314411 - Midland Evan intralata minutes	0.01	2.64
4,381	24 - Subscriber Interface 9896314411 - Midland Evan localcall minutes	0.01	43.82
122	2727 - July Usage 8xx: 8008882767 interlata minutes	0.02008	2.45
78	2727 - July Usage 8xx: 8008882767 intralata minutes	0.01	0.78
1	2727 - July Usage 8xx: 8008882767 localcall minutes	0.01	0.01
49	2735 - July Usage 8xx: 8009627022 interlata minutes	0.02	0.98
88	2735 - July Usage 8xx: 8009627022 intralata minutes	0.01	0.88
112	2735 - July Usage 8xx: 8009627022 localcall minutes	0.01	1.12
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

Invoice

248-724-2751 jan@123.net

Date	Invoice #
9/1/2007	30858

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	9/30/2007

Quantity	Description	Rate	Amount
82,769	2924 - IOM:// 99070113 interlata minutes	0.01555	1,287.19
25	2924 - IOM:// 99070113 international minutes	0.0452	1.13
30,824	2924 - IOM:// 99070113 intralata minutes	0.01013	312.29
64,144	2924 - IOM:// 99070113 localcall minutes	0.01	641.45
599	2924 - IOM:// 99070113 speesves minutes	0.00434	2.60
616	2956 - Zetaone interlata minutes	0.0157	9.67
190	2956 - Zetaone intralata minutes	0.01	1.90
563	2956 - Zetaone localcall minutes	0.01	5.63
967	2976 - JosephChevy interlata minutes	0.0106	10.25
412	2976 - JoscphChevy intralata minutes	0.01	4.12
287	2976 - JosephChevy localcall minutes	0.01	2.87
4,992	501 - Subscriber Interface 8106534111 - Hank Graff interlata minutes	0.01266	63.18
3,997	501 - Subscriber Interface 8106534111 - Hank Graff intralata minutes	0.01	39.97
19,269	501 - Subscriber Interface 8106534111 - Hank Graff localcall minutes	0.01	192.69
1,480	509 - Subscriber Interface 5172789547 - ZetaOne interlata minutes	0.01672	24.75
431	509 - Subscriber Interface 5172789547 - ZetaOne intralata minutes	0.01002	4.32
704	509 - Subscriber Interface 5172789547 - ZetaOne localcall minutes	0.01001	7.05
315	601 - Subscriber Interface 9897729299 - Fisher Transport interlata minutes	0.01175	3.70
620	601 - Subscriber Interface 9897729299 - Fisher Transport intralata minutes	0.01	6.20
1,076	601 - Subscriber Interface 9897729299 - Fisher Transport localcall minutes	0.01	10.76
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

Invoice

248-724-2751 jan@123.net

Date	Invoice #
9/1/2007	30858

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	9/30/2007

Quantity	Description	Rate	Amount
875	602 - Subscriber Interface 9897720720 - Central Asphalt interlata minutes	0.0108	9.45
668	602 - Subscriber Interface 9897720720 - Central Asphalt intralata minutes	0.01002	6.69
2,379	602 - Subscriber Interface 9897720720 - Central Asphalt localcall minutes	0.01	23.79
86	603 - Subscriber Interface 9897736418 - Symco Inc interlata minutes	0.01058	0.91
27	603 - Subscriber Interface 9897736418 - Symco Inc intralata minutes	0.01037	0.28
424	603 - Subscriber Interface 9897736418 - Symco Inc localcall minutes	0.01	4.24
380	604 - Subscriber Interface 9897723695 - Central Concrete interlata minutes	0.01424	5.41
291	604 - Subscriber Interface 9897723695 - Central Concrete intralata minutes	0.01003	2.92
1,350	604 - Subscriber Interface 9897723695 - Central Concrete localcall minutes	0.01001	13.51
2,187	783 - Subscriber ID: 9897733937 GraffChevy interlata minutes	0.01241	27.13
1,897	783 - Subscriber ID: 9897733937 GraffChevy intralata minutes	0.01	18.97
5,247	783 - Subscriber ID: 9897733937 GraffChevy localcall minutes	0.01	52.47
Total			\$26,791.28

EXHIBIT C-2

From: "Thane Namy" <tnamy@clearrate.com>
To: "Ryan Duda" <rpd@123.net>, "Dan Irvin" <danirvin@123.net>
Date: 2/9/2007 6:33 PM
Subject: FW: 123.net pricing
CC: "Thane Namy" <tnamy@clearrate.com>, "Sam Namy" <snamy@clearrate.com>
Attachments: clearrate_final_pricing.xls

Ryan,

Clear Rate is in agreement on pricing in the spreadsheet.

Thanks,

=====
Thane Namy
Telephone: 248-556-4527
Direct Fax: 248-556-4534
www.ClearRate.com

-----Original Message-----

From: Ryan Duda [mailto:rpd@123.net]
Sent: Thursday, February 08, 2007 6:55 PM
To: Thane Namy
Subject: Re: 123.net pricing

Thane,

Please see the attached.

Thanks,
-Ryan

Thane Namy wrote:

> Please send me the updated list we settled on.
>
> Thanks,
> =====
> Thane Namy
> Telephone: 248-556-4527
> Direct Fax: 248-556-4534
> www.ClearRate.com
>
> -----Original Message-----
> From: Ryan Duda [mailto:rpd@123.net]
> Sent: Tuesday, February 06, 2007 10:34 PM
> To: Thane Namy
> Subject: 123.net pricing
>
> Thane,
>
> Here is a draft of new price schedule going forward. Please give me a
> call at your earliest convience to discuss.
>
> Thanks,
> -Ryan

Item	Rate	MRC	NRC	Other Notes
ATT T1 CFA *		100	100	CFA must be spare before a 123.net disconnect order will be issued.
ATT T1 Loop (UNE-L) *		160	250	
ATT (EEL) *		200	250	
VZ T1's		TBD		
Customer PRI's (subject to loop availability)		250	0	PRI's that are transiting outside of the data center. Please note: T1's with non-LECMl circuit ID's will not be terminated into the 123.net PRI switch.
Data Center PRI's (PRI's to Clear Rate switching gear)		0	100	
Remote Call Forward (RCF) Account		2		
MOU local (michigan)	0.01			
MOU intralata	0.01			
MOU interlata	0.02			
MOU International	TBD			
DS3 Transport & CFA (on network)		600	250	Additional 150.00 NRC if AT&T cross connects are ordered. VZ TBD CFA must be spare before disconnect will be issued.
DS3 Transport & CFA (from data center to SFLDMIMN)		300	250	Additional 150.00 NRC if AT&T cross connects are ordered. VZ TBD CFA must be spare before disconnect will be issued.
Charge per LNP order			5	Example: LNP order for Vacation recording. Charge DOES NOT apply to PRI to Customer Prem.
LNP Due Date Change > 24 hours (per incident)			25	
LNP Due Date Change < 24 hours (per incident)			50	
123.net T1 re-provision < 3 business days		250		
123.net T1 re-provision > 3 business days		200		
Collocation Cabinet			500	
Additional AC 20A outlet			200	
IP Bandwidth per Mbits			75	

* Subject to availability, a 100.00 transport charge applies to circuits located in the 342 Marquette LATA

Dated: 2/8/2007

EXHIBIT C-3

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

888 440 0123 jan@123.net

TN TO APPROVE

Invoice

Date	Invoice #
11/1/2006	29539

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	11/30/2006

Quantity	Description	Rate	Amount
1	Bandwidth 4/19 FE (4.184 Mb/s In)	238.80	238.80
1	Collocation CABINET:SFI,DMINH:A3	500.00	500.00
1	DSX Circuit CC LEFGDRP1-20A /DHDC/034747//AMG ECM Converting, 26920 M-60, Mendon MI 49072 Adjusted for 19 Days of service - connect (2006-10-13)	306.45	306.45
1	DSX Circuit CC LEFGDRP1-20A /DHDC/034747//AMG <u>NRC</u> Setup Charge.	500.00	500.00
1	DSX Circuit CC LEFGDRP2-04A /DHDC/058181//AMG Adrian College, 110 S Madison St, Adrian MI 49221 Adjusted for 29 Days of service - connect (2006-10-02)	467.74	467.74
1	DSX Circuit CC LEFGDRP2-04A /DHDC/058181//AMG <u>NRC</u> Setup Charge.	500.00	500.00
1	DSX Circuit CC LEFGDRP2-05A /DHDC/058182//AMG Adrian College, 110 S Madison St, Adrian MI 49221 Adjusted for 29 Days of service - connect (2006-10-02)	467.74	467.74
1	DSX Circuit CC LEFGDRP2-05A /DHDC/058182//AMG <u>NRC</u> Setup Charge.	500.00	500.00
1	DSX Circuit CC LEFGDRP2-14A /DHDC/058183//AMG Adrian College, 110 S Madison St, Adrian MI 49221 Adjusted for 29 Days of service - connect (2006-10-02)	467.74	467.74
1	DSX Circuit CC LEFGDRP2-14A /DHDC/058183//AMG <u>NRC</u> Setup Charge.	500.00	500.00
1	DSX Circuit CC LEFGDRP2-17A /DHDC/034752//AMG Alcona Community Schools, 51 N BARLOW RD, LINCOLN MI 48742 Adjusted for 15 Days of service - connect (2006-10-16)	241.94	241.94
Total			

*DID NOT
BILL OUT
UNTIL 11/16/06*

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

888 440 0123 jan@123.net

Invoice

Date	Invoice #
11/1/2006	29539

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	11/30/2006

Quantity	Description	Rate	Amount
1	DSX Circuit CC LEFGDRP2-17A /DHDC/034752//AMG <u>NRC</u> Setup Charge.	500.00	500.00
1	DSX Circuit CC LEFGDRP4-11 /DHDC/008346//AMG Hank Graff Chevrolet, 800 N STATE RD, DAVISON MI 48423	500.00	500.00
1	DSX Circuit CC LEFGDRP4-12 /DHDC/014859//AMG Zetaone Solutions, 11 CHICAGO ST, COLDWATER MI 49036	500.00	500.00
1	DSX Circuit CC LEFGDRP4-14 /DHDC/020879//AMG Fischer Companies, 900 S BRADLEY, MT PLEASANT MI 48858	500.00	500.00
1	DSX Circuit CC LEFGDRP4-17 /DHDC/008659//AMG Graff Chevrolet, 4580 E Pickard Rd, Mt Pleasant MI 48858	500.00	500.00
1	DSX Circuit CC LEFGDRP4-22 /DHDC/017790//AMG Mc Intyre Soft Water, 1014 N Bridge St, Linden MI 48451	500.00	500.00
1	DSX Circuit CC LEFGDRP5-07 /DHDC/054174//AMG Joseph Chevrolet, 9007 STATE RD, MILLINGTON MI 48746	500.00	500.00
1	DSX Circuit CC LEFSFLD6-27A /NONE/000000//MB CFA to SFLDMIMN	100.00	100.00
1	DSX Circuit CC LEFSFLD7-06A /NONE/000000//MB CFA FOR SBC A1M DSL	100.00	100.00
1	DSX Circuit LC LEFABHG2-12 /HCFD/444106//MB Northstar Mechanical Inc, 50650 CORPORATE DR, SHELBY TWP MI 48315	200.00	200.00
1	DSX Circuit LC LEFABHG2-15 /DHDU/363382//MB Equity Broadcasting - WUDT, 5600 NEW KING, SUIT 365, TROY MI 48098 Adjusted for 21 Days of service - connect (2006-10-10)	203.23	203.23
1	DSX Circuit LC LEFABHG2-15 /DHDU/363382//MB NRC Setup Charge.	0.00	0.00
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

Invoice

Date	Invoice #
11/1/2006	29539

888 440 0123 jan@123.net

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	11/30/2006

Quantity	Description	Rate	Amount
1	DSX Circuit LC LEFANAR1-08 /HCFD/352834//MB Leade Health Inc, 2301 PLATT, ANN ARBOR MI 48104	200.00	200.00
1	DSX Circuit LC LEFANAR3-12 /HCFD/447508//MB Leade Health, 2301 PLATT, SUIT 400, ANN ARBOR MI 48104 Adjusted for 21 Days of service - connect (2006-10-10)	135.48	135.48
1	DSX Circuit LC LEFANAR3-12 /HCFD/447508//MB NRC Setup Charge.	650.00	650.00
1	DSX Circuit LC LEFTINT2-25 /HCFD/442229//MB Parkers Propane, 1447 E CARPENTER RD, GENESEE TWP MI 48505	200.00	200.00
1	DSX Circuit LC LEFGDRP3-01A /HCFD/445030//MB Dixie Cut Stone, 218 W MITCHELL ST, PETOSKEY MI 49770	200.00	200.00
1	DSX Circuit LC LEFGDRP5-23 /HCFD/443632//MB NRC Setup Charge.	650.00	650.00
1	DSX Circuit LC LEFGDRP5-23 /HCFD/443632//MB Staybridge Suites, 2001 SENECA, KALAMAZOO MI 49008 Adjusted for 27 Days of service - connect (2006-10-04)	174.19	174.19
1	DSX Circuit LC LEFSFLD2-04A /HCFD/353608//MB Mars Industries Inc, 3100 LONYO, DETROIT MI 48209	300.00	300.00
1	DSX Circuit LC LEFSFLD4-04B /DHDU/359669//MB Hawthorne Suites, 25100 NORTHWESTERN HWY, SOUTHFIELD MI 48075	160.00	160.00
1	DSX Circuit LC LEFSFLD4-16A /DHDU/362495//MB W3R Consulting, 29777 TELEGRAPH RD, SUIT 2200, SOUTHFIELD MI 48034	160.00	160.00
1	DSX Circuit LC LEFSFLD5-05A /HCFD/350820//MB Bosco Pizza Company, 25000 GUENTHER DR, WARREN MI 48091	200.00	200.00
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

888 440 0123 jan@123.net

Invoice

Date	Invoice #
11/1/2006	29539

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	11/30/2006

Quantity	Description	Rate	Amount
1	DSX Circuit LC LEFSFLD5-18A /HCFD/431582//MB Blue Ridge Numerics, 34705 W TWELVE MILE RD, FRMNGTN HLS MI 48331	200.00	200.00
1	DSX Circuit LC LEFSFLD6-18A /HCFD/441748//MB Mars Industries Inc, 3100 LONYO, DETROIT MI 48209	0.00	0.00
1	DSX Circuit LC LEFSFLD7-11 /HCFD/353102//MB Fellowship Chapel, 7707 W OUTER DRIVE, FLR 1, DETROIT MI 48235	200.00	200.00
1	DSX Circuit LC LEFSFLD7-12 /HCFD/353103//MB Fellowship Chapel, 7707 W OUTER DRIVE, FLR 1, DETROIT MI 48235	300.00	300.00
1	DSX Circuit LC LEFSFLD7-18A /HCFD/442509//MB Varner & Associates, 19236 W ELEVEN MILE RD, LATHRUP VIL MI 48076	200.00	200.00
1	DSX Circuit LC LEFSFLD7-23B /DHDU/361342//MB Hope United Methodist Church, 26275 NORTHWESTERN HWY, SOUTHFIELD MI 48076	160.00	160.00
1	DSX Circuit LC LEFSFLD7-24A /DHDU/361686//MB MLS National Medical Evaluation, 29792 TELEGRAPH RD, SOUTHFIELD MI 48034	300.00	300.00
1	DSX Circuit LC LEFSGNW07 /HCFD/347872//MB Midland Evangelical Free Church, 7221 JEFFERSON AV, MIDLAND MI 48640	300.00	300.00
1	DSX Circuit LC LEFSGNW1-06A /HCFD/447866//MB Fed Corporation, 777 W CEDAR AVE, GLADWIN MI 48624 Adjusted for 13 Days of service - connect (2006-10-18)	83.87	83.87
1	DSX Circuit LC LEFSGNW1-06A /HCFD/447866//MB NRC Setup Charge.	650.00	650.00
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

888 440 0123 jan@123.net

Invoice

Date	Invoice #
12/1/2006	29669

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	12/31/2006

Quantity	Description	Rate	Amount
1	DSX Circuit CC LEFSFLD7-06A /NONE/000000//MB CFA FOR SBC ATM DSL	100.00	100.00
1	DSX Circuit LC DYRCRNN1-01 33/HCF8/206825//GTEN Graft Motor Durand, 9009 LANSING RD, DURAND MI 48429 Adjusted for 20 Days of service connect (2006-11-10)	333.33	333.33
1	DSX Circuit LC DYRCRNN1-01 33/HCF8/206825//GTEN <u>NRC Setup Charge</u>	500.00	500.00
1	DSX Circuit LC LEFABHG2-12 /HCFD/444106//MB Northstar Mechanical Inc, 50650 CORPORATE DR, SHELBY TWP MI 48315	200.00	200.00
1	DSX Circuit LC LEFABHG2-15 /DH DU/363382//MB Equity Broadcasting - WUDT, 5600 NEW KING, SUIT 365, TROY MI 48098	300.00	300.00
1	DSX Circuit LC LEFANAR1-08 /HCFD/352834//MB Leade Health Inc, 2301 PLATT, ANN ARBOR MI 48104	200.00	200.00
1	DSX Circuit LC LEFANAR3-12 /HCFD/447508//MB Leade Health, 2301 PLATT, SUIT 400, ANN ARBOR MI 48104	200.00	200.00
1	DSX Circuit LC LEFFLNT2-25 /HCFD/442229//MB Parkers Propane, 1447 E CARPENTER RD, GENESEE TWP MI 48503	200.00	200.00
1	DSX Circuit LC LEFGDRP3-01A /HCFD/445030//MB Dixie Cut Stone, 218 W MITCHELL ST, PETOSKEY MI 49770	200.00	200.00
1	DSX Circuit LC LEFGDRP5-23 /HCFD/443632//MB Staybridge Suites, 2001 SENECA, KALAMAZOO MI 49008	200.00	200.00
1	DSX Circuit LC LEFSFLD2-04A /HCFD/353608//MB Mars Industries Inc, 3100 LONYO, DETROIT MI 48209	150.00	150.00
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

888 440 0123 jan@123.net

Invoice

Date	Invoice #
1/1/2007	29795

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	1/31/2007

Quantity	Description	Rate	Amount
1	DSX Circuit LC LEFSFLD7-24A /DHOU/361686//MB MLS National Medical Evaluation, 29792 TELEGRAPH RD, SOUTHFIELD MI 48034	250.00	250.00
1	DSX Circuit LC LEFSGNW07 /HCFD/347872//MB Midland Evangelical Free Church, 7221 JEFFERSON AV, MIDLAND MI 48640	300.00	300.00
1	DSX Circuit LC LEFSGNW1-06A /HCFD/447866//MB Fed Corporation, 777 W CEDAR AVE, GLADWIN MI 48624	200.00	200.00
1	DSX Circuit LC LEFSGNW1-21B /HCFD/439890//MB Caltech Industries Inc, 4520 E ASHMAN ST, SUIT C, MIDLAND MI 48642	300.00	300.00
1	DSX Circuit LC LEFSGNW1-24A /HCFD/440798//MB Clare-Gladwin RESD, 4041 E MANNSIDING RD, HATTON TWP MI 48617	300.00	300.00
1	DSX Circuit LC LEFSGNW2-22 /HCFD/353923//MB First State Bank, 4805 TOWNE CENTRE, SUIT 100-104, SAGINAW TWP MI 48604	300.00	300.00
1	DSX Circuit LC LEFSGNW3-14A /HCFD/442228//MB Parkers Propane, 5000 ZELLE, SAGINAW MI 48722	200.00	200.00
1	DSX Circuit LC LEFSGNW3-16A /HCFD/444035//MB Farwell Schools, 371 E MAIN, FARWELL MI 48622	200.00	200.00
1	DSX Circuit LC LEFSGNW4-26 /HCFD/445054//MB Dixie Cut Stone, 5917 DIXIE HWY, BRDGPRT TWP MI 48601	200.00	200.00
1	DSX Circuit LC LEFSGNW5-07A /HCFD/451046//MB NRC Setup Charge.	650.00	650.00
Total			

Internet 123, Inc.

50572 Jefferson Ave
New Baltimore MI 48047-2339

Invoice

888 440 0123 jan@123.net

Date	Invoice #
1/1/2007	29795

Bill To:

Clear Rate Communications
24700 Northwestern Hwy, Suite 340
Southfield, MI 48075

P.O. No.	Terms	Due Date
	Net 30	1/31/2007

Quantity	Description	Rate	Amount
1	DSX Circuit LC LEFSGNW5-07A /HCFD/451046//MB Solutions Plus Inc, 9364 W FREELAND RD, 11TBWSE TWP MI 48623 Adjusted for 12 Days of service - connect (2006-12-19)	77.42	77.42
1	DSX Circuit LC LEFSGNW5-08 /HCFD/450825//MB City of Frankenmuth, 240 W GENESEE, FRANKENMUTH MI 48734 Adjusted for 17 Days of service - connect (2006-12-14)	109.68	109.68
1	DSX Circuit LC LEFSGNW5-08 /HCFD/450825//MB <u>NRC</u> Setup Charge.	650.00	650.00
1	DSX Circuit LC LEFSGNW5-09 /HCFD/450826//MB <u>NRC</u> Setup Charge.	650.00	650.00
1	DSX Circuit LC LEFSGNW5-09 /HCFD/450826//MB Orthopedic Institute of Michigan, 555 W WACKERLY ST, SUITE 2600, MIDLAND MI 48640 Adjusted for 18 Days of service - connect (2006-12-13)	116.13	116.13
1	DSX Circuit LC LEFTROY2-20 /HCFD/431195//MB Chandler Park Academy, 20100 KELLY RD, HARPER WOODS MI 48225	200.00	200.00
1	DSX Circuit LC LEFTROY4-10 /HCFD/442510//MB Aim Computer Solutions Inc, 34673 BENNETT DR, FRASER MI 48026	200.00	200.00
1	DSX Circuit LC LEFTROY4-13 /HCFD/443033//MB Chandler Park Academy, 20100 KELLY RD, HARPER WOODS MI 48225	200.00	200.00
1	DSX Circuit LC LEFTROY4-14 /HCFD/443039//MB Chandler Park Academy, 15932 E WARREN, DETROIT MI 48224	200.00	200.00
1	DSX Circuit LC LEFWBFD2-03 /HCFD/446327//MB Papa Romanos, 8101 RICHARDSON RD, COMMERCE TWP MI 48390	200.00	200.00
Total			

EXHIBIT C-4

From: "Erin Knight" <eknight@clearrate.com>
To: "Thane Namy" <tnamy@clearrate.com>
Date: 9/15/2007 4:01 PM
Subject: FW: McIntyre Water

Thank You,

Erin Knight
Clear Rate Communications, Inc.
(248) 556-4521
(248) 556-4501 Fax
www.clearrate.com

-----Original Message-----

From: James Kandler [mailto:jkk@123.net]
Sent: Wednesday, May 03, 2006 5:08 PM
To: Erin Knight
Cc: support@123.net
Subject: Re: McIntyre Water

Erin,

Yes, you can order the Internet portion through us. Since this appears to be VZ territory, VZ pricing would be in effect. \$500/mo + \$500 install w/ 12 month term.

Since we aren't doing VoIP anymore, the VoIP would need to be purchased separately through Bullseye.

Let me know if this is still OK, fill out the following info, and I'll get the T1 ordered.

End user Name:

<insert info here>

End user service address:

1014 N Bridge St
Linden, MI 48451

Local contact:

<insert info here>

Local contact phone number:

<insert info here>

Access Hours:

<insert info here>

Thanks,
-James

On Wednesday 03 May 2006 10:35, Erin Knight wrote:

> James,
>
> We are installing a Flex T-1 for this customer & I need a little
> clarification from you. We order an Internet T-1 through you & then have
> Bullseye do the voip part, correct?
>
> The address is:
>
> 1014 N Bridge Street
> Linden, MI 48451
>
>
> Sincerely,
>
> Erin Knight
> Clear Rate Communications, Inc.
> (248) 556-4521
> (734) 427-4424 Fax
> www.clearrate.com

From: "James Kandler" <jkk@123.net>
To: "Thane Namy" <tnamy@clearrate.com>
Date: 11/22/2005 10:32 PM
Subject: Re: PRI Verizon Territory - Chevrolet Dealership another EXPEDITE

Thane,

Should the circuit get turned up earlier, I will make sure we turn it up ASAP.
I will begin the CSR/LSR process on the numbers and see how much pain a few
hundred numbers is to port from VZ....

-James

On Tuesday 22 November 2005 18:46, Thane Namy wrote:

> Better date possible?

>

> Yes these TNs are Verizon numbers being moved to CRC/123net.

>

> Thanks,

> =====

> Thane Namy

> Clear Rate Communications, Inc.

> Telephone: 734-427-4411 ext.207

> Direct Fax: 734-513-0254

> www.ClearRate.com

> ----- Original Message -----

> From: "James Kandler" <jkk@123.net>

> To: "Thane Namy" <tnamy@clearrate.com>

> Sent: Tuesday, November 22, 2005 6:51 AM

> Subject: Re: PRI Verizon Territory - Chevrolet Dealership another EXPEDITE

>

>> Thane,

>>

>> Here is the FOC for this Verizon T1:

>>

>> PON: LEFGDRP4-11

>> DDD: 2005-12-13

>> ECCKT: .DHDC.0008346..AMG

>> Turnup: JKK

>> Owner/Company: CR1 / Clear Rate Communications, Inc.

>> NPA NXX: 616451 GDRPMIBL

>> ADDR: Hank Graff Chevrolet, 800 N STATE RD, DAVISON MI 48423

>> LCON: Christopher Graff

>> LCON Phone: 810-653-4111

>>

>>

>> For the porting of the 302 numbers, I may have to submit a project to
>> Verizon
>> (I'm not sure, as I haven't personally done a port that large with
>> Verizon).
>> Are these numbers Clear Rate resold or straight Verizon?
>>

>> Thanks,
>> -James
>>

>> On Wednesday 09 November 2005 17:06, Thane Namy wrote:

>>> James,
>>>

>>> Go ahead with the deal.

>>>

>>> 12-Month Agreement is fine.

>>> \$500 MRC okay/NRC okay for NON-PRI T-1s

>>> Expedite ouch, no "Formal" expedite on this order. Please move order as
>>> quickly as possible but no expedite.

>>>

>>> Thanks,

>>> =====

>>> Thane Namy

>>> Clear Rate Communications, Inc.

>>> Telephone: 734-427-4411 ext.207

>>> Fax: 734-427-4424

>>> www.ClearRate.com

>>> ----- Original Message -----

>>> From: "James Kandler" <jkk@123.net>

>>> To: "Thane Namy" <tnamy@clearrate.com>

>>> Cc: <support@123.net>

>>> Sent: Wednesday, November 09, 2005 4:55 PM

>>> Subject: Re: PRI Verizon Territory - Chevrolet Dealership another

>>> EXPEDITE

>>>

>>>> Thane,

>>>>

>>>> Just want to confirm the pricing of this T1 in email form. Please
>>>> respond letting me know that you understand the terms so that I can
>>>> place
>>>> the order.

>>>>

>>>> T1s are under a 12-month term agreement (penalty for early

>>>> termination) T1s prices are \$500 MRC/\$750 NRC (NRC waived for PRI T1s)

>>>> Expedite on these T1s are \$1000 extra, so please clarify whether you
>>>> want

>>>> a

>>>> formal "Expedite" on this T1.

>>>>

>>>>

>>>> Let me know so that I can get the order flowing asap.

>>>>



>>>> Thanks,
>>>> -James
>>>>
>>>> On Tuesday 08 November 2005 20:44, Thane Namy wrote:
>>>>> James,
>>>>>
>>>>> As we discussed this PRI will be billed at \$500 per month.
>>>>>
>>>>> Please order 1 PRI T-1 in Verizon Territory.
>>>>>
>>>>> HANK GRAFF CHEVROLET
>>>>> 800 N STATE RD
>>>>> DAVISON, MI 48423-1179
>>>>> WIRE CTR CLLI DVSNMIXGDS0
>>>>>
>>>>> LCON: Christopher Graff
>>>>> LCON Phone: 810-653-4111
>>>>> Access: 9am-5pm
>>>>>
>>>>> DIDs to port:
>>>>> 810-653-4111
>>>>> 810-653-9027
>>>>>
>>>>> 810-654-2100 to 810-654-2199
>>>>> 810-654-2200 to 810-654-2299
>>>>> 810-654-2300 to 810-654-2399
>>>>>
>>>>> Thanks,
>>>>> =====
>>>>> Thane Namy
>>>>> Clear Rate Communications, Inc.
>>>>> Telephone: 734-427-4411 ext.207
>>>>> Fax: 734-427-4424
>>>>> www.ClearRate.com

EXHIBIT C-5

CLEAR RATE COMMUNICATIONS, INC.
Vendor QuickReport
September 1, 2004 through September 13, 2007

Internet 123, Inc.

Type	Date	Num	Account	Clr	Split	Amount
Bill	02/16/2005	Invoice 27078	2000 · Accounts Payable		5002 · Purchased Airtime - Local	-1,071.53
Bill Pmt -Check	02/28/2005	4203	1150 · SFB	√	2000 · Accounts Payable	-1,071.53
Bill	03/09/2005	27091	2000 · Accounts Payable		5002 · Purchased Airtime - Local	-344.66
Bill Pmt -Check	03/25/2005	4242	1150 · SFB	√	2000 · Accounts Payable	-344.66
Bill	04/06/2005	27091a	2000 · Accounts Payable		5002 · Purchased Airtime - Local	-1,410.11
Bill Pmt -Check	05/02/2005	4302	1150 · SFB	√	2000 · Accounts Payable	-1,410.11
Bill	05/02/2005	27304	2000 · Accounts Payable		5002 · Purchased Airtime - Local	-662.59
Bill	06/02/2005	27425	2000 · Accounts Payable		5002 · Purchased Airtime - Local	-2,304.52
Bill Pmt -Check	06/06/2005	4349	1150 · SFB	√	2000 · Accounts Payable	-662.59
Bill Pmt -Check	06/27/2005	4387	1150 · SFB	√	2000 · Accounts Payable	-2,304.52
Bill	07/05/2005	27539	2000 · Accounts Payable		5007 · T-1 Purchases	-3,437.95
Bill Pmt -Check	07/22/2005	4444	1150 · SFB	√	2000 · Accounts Payable	-3,437.95
Bill	08/01/2005	27654	2000 · Accounts Payable		5007 · T-1 Purchases	-3,534.52
Bill Pmt -Check	08/18/2005	4522	1150 · SFB	√	2000 · Accounts Payable	-3,534.52
Bill	09/01/2005	27773	2000 · Accounts Payable		5007 · T-1 Purchases	-3,536.60
Bill Pmt -Check	09/28/2005	4631	1150 · SFB	√	2000 · Accounts Payable	-3,536.60
Bill	10/01/2005	27897	2000 · Accounts Payable		5007 · T-1 Purchases	-3,302.50
Bill Pmt -Check	10/13/2005	4662	1150 · SFB	√	2000 · Accounts Payable	-3,302.50
Bill	11/01/2005	28014	2000 · Accounts Payable		5007 · T-1 Purchases	-3,232.61
Bill	12/01/2005	28131	2000 · Accounts Payable		5007 · T-1 Purchases	-4,358.85
Bill Pmt -Check	12/07/2005	4810	1150 · SFB	√	2000 · Accounts Payable	-4,358.85
Bill	01/01/2006	28249	2000 · Accounts Payable		5007 · T-1 Purchases	-4,459.43
Bill Pmt -Check	01/19/2006	4920	1150 · SFB	√	2000 · Accounts Payable	-4,459.43
Bill	02/01/2006	28369	2000 · Accounts Payable		5007 · T-1 Purchases	-4,930.27
Bill Pmt -Check	02/28/2006	5042	1150 · SFB	√	2000 · Accounts Payable	-4,930.27
Bill	03/01/2006	28485	2000 · Accounts Payable		5007 · T-1 Purchases	-5,387.72
Bill Pmt -Check	03/17/2006	5080	1150 · SFB	√	2000 · Accounts Payable	-5,387.72
Bill	04/01/2006	28601	2000 · Accounts Payable		5007 · T-1 Purchases	-5,607.42
Bill	05/01/2006	28733	2000 · Accounts Payable		5007 · T-1 Purchases	-5,865.86
Bill Pmt -Check	05/04/2006	5192	1150 · SFB	√	2000 · Accounts Payable	-8,840.03
Bill Pmt -Check	05/11/2006	5211	1150 · SFB	√	2000 · Accounts Payable	-5,865.86
Bill	06/01/2006	28879	2000 · Accounts Payable		5007 · T-1 Purchases	-6,051.68
Bill Pmt -Check	06/22/2006	5324	1150 · SFB	√	2000 · Accounts Payable	-6,051.68
Bill	07/01/2006	29006	2000 · Accounts Payable		5007 · T-1 Purchases	-7,467.46
Bill	08/01/2006	29138	2000 · Accounts Payable		5007 · T-1 Purchases	-11,927.95

CLEAR RATE COMMUNICATIONS, INC.
Vendor QuickReport
September 1, 2004 through September 13, 2007

Type	Date	Num	Account	Clr	Split	Amount
Bill Pmt -Check	08/04/2006	5429	1150 · SFB	√	2000 · Accounts Payable	-7,467.46
Bill Pmt -Check	08/24/2006	5501	1150 · SFB	√	2000 · Accounts Payable	-11,927.95
Bill	09/01/2006	29269	2000 · Accounts Payable		5007 · T-1 Purchases	-13,454.00
Bill	10/01/2006	29402	2000 · Accounts Payable		5007 · T-1 Purchases	-11,904.55
Bill Pmt -Check	10/12/2006	5651	1150 · SFB	√	2000 · Accounts Payable	-13,454.00
Bill	11/01/2006	29539	2000 · Accounts Payable		5007 · T-1 Purchases	-18,891.83
Bill Pmt -Check	11/03/2006	5723	1150 · SFB	√	2000 · Accounts Payable	-11,904.55
Bill	12/01/2006	29669	2000 · Accounts Payable		5007 · T-1 Purchases	-15,788.30
Bill Pmt -Check	12/07/2006	5865	1150 · SFB	√	2000 · Accounts Payable	-18,891.83
Bill Pmt -Check	12/21/2006	5909	1150 · SFB	√	2000 · Accounts Payable	-15,788.30
Bill	01/01/2007	29795	2000 · Accounts Payable		5007 · T-1 Purchases	-17,631.64
Bill Pmt -Check	01/24/2007	6287	1150 · SFB	√	2000 · Accounts Payable	-17,631.64
Bill	02/01/2007	29926	2000 · Accounts Payable		5007 · T-1 Purchases	-18,363.59
Bill Pmt -Check	02/21/2007	6454	1150 · SFB	√	2000 · Accounts Payable	-18,363.59
Bill	03/01/2007	30058	2000 · Accounts Payable		5007 · T-1 Purchases	-19,401.16
Bill Pmt -Check	03/29/2007	6949	1150 · SFB	√	2000 · Accounts Payable	-19,401.16
Bill	04/01/2007	30194	2000 · Accounts Payable		5007 · T-1 Purchases	-21,016.29
Bill	04/20/2007	30177	2000 · Accounts Payable		5007 · T-1 Purchases	-7,350.66
Bill Pmt -Check	04/27/2007	7335	1150 · SFB	√	2000 · Accounts Payable	-21,016.29
Bill	05/01/2007	30327	2000 · Accounts Payable		5007 · T-1 Purchases	-22,249.86
Bill Pmt -Check	05/29/2007	7636	1150 · SFB	√	2000 · Accounts Payable	-22,249.86
Bill	06/01/2007	30459	2000 · Accounts Payable		5007 · T-1 Purchases	-23,027.36
Bill Pmt -Check	06/29/2007	7817	1150 · SFB	√	2000 · Accounts Payable	-23,027.36
Bill	07/01/2007	30591	2000 · Accounts Payable		5007 · T-1 Purchases	-22,461.04
Bill	08/01/2007	30723	2000 · Accounts Payable		5007 · T-1 Purchases	-27,748.72
Bill Pmt -Check	08/02/2007	8038	1150 · SFB	√	2000 · Accounts Payable	-22,461.04
Bill Pmt -Check	08/30/2007	8196	1150 · SFB	√	2000 · Accounts Payable	-27,748.72
Bill	09/01/2007	30858	2000 · Accounts Payable		5007 · T-1 Purchases	-26,791.28
Bill Pmt -Check	09/07/2007	8218	1150 · SFB	√	2000 · Accounts Payable	-7,350.66

EXHIBIT C-6

On Sep 12, 2007, at 4:13 PM, Sam Namy wrote:

> Dan,

>

> Thane and I have reviewed your request to expedite our payment for the
> 9/1/07 invoice. He and I are in agreement that you have not provided
> any valid business reason for changing our payment terms.

> Therefore we

> will not be accommodating your request to send a payment by today at
> 5:00 p.m. per the reasons stated below:

>

> 1. The payment due date on the attached invoice is 9/30/07. Your
> payment is scheduled to be processed on 9/19/07 and will be put in the

> mail on 9/20/07 and you should receive it several days prior to the
> due date sent by your company. This is consistent with our payment
> history with Internet 123.

>

> 2. We have an Excellent payment history with your company and have
> always been consistent with payment and the timeliness of the payment.
> Consequently, changing payment terms is unnecessary for both parties.

>

> 3. We have a system for paying all bills which includes an audit and
> approval process. Thus the reason these invoices are always paid at
> approximately the same time every month.

>

> Finally, Thane and I would like to convey our desires to have a good
> business relationship with Internet 123. We have both benefited by
> working together over the past few years and would like to do so going

> forward. A recent example was when Ryan asked Thane to have Clear
> Rate buy a DS-3 for one of your customers. We did so without
> hesitation and are basically charging Internet 123.net our costs.
> Furthermore, we have yet to even bill Internet 123 for this service
> but we weren't concerned because we've always felt we had a strong
> business relationship with your company.

>

> If you have any questions or would like to discuss, you can contact
> either Thane or myself.

>

>

>

> Thanks,

>

> Sam

>

> -----Original Message-----
> From: Dan Irvin [mailto:danirvin@123.net]
> Sent: Tuesday, September 11, 2007 3:06 PM
> To: Sam Namy
> Cc: Ryan Duda; Thane Namy
> Subject: Re: Payment for august

>
> Sam,

>
> I appreciate your desire to meet but don't think it is prudent at this

> time. As I said on the phone today, payment for the services 123.net
> provided last month is required by 5pm tomorrow.

>
> Thanks

>
> -Dan

>
> On Sep 11, 2007, at 2:18 PM, Sam Namy wrote:

>
>> Dan/Ryan,

>>
>> Thane and I would like to meet with both of you to work thru all of
>> the outstanding issues between Clear Rate and Internet 123. As we
>> said earlier we'd prefer to have a good working relationship with
>> Internet
>> 123 and continue to grow together buying more services from you.
>> Hopefully, the feeling is mutual.

>>
>> Thane and I are available all day today or tomorrow if you'd like to
>> pick a time and come by our office to meet in the conference room.

>>
>> Thanks,

>>
>> Sam

>> -----Original Message-----

>> From: Dan Irvin [mailto:danirvin@123.net]
>> Sent: Tuesday, September 11, 2007 12:01 PM
>> To: Thane Namy; Sam Namy
>> Cc: Ryan Duda; James Kandler; Janet Horton
>> Subject: Payment for august

>>
>> Thane,

>>
>> You need to pay for the services we provided to clearrate last month
>> by 5pm tomorrow. As you know we bill in arrears and the invoices to
>> clearrate are now due upon receipt.

>>
>> Thanks

>>
>> -Dan

>
>
>
>
> <fax000002647.pdf>

EXHIBIT C-7

-----Original Message-----

From: Dan Irvin [mailto:danirvin@123.net]
Sent: Wednesday, September 12, 2007 7:11 PM
To: Sam Namy
Cc: Ryan Duda; Thane Namy; Jan; James Kandler
Subject: Re: Payment for august

Sam,

Sorry to hear about your decision, effective today we are moving you to the industry standard pay in advance invoicing and the following rates will apply starting today.

We will need last months invoice paid by end of business tomorrow via certified funds and the invoice for this months service paid by that time as well.

All service will be interrupted if payment for last months service and this months service is not paid by close of business (5pm) tomorrow.

We no longer wish to provide our services to Clear Rate, Clear Rate has 30 days from today to remove all services from our network.

Regards

-Dan

- 1 LNP in and out charge per DID presently assigned on our network \$20/DID
- 2 T1 loop \$300/month
- 3 PRI Port \$300/month
- 4 Internet Bandwidth \$100/meg
- 5 CFAs hauled back to 123 POP \$150
- 6 Colocation \$1000/rack
- 7 Escort services are now required to access colocation \$75/hour m-f 9-5 \$150 else, one hour minimum 9-5 4 hour minimum else, 24 hour advance notice required for non emergency access.
- 8 LD usage 2 cents michigan 4 cents outside michigan

Clear Rate must agree to zero out all CABS balances previous to date of execution and bill and keep going forward.

EXHIBIT C-8

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF MACOMB

CLEAR RATE COMMUNICATIONS, INC., a
Michigan corporation,

Plaintiff,

vs

INTERNET 123, INC., a Michigan corporation,
and LOCAL EXCHANGE CARRIERS OF
MICHIGAN, INC., a Michigan corporation,

Defendants.

07-3997-CZ

Case No. _____-CZ

Hon. _____

CARETTI
P-31357

Thomas J. Waters (P37829)
FRASER TREBILCOCK DAVIS & DUNLAP, P.C.
124 West Allegan, Suite 1000
Lansing, MI 48933
(517) 482-5800

- and -

Michael P. Donnelly (P45221)
FRASER TREBILCOCK DAVIS & DUNLAP, P.C.
One Woodward Avenue, Suite 1550
Detroit, MI 48226
(313) 237-7300
Attorneys for Plaintiffs

RECEIVED

SEP 18 2007

GARMELLA SABAUGH
MACOMB COUNTY CLERK

VERIFIED COMPLAINT FOR
INJUNCTIVE RELIEF, BREACH OF CONTRACT,
BREACH OF MICHIGAN TELECOMMUNICATION ACT, TORTOUS
INTERFERENCE WITH CONTRACT, AND DECLARATORY JUDGMENT

NOW COMES Plaintiff, by and through its attorneys, FRASER TREBILCOCK
DAVIS & DUNLAP, P.C., and for its Complaint states as follows:

FRASER
TREBILCOCK
DAVIS &
DUNLAP,
P.C.
LAWYERS
LANSING,
MICHIGAN
48933

PARTIES, JURISDICTION & VENUE

1. Plaintiff, Clear Rate Communications, Inc. is a Michigan corporation.
2. Defendant Internet 123, Inc. is a Michigan corporation doing business in Macomb County.
3. Defendant Local Exchange Carriers of Michigan, Inc. is a Michigan corporation doing business in Macomb County.
4. The amount in controversy in this case is greater than \$25,000.00 and this Court has jurisdiction as Plaintiff seeks injunctive and equitable relief.

GENERAL ALLEGATIONS

5. Plaintiff is in the business of providing local telephone service, long distance telephone service, 911 telephone service, internet telephone service and telephone data service to individuals and businesses in Michigan.

6. Some of the businesses to whom Plaintiff provides its telephone services include:

- * POLICE DEPARTMENTS
- * Medical facilities
- * Public & Private Schools
- * Government Offices
- * Banks & Credit Unions
- * Colleges
- * Car Dealerships
- * Television Stations
- * Private Businesses
- * Hotels
- * Churches
- * Manufacturing Facilities
- * Non-Profit Organizations
- * Propane supply Companies

FRASER
TREBILCOCK
DAVIS &
DUNLAP,
P.C.
LAWYERS
LANSING,
MICHIGAN
48933

7. In order to provide the telephone services described above to Plaintiff's customers, Plaintiff purchases certain telephone services from the Defendants pursuant to a verbal agreement.

8. The agreement between the Plaintiff and Defendants provides that Defendants will bill Plaintiff for the services they provide in the month after the services are provided and that Plaintiff will pay the invoices it receives by the last day of the month in which Defendants issue their invoices.

9. Plaintiff has purchased the telephone services identified in the preceding paragraph from the Defendants for the past three years and has timely paid Defendants all amounts properly owing and due to them.

10. Plaintiff purchases the following services ("Telephone Services"):

- * Collocation
- * 24/7 unescorted Access to all Clear Rate Equipment
- * 24/7 unescorted Access to the collocation room
- * 24/7 unescorted access to all Cabinets
- * Continue to provide uninterrupted AC/DC Power
- * Continue to provide uninterrupted all transport and cross-connect services
- * Continue to provide uninterrupted unrestricted Internet Bandwidth & Connectivity
- * Maintain current Cabinet & Rack locations
- * Maintain current security level of Cabinet & Rack locations

- * ISDN PRI T-1 Service
- * Local Exchange Service
- * Intralata & Interlata Access Services
- * EMERGENCY E911 services for ALL end-users currently served by E911

- * CAS T-1 Service
- * Local Exchange Service
- * Intralata & Interlata Access Services
- * EMERGENCY E911 services for ALL end-users currently served by E911

- * SS7 Interconnection & Trunking
- * Local Exchange Service
- * Intralata & Interlata Access Services
- * EMERGENCY E911 services for ALL end-users currently served by E911

- * Local Number Portability
- * Must allow "Port-In" & "Port-Out" of any Clear Rate telephone numbers or End-User Telephone numbers

- * Interoffice transport & ILEC Facilities
- * DS-3 Multiplexer Units
- * Interoffice transport
- * Connection Facilities Assignment - specifically:
- * They shall not revoke the letter of authorization that authorized the installation
- * They shall not issue disconnect orders
- * Leased T-1 Services
- * High-Speed Internet & Bandwidth
- * Must maintain current 100 Megabit per second Internet Access
- * May not impair traffic originating or terminating to Clear Rate
- * For example, Global Crossing & CMS Internet
- * Maintain the Router Port we are connected to
- * Continue to Maintain & Route IP addresses assigned to Clear Rate or our end-users

11. At approximately 7:30 p.m. on September 12, 2007, Defendants informed Plaintiff that they would be terminating the telephone services which they provide to the Plaintiff at 5:00 p.m. on September 13, 2007 unless Plaintiff agreed to certain unilateral conditions dictated by Defendants.

12. The unilateral conditions dictated by the Defendants include demands that Plaintiff agree to a rate increase of approximately 300%, that Plaintiff agree to immediately pay the September 1, 2007 bill for services provided in August, that Plaintiff agree to immediately pay Defendants in advance for all services to be provided in September, 2007.

13. The rates and services Defendants provide to Plaintiff are governed by Michigan's Telecommunications Act and are subject to the jurisdiction of the Michigan Public Service Commission.

14. Plaintiff's customers will be irreparably injured if their Telephone Services are interrupted or terminated. In fact, the safety of the public in general will be put into jeopardy if such Telephone Services are interrupted or terminated.

15. Plaintiff will be irreparably injured if the Telephone Services which they purchase from Defendants are interrupted or terminated.

COUNT I
INJUNCTIVE RELIEF

16. Plaintiff incorporates Paragraphs 1 through 15 above as if fully set forth herein.

17. Plaintiff has a vested and recognizable interest in protecting its business and its customers.

18. Plaintiff's customers will be irreparably injured if their Telephone Services are interrupted or terminated.

19. Plaintiff will be irreparably injured if the Telephone Services which they purchase from Defendants are interrupted or terminated.

20. Plaintiff is without adequate legal recourse and legal remedy to redress Defendants' threatened breach of contract, breach of Michigan's Telecommunications Act and tortious interference with contract.

WHEREFORE, Plaintiff hereby requests this Court enter a temporary restraining order and grant preliminary and permanent injunctive relief against Defendants and their successors and/or assigns, those acting under the direction and control, and enjoin the same

from interrupting, terminating, or suspending Telephone Services which they provide to Plaintiff.

COUNT II
DECLARATORY JUDGMENT

21. Plaintiff incorporates Paragraphs 1 through 20 as if fully set forth herein.

22. Plaintiffs have a vested and recognizable interest in protecting its business and its customers and in continuing to receive Telephone Services.

23. Plaintiff is without adequate legal recourse and legal remedy to redress Defendants' threatened breach of contract, breach of Michigan's Telecommunications Act and tortuous interference with contract.

WHEREFORE, Plaintiff hereby requests that this Court enter a Judgment declaring that Defendants and their successors and/or assigns, those acting under the direction and control, are enjoined from interrupting, terminating, or suspending Telephone Services which they provide to Plaintiff.

COUNT III
BREACH OF CONTRACT

24. Plaintiff incorporates Paragraphs 1 through 23 as if fully set forth herein.

25. Plaintiffs have a vested and recognizable interest in protecting its business and its customers.

26. The agreement between and the course of performance between Plaintiff and Defendants includes an agreements that Defendants provide Telephone Services, bill the Plaintiff for those services in the month after the services are provided, and that Plaintiff pay those invoices by the end of the month in which it receives the invoices.

27. Defendants have threatened to breach the agreement between the parties as identified above.

28. Plaintiff's contractual rights and its business are jeopardized by Defendants' threatened conduct.

29. Plaintiff is without adequate legal recourse and legal remedy to redress or prevent the continued breach of the contractual arrangement between Plaintiff and Defendants.

WHEREFORE, Plaintiffs request this Honorable Court to enter a Judgment compelling Defendants to comply with the terms of the agreement between the parties as described above and to award damages to Plaintiff.

COUNT IV
TORTIOUS INTERFERENCE WITH CONTRACT

30. Plaintiff incorporates Paragraphs 1 through 29 as if fully set forth herein.

31. The Plaintiff has a business relationship with numerous third-parties.

32. Defendants are aware of the business relationship between Plaintiff and its customers.

33. Defendants' conduct constitutes an intentional and improper interference with the business relationship between the Plaintiff and its customers.

34. Defendants' conduct in tortuously interfering with the contractual relationship between the Plaintiff and its customers will cause Plaintiff damage, including irreparable damage.

WHEREFORE, Plaintiffs request this Honorable Court to enter a Judgment compelling Defendants to comply with the terms of the agreement between the parties as described above and to award damages to Plaintiff.

COUNT V
BREACH OF MICHIGAN TELECOMMUNICATION ACT

35. Plaintiff incorporates Paragraphs 1 through 34 as if fully set forth herein.

36. The rates and services Defendants provide to Plaintiff are governed by Michigan's Telecommunications Act and are subject to the jurisdiction of the Michigan Public Service Commission ("MPSC"). MCLA 482.2351; MCLA484.2305.

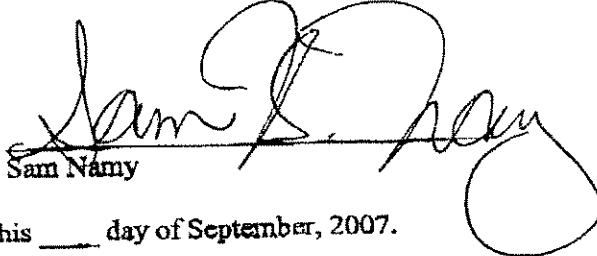
37. Defendants' actions are in direct violation of the procedures of the MPSC and are an attempt to circumvent the jurisdiction of the MPSC.

38. If Defendants' are allowed to circumvent the jurisdiction of the MPSC, both Plaintiff and the public will be irreparably harmed.

WHEREFORE, Plaintiff hereby requests that this Court enter a Judgment declaring that Defendants and their successors and/or assigns, those acting under the direction and control, are enjoined from interrupting, terminating, or suspending Telephone Services which they provide to Plaintiff.

VERIFICATION

I swear that the allegations contained in the above-captioned Complaint are true to the best of my knowledge.



Sam Namy

Subscribed and sworn to before me this ____ day of September, 2007.

Notary Public

Respectfully submitted,

FRASER TREBILCOCK DAVIS & DUNLAP, P.C.
Attorneys for Plaintiff

By 
Thomas J. Waters (P37829)
Michael P. Donnelly (P45221)

Dated: September 13, 2007

FRASER
TREBILCOCK
DAVIS &
DUNLAP,
P.C.
LAWYERS
LANSING,
MICHIGAN
48933

EXHIBIT C-9

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF MACOMB

CLEAR RATE COMMUNICATIONS, INC., a
Michigan corporation,

Plaintiff,

vs

INTERNET 123, INC., a Michigan corporation,
and **LOCAL EXCHANGE CARRIERS OF
MICHIGAN, INC.,** a Michigan corporation,

Defendants.

07-3997-CZ
Case No. _____ -CZ

Hon. **CARETTI**

Thomas J. Waters (P37829)
FRASER TREBILCOCK DAVIS & DUNLAP, P.C.
124 West Allegan, Suite 1000
Lansing, MI 48933
(517) 482-5800

- and -

Michael P. Donnelly (P45221)
FRASER TREBILCOCK DAVIS & DUNLAP, P.C.
One Woodward Avenue, Suite 1550
Detroit, MI 48226
(313) 237-7300
Attorneys for Plaintiffs

**ORDER TO SHOW CAUSE
AND TEMPORARY RESTRAINING ORDER**

Upon the verified complaint attached hereto, it is hereby

ORDERED, that the Defendants show cause before this court at _____, on

10-15, 2007 at 9 o'clock A.m., or as soon thereafter as counsel can be

heard, why a preliminary injunction should not issue herein enjoining the Defendants, their

subsidiaries, agents, servants, employees and attorneys and all persons in active concert and participation with them, pending the final hearing and determination of this action; and,

This Temporary Restraining Order and Order to Show Cause is GRANTED without formal notice for the following reasons:

Plaintiff will be exposed to irreparable harm in the absence of this Temporary Restraining Order and will be left without any adequate remedy at law.

This Order may issue without posting of security by the Plaintiff, because it appears that no cost or damages to the Defendants will result from the granting of this Order, at least until after the Show Cause Hearing takes place.

It appearing to the court that Defendants are about to commit the acts herein specified and that they will do so unless restrained by order of this Court, and that immediate and irreparable injury, loss or damage will result to Plaintiff and the public before notice can be given and the Defendants or their attorneys can be heard in opposition to the granting of a temporary restraining order,

ORDERED that the Defendants, their subsidiaries, agents, servants, employees and attorneys and all persons in active concert and participation with them are hereby enjoined from interrupting, terminating, disconnecting or suspending any telephone services which they provide to Plaintiff, including those telephone services identified in Plaintiff's Complaint.

ORDERED that this order expire within 32 days after entry unless within such time the order for good cause shown is extended for a like period, or unless the Defendants consent that it may be extended for a longer period, and it is further

ORDERED, that service of this order to show cause together with a copy of the papers attached on Defendants _____ on or before 9/24, 2007, at 9. o'clock A.m., be deemed sufficient service.

Issued at .m. 4:10 p.m. 9-13, 2007.

KENNETH N. SANBORN

Circuit Judge ~~_____~~
IN THE ABS. OF THE HONORABLE
RICHARD L. CARETTI

SEP 13 2007

A TRUE COPY
CARMELLA SABAUGH, COUNTY CLERK

BY: Linda Burre Court Clerk