

MAKING EVERY MINUTE COUNT:

NEW JERSEY'S

**PREPAID TELEPHONE
CALLING CARD ACT**

*Office of the Attorney General
Division of Consumer Affairs*

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New Jersey's statute regulating prepaid telephone calling cards and services, P.L. 2007, c. 293, codified at N.J.S.A. 56:8-175 et seq. ("Act") was signed by the Governor of New Jersey on January 13, 2008 and became effective on August 1, 2008 (Exhibit 1). The Act is intended to deter fraudulent, deceptive, and unconscionable practices by providers of prepaid telephone calling cards and services in New Jersey. The Act mandates full disclosures of fees, policies, and other pertinent information on card advertising, with disclosures made in the same language used to promote the card. All minutes promoted on card advertising or through voice prompts preceding the call must be available and achievable by the customer.

Any violation of the Act is an unlawful practice under the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., enforceable by the Division of Consumer Affairs ("Division"). An unlawful practice under the Consumer Fraud Act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. In addition, a violation can result in the issuance of a cease and desist order by the Attorney General, the entry of an order for injunctive relief by a court, the award of compensatory and treble damages to the injured party, and the award of counsel fees and costs.

Under the authority of N.J.S.A. 56:8-180, regulations necessary to effectuate the purposes of the Act, N.J.A.C. 13:45A-8 et seq. ("Regulations") became effective on January 19, 2010 (Exhibit 2). All prepaid telephone calling cards printed after August 1, 2008 and all sales material and voice prompts created, printed, distributed or aired after that date are subject to the Regulations. The Regulations established standards and requirements for disclosure of card fees, limitations affecting fees and usage, and the identity of the service provider. In addition, the Regulations mandated that providers give card holders 24-hour toll-free access to customer service information, including fees, policies, and the number of minutes remaining on the card for a call to a particular destination number.

As required by N.J.S.A. 56:8-179, the Division is issuing this report to the Governor and the Legislature on the activities of the Division, including quantitative results in enforcing the Act and recommendations, if any, for additional legislation. The Division's report follows.

The Market for Prepaid Telephone Calling Cards

The market for prepaid telephone calling cards has changed and expanded since the cards were introduced in the 1980s. Fueled by globalization of the work force, declining international long distance costs, increasingly powerful computers, and sophisticated software, industry revenues came to exceed \$3 billion in the mid-2000s.

Businesses in the prepaid telephone calling card industry perform a variety of functions. Carriers are responsible for the telephone networks that carry the calls; resellers buy telephone minutes from carriers; issuers set the rates and provide the PIN numbers, manage the minutes and money data, and provide customer service and access numbers; distributors get the cards to the retailers, but may also design or create the cards and prepare sales material; and retailers sell the cards. The barriers to entry for issuers, distributors and retailers are low.

Prepaid telephone calling cards offer consumers easy and affordable access to international dialing. International calls made with a phone card are typically less expensive than traditional long distance. A study conducted by the Hispanic Institute¹ found that calls made with a prepaid telephone calling card cost 18 to 64 percent less than calls made with a landline or wireless phone. Recent immigrants and low income consumers who lack the income, credit standing or documentation needed to obtain conventional telephone service, depend on prepaid telephone calling cards for emergencies and to stay in touch with loved ones back home. Understanding this consumer dynamic, the industry has priced the cards in denominations as low as \$2.00, \$5.00, or \$10.00 and distributes them through neighborhood newsstands, grocery, and convenience stores, among other outlets. Advertising printed on the card packaging and on large point-of-sale posters is often in the language of the particular immigrant community targeted by the distributor.

Concerns about the deceptive marketing of prepaid telephone calling cards to immigrants prompted the Hispanic Institute to conduct an independent study in 2007. The Hispanic Institute engaged Network Analytics Corporation ("NAC"), a Washington, D.C. based telecommunications measurement firm, to test prepaid telephone calling cards. The study found that most cards deliver just 60 percent of the minutes advertised. The minutes purchased by the card holder for talking are instead reduced by large connection fees, recurring account maintenance fees, and other surcharges assessed by the prepaid telephone calling card company. Sometimes these fees are disclosed in the fine print; sometimes they aren't disclosed at all. The study concluded that, in general, a prepaid card only delivers all the minutes advertised when it is used for one continuous call.

The Division's Investigation and Enforcement

At the same time the Hispanic Institute was conducting its study, the Division was reviewing consumer complaints about prepaid telephone calling cards. At that time, the Division had received fewer than twenty complaints. The Division believed that it would have received even more complaints about prepaid telephone calling cards, except that cards are issued in small denominations so that the amounts involved for any one consumer are small. In addition, the cards are marketed to the immigrant population, many of whom may be afraid to report their loss to a government agency.

In order to simulate the consumers' difficulties, Division investigators purchased and tested cards issued by a variety of prepaid telephone calling card providers. The

¹ <http://thehispanicinstitute.net/research/callingcard>

cards were purchased from vendors in urban areas that are frequented by immigrants and lower income consumers: at kiosks in bus stations, at neighborhood bodegas, and on major city thoroughfares. Division investigators tested the cards by making calls to international destinations advertised on the card packaging or point-of-sale poster.

Once the cards were tested, the Division contacted the providers and requested the calling records for the PIN number of each card tested. The providers complied with the request, and the Division reviewed the records showing how the value of each card decreased according to a variety of factors. Those factors included the destination of the call, the application of the fees, and the expiration date of the card. Among the suspect practices that the Division's investigation identified were: failure to deliver the number of minutes prompted on the voice prompt; failure to state the billing decrement rounding policy; and failure to disclose the policy for applying the following fees: maintenance fee or service fee (the applicability/amount); connection fee (amount/timing of when it is charged). At the conclusion of the investigation, each provider was asked to meet with the Division to discuss these problematic practices and to propose reforms to the way they did business.

In March 2009, the Division announced that it had entered into settlement agreements with seven telecommunications companies (Press Release, Exhibit 3). The settlements resolved the Division's concerns regarding their advertising and sale of prepaid telephone calling cards and whether consumers were receiving the full amount of minutes for which they paid. While the alleged violations occurred in 2007, prior to the effective date of N.J.S.A. 56:8-175 et seq., the settlement terms mirrored the requirements contained in the new Act. In the Division's press release reporting the settlements, the director noted, "We've changed the business practices of this industry and the millions of consumers who buy calling cards each year will benefit."

The seven companies are listed below and a copy of each settlement is attached to this report as an exhibit:

- CVT Prepaid Solutions, Inc., 40 Cuttermill Road, Suite 500, Great Neck, New York 11201 (Exhibit 4)
- Dollar Phone Enterprises, Inc., 232 Broadway, Brooklyn, New York 11211 (Exhibit 5)
- Epana Networks, Inc., 1250 Broadway, 30th Floor, New York, New York 10001 (Exhibit 6)
- IDT Corp., 520 Broad Street, Newark, New Jersey 07102 (Exhibit 7)
- Locus Telecommunications, Inc., 111 Sylvan Avenue, Englewood Cliffs, New Jersey 07632 (Exhibit 8)
- STi PhoneCard, Inc., 30-50 Whitehouse Expressway, 4th Floor, Flushing, New York 11354 (Exhibit 9)

■Total Call International, Inc., 707 Wilshire Boulevard, 12th Floor, Los Angeles, CA 90017 (Exhibit 10)

The settlements concluded investigations into each company's business practices related to prepaid telephone calling cards. Each company paid \$5,000 to reimburse the Division's costs. Other than CVT (which is no longer selling prepaid telephone calling calls), each company agreed to pay \$5,000 per year for the following three years to offset the cost of the Division's continued monitoring for compliance.

As part of the settlements, each company also agreed to the following business practices:

- Comply with the Consumer Fraud Act, the Act and the Regulations, as well as any other state and/or federal laws, rules and regulations which are applicable to all future sales and marketing of prepaid telephone calling cards by or on behalf of the company;
- Ensure that all minutes or rates, or both, advertised on any prepaid telephone calling card, any point of sale material relating to that card or otherwise relating to any prepaid telephone calling service, shall be available to the consumer and there shall be no limitations on the period of time for which the advertised minutes, or rates, or both, will be available to the consumer unless those limitations are clearly and conspicuously disclosed in the same location on the card, advertising or point of sale material where the minutes or rates, or both are advertised;
- Ensure that all service minutes promoted, advertised or disclosed on any voice prompts provided at the time the consumer places a call with company's prepaid telephone calling cards shall be immediately available to the consumer on that call. The consumer shall not be charged for any busy signal or unanswered call;
- Not charge, apply or deduct from a prepaid telephone calling card's balance any fees, taxes, surcharges or other amounts for use of the card except: the rate per minute for the particular destination called; any permitted fees; and any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers;
- Clearly and conspicuously disclose all permitted fees, as well as any other fees and surcharges, on its prepaid telephone calling cards and/or packaging materials and on its advertisements;
- Clearly and conspicuously disclose the company's policy of rounding up time for billing purposes on its prepaid telephone calling cards and packaging materials;

- Make available to consumers a toll-free customer service telephone number to address any post-order inquiries concerning all prepaid telephone calling cards, and clearly and conspicuously disclose to consumers the telephone number in all materials accompanying the prepaid telephone calling cards;
- Within thirty (30) days of settlement, make available through the toll-free customer service telephone number all information concerning any charges and deductions and its policy of rounding up time for billing purposes; and
- For a three-year period, maintain and preserve, and make available to the Division upon its request, specified documents and records.

The Division's Compliance Audit

Background

As part of the settlement, each company agreed to pay \$5,000 per year for the following three years to offset the cost of the Division's continued monitoring for compliance. To carry out this provision of the settlement, the Division commenced an audit of the providers in January 2011. While the card testing performed during the Division's 2007 investigation was conducted by investigators, it was decided to engage the services of a professional telecommunications testing company to ensure accuracy and to underscore the impartiality of the testing procedure. Two companies capable of performing the audits were identified and NAC was selected. As noted earlier, NAC conducted the testing for the Hispanic Institute, and had also performed testing for the Federal Trade Commission and for state agencies.

Extensive discussions took place between Division investigators and NAC consultants. In order to test compliance with the terms of the settlements as well as the provisions of the Act and the Regulations, a detailed testing scenario was developed. The purpose of the testing was to determine if the test calls provided the amount of minutes that were announced on the voice prompts during the call, as specified in the terms and conditions printed on the cards.

The Division investigator shopped for prepaid telephone calling cards from the same providers participating in the settlements. The investigator visited retail locations that would be frequented by immigrants and others seeking a low-cost alternative to conventional telephone service. A total of 48 cards were purchased in two denominations: \$2.00 cards to test single-call usage and \$5.00 cards to test multiple-call usage.²

² While NAC follows a stringent testing methodology, factors outside of NAC's control, such as faulty international telephone connections, can disqualify a card from inclusion in the audit results. As a result, the results of the 2011 compliance audit are based on a small sample of prepaid telephone calling cards.

NAC tested the cards in two batches. The first batch was tested between January 28 and February 16, 2011 (Batch 1) and the second batch was tested between April 11 and April 23, 2011 (Batch 2). Some cards were tested over a single use, to avoid a reduction in minutes due to maintenance fees and other charges assessed when cards are used for multiple calls. Other cards were tested over a longer period of time and with multiple calls, so that the effect of maintenance fees and other charges could be tested.

Attached to this report are NAC's summary report (Exhibit 11) and individual reports for Batch 1 (Exhibit 12) and Batch 2 (Exhibit 13). Please note that the Division's 2011 prepaid telephone calling card confidential compliance audit is in progress, and as a result, the company names have been redacted.

Preliminary Findings

The cornerstone of the Act and of the settlement agreements is the mandate that all minutes advertised on the card, or announced on a voice prompt, must be available and achievable by the customer, subject to any limitations clearly disclosed. Much of the discontent with the prepaid telephone calling card industry was fueled by the indignity of "being cheated" out of minutes that consumers believed they paid for; especially when this caused the sudden termination of a phone call to a family member abroad.

Overall, the results show improvement in the percentage of minutes achieved compared to the number of minutes expected by the card holder or announced to the card holder prior to the start of a call. The Division's 2007 investigation revealed that the minutes achieved ranged from 6 percent to 100 percent of minutes announced. After removing the outliers -- the data at the extreme ends of the range-- the minutes achieved versus the minutes announced ranged from 37 percent to 57 percent.

In the 2011 compliance audit, NAC was able to do three separate tests of minutes achieved that incorporated more sophisticated measurement than was possible in the Division's own testing. With this wider range of measures, the tests showed minutes achieved that ranged from 30 percent to 101 percent. After removing the lowest and the highest measure from the range, the mid range is 49 percent to 100 percent.

Other comparisons between the findings of the 2007 investigation and the 2011 compliance testing show improvement. Regarding representations made on the card itself, disclosure of fees and surcharges that reduce talking time showed accuracy in the range of 92 percent to 94 percent. The testing showed good disclosure of the fees assessed on the first call, fees charged for maintenance and fees charged to access the providers' toll-free numbers (with the exception of one provider that did poorly on these measures).

However, the testing revealed that disclosure of card policies -- how and when a fee or other adjustment reduces the available minutes -- needs considerable improvement. Inaccurate disclosure of policies translates into an unexpected reduction in minutes available for talking. The lowest scores in the important "minutes achieved" measures

were largely a result of these policy disclosure inaccuracies. Better disclosure of the rounding up policies is needed. For example, one company disclosed a three minute rounding rule. A reasonable consumer would expect that a two minute call would be rounded up to three minutes; yet the card deducted four minutes for this call. This problem was observed with two providers and resulted in an unexpected reduction in minutes available for talking.

Similarly, better disclosure of the maintenance term -- the time at which a maintenance fee is imposed on the card -- is needed, so a card holder who wants to avoid a second weekly maintenance fee can plan to use the card up in the first week. Two providers disclosed weekly maintenance terms but charged the cards twice in the first week: one broke the weekly maintenance charge into two parts and the other charged the full amount twice.

Additionally, some providers failed to disclose that consumers would pay an access fee if the card holder used the toll-free customer service number, instead of a local customer service number. One provider charged a small fee for toll-free access, without disclosing the policy on the prepaid telephone calling card.

There were several operational problems that reduced or hampered service during the compliance audit test. While these problems could be circumstantial, the Division will investigate to determine whether a broader group of card holders are routinely affected by these issues. For example, a few cards could not be tested because the authorization codes (PIN codes) were rejected by the provider's calling platform as invalid or expired.

One provider had cards that terminated with an "end of balance" voice announcement and an automatic disconnection before all of the minutes remaining were exhausted. This announcement might lead a card holder to discard the card on the belief that all available minutes have been used. In fact, the testers were able to use these cards following the automatic disconnection, and successfully achieved more minutes of talking time, ranging from two additional minutes up to eleven additional minutes.

While providers are not in control of the international circuits used to transmit calls, the Division expects that providers have a plan in place for service outages. Unfortunately, one provider experienced a 24-hour outage. The compliance audit testers were unable to connect to any calling destination or to reach the toll-free customer service number. The testers reached the provider when they used a landline phone, without the card, and called the provider's main number long-distance. The provider could have played a recorded announcement about the service outage, advising consumers to make other arrangements and hold onto the card until service resumed.

Next Steps

The agreements announced in 2009 stipulated that, at the written request of the Division, the providers would produce all call records and other documents that would

assist the Division in monitoring the compliance requirements set forth in the Settlement Agreement. As Division investigators continue their review of the NAC findings, the call records and other documents corresponding to the PIN numbers of the tested cards will be requested. Once these records are reviewed, the providers will be asked to meet with the Division to discuss the test results. This discussion will encompass both improvements made since the settlement agreements and areas of continued concern. At this time, it is premature to say whether the Division would find that continued problems rise to the level of violating the prior settlements resulting in further enforcement action.

Recommendations for Additional Legislation

At this time, the Division is recommending no additional legislation. This conclusion is based on the changed economics of the prepaid telephone calling card industry, as well as the strength of the Act and the Regulations when applied alone and when used in conjunction with the Consumer Fraud Act and Consumer Fraud Act regulations.

In the past several years, increased use of Skype and other Voice Over Internet Providers (“VOIP”) have changed the market for prepaid telephone calling cards. In its 2010 Market Review and Forecast, the Telecommunications Industry Association (“TIA”) found that prepaid calling card spending peaked in 2004 and business revenue peaked in 2006. The TIA forecasts that in 2013, spending on prepaid calls will have dropped more than \$1.2 billion from 2004 levels. While prepaid telephone calling cards will continue to be heavily used by immigrants and lower income consumers, the availability of free VOIP service and aggressive competition and price-cutting by wireless phone providers have made international dialing more affordable for all consumers.

Prior to the passage of the Act, the operation of the prepaid telephone calling card industry in New Jersey was substantially unregulated. In passing the Act, the Legislature addressed fraudulent, deceptive and unconscionable business practices of certain segments of the industry that caused undue economic hardships to consumers and businesses. As a result, consumers and legitimate businesses within the industry have meaningful protections against unfair practices. Should the Division encounter a situation where enforcement of the Act and the Regulations does not offer full consumer protection, application of the Consumer Fraud Act and Consumer Fraud Act regulations should provide additional needed protection.

Conclusion

The Division will continue to be vigilant in protecting the State’s most vulnerable consumers from businesses that take advantage of their desire to stay in touch with their friends and loved ones living out of state or outside the United States. The Division respectfully submits this report to the Governor and the Legislature and welcomes any questions or comments.

List of Exhibits

Exhibit 1	Prepaid telephone calling Card Statute
Exhibit 2	Prepaid telephone calling Card Regulations
Exhibit 3	Prepaid telephone calling Card Press Release dated March 17, 2009
Exhibit 4	Settlement Agreement with CVT Prepaid Solutions, Inc.
Exhibit 5	Settlement Agreement with Dollar Phone Enterprises, Inc.
Exhibit 6	Settlement Agreement with Epana Networks, Inc.
Exhibit 7	Settlement Agreement with IDT Corp.
Exhibit 8	Settlement Agreement with Locus Telecommunications, Inc.
Exhibit 9	Settlement Agreement with STi PhoneCard, Inc.
Exhibit 10	Settlement Agreement with Total Call International, Inc.
Exhibit 11	NAC Compliance Audit Summary Report
Exhibit 12	NAC Compliance Audit Report Batch 1
Exhibit 13	NAC Compliance Audit Report Batch 2

Exhibit 1

Prepaid Telephone Calling Cards

N.J.S.A. 56:8-175 et seq.

56:8-175 Definitions relative to prepaid telephone calling cards and services.

1. As used in this act:

"Advertisement" means the attempt, directly or indirectly by publication, dissemination, solicitation, endorsement or circulation or in any other way, to induce directly or indirectly any person to purchase any prepaid calling card or service, appearing in any newspaper, magazine, periodical, circular, in-store or out-of-store sign or other written matter placed before the consuming public, or in any radio broadcast, television broadcast, electronic medium or delivered to or through any computer.

"Company" means any entity, corporation, company, association, firm, partnership or other business entity, or individual engaged in the business of a prepaid calling service provider or prepaid calling card distributor in this State.

"Director" means the Director of the Division of Consumer Affairs.

"Division" means the Division of Consumer Affairs in the Department of Law and Public Safety.

"Government fees" means and includes any and all fees, taxes and charges assessed pursuant to State or federal law, regulation or other mandate or requirement, including universal service fees and charges.

"Payphone surcharge" means the surcharge that a provider may charge a customer when that customer places a call with a card from a payphone using a toll-free access number. The payphone surcharge shall be deducted from a card's balance.

"Permitted fee" means the fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any payphone surcharge, any recharge convenience fee, any directory assistance fee, and any government fees.

"Prepaid calling card" or "card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a prepaid calling service. Such rights of use may be embodied on a card or other physical object or may be purchased by an electronic or telephonic means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object. "Prepaid calling card" shall not be construed to include cards or other rights of use that provide access to:

(1) telecommunications service if the card or other rights of use and telecommunications service are provided:

(a) for free or at no additional charge as a promotional item accompanying a product or service purchased by a customer; or

(b) pursuant to an awards, loyalty, rebate or promotional program without any separate monetary consideration being given by the customer solely in exchange therefor; or

(2) a wireless telecommunications service account if the purchaser has a pre-existing relationship with the wireless service provider or establishes a carrier-customer relationship via the purchase of the object.

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N.J.S.A. 56:8-175 et seq.

"Prepaid calling card distributor" or "distributor" means and includes: (1) any company that purchases or receives prepaid calling cards from a prepaid calling service provider or distributor and sells or distributes those cards to one or more distributors of prepaid calling cards or to one or more prepaid calling card retailers; and (2) any company that otherwise actively engages in the promotion, advertising or dissemination of prepaid calling cards and which is not a provider. "Prepaid calling card distributor" shall not include any prepaid calling card retailers engaged exclusively in point-of-sale transactions with customers.

"Prepaid calling card retailer" means any company that sells or offers to sell prepaid calling cards directly to customers.

"Prepaid calling service" or "service" means any prepaid telecommunications service that allows customers to originate calls through a local, long distance or toll-free access number and authorization code, whether manually or electronically dialed. "Prepaid calling service" shall not include any service that provides access to a wireless telecommunications service account wherein the purchaser has a pre-existing relationship with the wireless service provider or establishes a carrier-customer relationship via the purchase of the object.

"Prepaid calling service provider" or "provider" means any company, providing prepaid calling service to the public using its own, or a resold telecommunications network, or voice over Internet technology.

"Toll-free number" means an 800 number, or other telephone number widely understood to be toll-free, which, when called as the destination number or as an access number, shall not result in the calling party being assessed, by virtue of completing the call, any fee, charge or higher rate for the call unless such fee, charge or higher rate is disclosed pursuant to subsection a. of section 2 of this act.

L.2007, c.293, s.1.

56:8-176 Disclosure of certain information required.

2. a. Prepaid calling service providers and prepaid calling card distributors shall disclose the following information on cards or their packaging, as prescribed by the director by regulation, and in any advertising for the service or cards, including any Internet web site used to promote or distribute the service or cards:

- (1) The name of the prepaid calling service provider;
- (2) The provider's 24 hour customer service telephone number;
- (3) The amount and frequency of any permitted fee that may be applicable to the use of the card or service for calls originating within the United States;
- (4) Notice that additional or different per minute rates, charges or fees may apply to use of the card or the service for calls to or from international telephone numbers, international cellular and international wireless telephone numbers;
- (5) Notice that per minute rates may be higher for calls made via toll-free numbers;
- (6) The value of the card or service, in dollars or minutes;

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N.J.S.A. 56:8-175 et seq.

(7) Any applicable policies relating to refund, recharge, decrement and expiration; and

(8) Such additional information as the director may prescribe by regulation, including, but not limited to, information concerning the notice and disclosure of any rates, charges or fees for the use of the card or the service for calls.

b. Prepaid calling service providers and prepaid calling card distributors shall make available through the customer service number, a website or other electronic medium, packaging, if any, or in a clear and conspicuous poster or other writing in plain language at the point of sale such information as the director may prescribe by regulation.

c. All minutes or rates, or both, promoted or advertised on any prepaid calling card, any point of sale material relating to that card or otherwise relating to any prepaid calling service, shall be available and achievable by the customer, and there shall be no limitations on the period of time for which the promoted or advertised minutes or rates, or both, will be available to the customer unless those limitations are clearly and conspicuously disclosed in the same location on the card, advertising or point of sale material where the minutes or rates, or both, are promoted or advertised. All minutes promoted, advertised or disclosed on any voice prompt given to a customer at the time the customer places a call with the card, whether or not required by regulation to be given to the customer, shall be immediately available and achievable by the customer on that call. The customer shall not be charged for any busy signal or unanswered call.

d. A provider may not charge, apply or deduct from a card's balance any fees, taxes, surcharges or other amounts for use of the card, except: (1) the rate per minute for the particular destination called; (2) any permitted fees; and (3) any rate per minute, fee or charge permitted pursuant to paragraph (4) or (5) of subsection a. of this section.

e. If a language other than English is predominantly used on a prepaid calling card, its packaging, or in point of sale advertising or promotion for the prepaid calling card or prepaid calling service, then the disclosures required by this section shall be disclosed in that language on that card, packaging, advertisement or promotion.

f. In the case of a prepaid calling service provider, the company's 24 hour customer service telephone number shall enable the customer to obtain, at no charge, any and all applicable information regarding the rates, any permitted fees, charges and minutes available and remaining on the card for use in a single, uninterrupted call to a single, requested destination through the card and prepaid calling service. Customer service may be provided by a combination of a live operator, interactive voice response, and electronic voice recording of customer inquiries and complaints, but live operator service shall be available 24 hours a day, seven days a week. If an electronic voice recorder is used, the provider shall attempt to contact the customer no later than the next day following the date of the recording.

g. Providers and distributors shall conspicuously display the applicable access numbers for the use of the card on the body of the card itself or on its packaging.

h. A company shall not impose any fee or surcharge that is not disclosed as required by this section or that exceeds the amount disclosed by the company.

L.2007, c.293, s.2.

56:8-177 Certain cards not to be offered for sale.

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3. Prepaid calling card retailers shall not sell or offer for sale any prepaid calling card that the retailer knows provides fewer minutes than the number of minutes promoted or advertised for that card, including the number of minutes listed on the card, any advertising or point of sale material related to the card or any voice prompt indicating the number of minutes available for a call with the card.

L.2007, c.293, s.3.

56:8-178 Violation deemed unlawful practice; remedies, penalties.

4. A violation of any provision of this act shall be an unlawful practice pursuant to P.L.1960, c.39 (C.56:8-1 et seq.) and shall be subject to all remedies and penalties available pursuant to P.L.1960, c.39 (C.56:8-1 et seq.).

L.2007, c.293, s.4.

56:8-179 Report to Governor, Legislature.

5. Not later than 18 months after the date of adoption of regulations implementing this act, the division shall issue a report to the Governor and the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), on the activities of the division, including their quantitative results, in enforcing this act and any recommendations for additional legislation regulating the industry.

L.2007, c.293, s.5.

56:8-180 Rules, regulations.

6. The Director of the Division of Consumer Affairs shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), any rules and regulations necessary to effectuate the purposes of this act.

L.2007, c.293, s.6.

56:8-181 Effective date; applicability of act.

7. This act shall take effect on the first day of the seventh month next following enactment, but the director may take such anticipatory action in advance of that date as may be necessary for the timely implementation of this act. This act shall not apply to prepaid calling cards and point-of-sale materials related to those prepaid calling cards printed prior to the effective date. The act shall apply to any prepaid calling card printed after the effective date and to any advertisement, promotion, point-of-sale material or voice prompt that is created, aired, printed, distributed, or otherwise disseminated on or after the effective date.

L.2007, c.293, s.7.

56:8-182 Money orders, dormancy fee defined, regulated.

1. a. Notwithstanding any other provisions of law to the contrary, a money order sold after the effective date of P.L.2007, c.326 (C.56:8-182 et seq.) shall retain full value until presented for payment, or shall have all conditions and limitations, as permitted in paragraphs (1) and (2) of this subsection, disclosed

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to the purchaser of the money order at the time of purchase, as provided in subsection b. of this section.

(1) No dormancy fee shall be charged against a money order within the 12 months immediately following the date of sale.

(2) An issuer of a money order may charge a dormancy fee against a money order, as permitted by this subsection, of not more than \$2.00 per month.

b. The terms of any dormancy fee applicable to a money order, as permitted by subsection a. of this section, shall be disclosed by an issuer to a consumer by:

(1) written notice of the dormancy fee on the money order or the sales receipt for the money order; and

(2) written notice on the money order or the sales receipt for the money order, of a telephone number which the consumer may call for information concerning any dormancy fee.

c. As used in this section, "dormancy fee" means a charge imposed against the value of a money order due to inactivity.

L.2007, c.326, s.1.

56:8-183 Violation, unlawful practice.

2. It shall be an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) to violate the provisions of this act.

L.2007, c.326, s.2.

56:8-184 Regulations.

3. The Director of the Division of Consumer Affairs in the Department of Law and Public Safety shall promulgate regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the provisions of this act.

L.2007, c.326, s.3.

Exhibit 2

ADMINISTRATIVE RULES

Amended by R.1995 d.618, effective December 4, 1995.
See: 27 N.J.R. 3566(a), 27 N.J.R. 4899(b).

13:45A-5.4 Violations; sanctions

Without limiting the prosecution of any other practices which may be unlawful under the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., any violation of the provisions of this subchapter shall be subject to the sanctions contained in said Consumer Fraud Act.

SUBCHAPTER 6. INTERNET DATING SERVICES**13:45A-6.1 Purpose and scope**

(a) The purpose of this subchapter is to require Internet dating services to make disclosures in addition to those required by P.L. 2007, c. 272, N.J.S.A. 56:8-168 et seq. (Act), in order to effectuate the purposes of the Act.

(b) The subchapter applies to Internet dating services that offer dating services over the Internet to residents of the State and accept membership applications from residents of the State.

13:45A-6.2 Definitions

The following words and terms as used in this subchapter shall have the following meanings unless the context clearly indicates otherwise:

"Criminal background screening" means a name search for a person's criminal convictions initiated by an on-line dating service provider and conducted by one of the following means:

1. By searching available and regularly updated government public record databases for criminal convictions, so long as such databases, in the aggregate, provide substantial national coverage; or

2. By searching a database maintained by a private vendor that is regularly updated and is maintained in the United States with substantial national coverage of criminal history records and sexual offender registries.

"Internet dating service" means a person or entity directly or indirectly in the business of offering, promoting or providing access to dating, relationship, compatibility, matrimonial or social referral services principally on or through the Internet for profit, where the profit is derived from fees from members, advertising, or any other source.

"Member" means a customer, client or participant who submits to an Internet dating service information required to access the service for the purpose of engaging in dating, relationship, compatibility, matrimonial or social referral.

"New Jersey member" means a member who provides a New Jersey address or zip code when registering with the service.

13:45A-6.3 Criminal background information

(a) An Internet dating service that conducts criminal background screenings on its members shall, in addition to the disclosures required by P.L. 2007, c. 272 (N.J.S.A. 56:8-171(d)), disclose, clearly and conspicuously, to all New Jersey members:

1. The means that it uses to conduct the criminal background screenings;

2. A description of how the criminal background screening is conducted, including how the means disclosed pursuant to (a)1 above are utilized, whether it updates criminal background screening information, and if so, how often the update is performed;

3. Whether it allows a member who has been identified as having a conviction for any crime, including, but not limited to, any sex offense, that would qualify the offender for registration pursuant to section 2 of P.L. 1994, c. 133 (N.J.S.A. 2C:7-2) or under another jurisdiction's equivalent statute to have access to its service to communicate with any New Jersey member; and

4. What crimes, if any, disqualify a member from having access to its service to communicate with any New Jersey member.

(b) The disclosures required by (a) above shall be provided in bold letters in at least 12-point type on the website pages on which a New Jersey member is requested to provide personal information. The disclosures may be provided on a single webpage, such as the home page, provided that a link to the disclosures is conspicuously displayed on all the webpages on which a New Jersey member is requested to provide personal information.

13:45A-6.4 Date of criminal background information

An Internet dating service that discloses that it conducts a criminal background screening on members shall conspicuously display on the webpage containing a member's profile the service's policy, or a link to the policy, regarding the updating of criminal background screening information.

SUBCHAPTER 7. (RESERVED)**SUBCHAPTER 8. PREPAID CALLING CARDS****13:45A-8.1 Scope**

(a) The provisions of this subchapter apply to providers offering or selling prepaid calling service or prepaid calling cards to persons in the State and distributors of such cards for resale to persons in the State.

(b) The provisions of this subchapter shall not apply to prepaid calling cards printed prior to August 1, 2008 and point-of-sale material relating to such cards printed prior to that date.

(c) All prepaid calling cards printed after August 1, 2008 and all sales material and voice prompts created, printed, distributed or aired after that date shall be subject to this subchapter.

13:45A-8.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Advertisement" means the attempt, directly or indirectly by publication, dissemination, solicitation, endorsement or circulation or in any other way, to induce directly or indirectly any person to purchase any prepaid calling card or calling services, appearing in any newspaper, magazine, periodical, circular, in-store or out-of-store sign or other written matter placed before the consuming public or in any radio broadcast, television broadcast, electronic medium or delivered to or through any computer.

"Government fees" means any and all fees, taxes and charges assessed pursuant to State or Federal law, regulation or other mandate or requirement, including universal service fees and charges.

"Pay phone surcharge" means the surcharge that a provider may charge a customer when that consumer places a call with a card from a pay phone using a toll-free access number. The pay phone surcharge shall be deducted from a card's balance.

"Permitted fee" means the fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any pay phone surcharge, any recharge convenience fee, any directory assistance fee and any government fees.

"Person" means a natural person, partnership, corporation, limited liability company, or any other entity.

"Prepaid calling card" or "card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a prepaid calling service. Such rights of use may be embodied on a card or other physical object or may be purchased by an electronic or telephonic means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object. "Prepaid calling card" shall not be construed to include cards or other rights of use that provide access to:

1. Telecommunications service if the card or other rights of use and telecommunications service are provided:

i. For free or at no additional charge as a promotional item accompanying a product or service purchased by a consumer; or

ii. Pursuant to an awards, loyalty, rebate or promotional program without any separate monetary consideration being given by the consumer solely in exchange therefor; or

2. A wireless telecommunications service account if the purchaser has a pre-existing relationship with the wireless service provider or establishes a carrier-consumer relationship via the purchase of a device.

"Prepaid calling card distributor" or "distributor" means and includes: any person who purchases or receives prepaid calling cards or service from a prepaid calling service provider, a telecommunications carrier or other distributor and sells or distributes those cards or service to one or more distributors of prepaid calling cards, or to one or more prepaid calling card retailers; and any person who otherwise actively engages in the promotion, advertising or dissemination of prepaid calling cards or service and who is not a provider. "Prepaid calling card distributor" shall not include any prepaid calling card retailers engaged exclusively in point-of-sale transactions with consumers.

"Prepaid calling card retailer" means any person who sells or offers to sell prepaid calling cards directly to consumers.

"Prepaid calling service" or "service" means any prepaid telecommunications service that allows consumers to originate calls through a local, long distance or toll-free access number and authorization code, whether manually or electronically dialed. Prepaid calling service shall not be construed to include any service that provides access to a wireless telecommunications service account through which the purchaser has a pre-existing relationship with the wireless service provider or establishes a carrier-customer relationship via the purchase of a device.

"Provider" means any person providing prepaid calling service to the public using its own, or a resold, telecommunications network or voice over Internet technology.

"Telecommunications network" means the combination of network elements that are required to transmit information in the form of voice, data or video between or among points specified by the user in local or long distance applications without change in the form or content of the information sent and received.

"Toll-free number" means an 800 number, or other telephone number widely understood to be toll-free, which, when called as the destination number or as an access number, shall not result in the calling party being assessed, by virtue of completing the call, any fee, charge or higher rate for the call unless such fee, charge or higher rate is disclosed pursuant to N.J.A.C. 13:45A-8.3(c).

ADMINISTRATIVE RULES**13:45A-8.3****13:45A-8.3 Disclosure requirements**

(a) The following standards and requirements for consumer disclosure and services shall apply to the advertising and sale of prepaid calling cards and prepaid calling services:

1. Any advertisement of the price, rate or unit value in connection with the sale of prepaid calling cards or services shall include a disclosure of any geographic, area code or exchange limitation to the advertised price, rate or unit value, as well as a disclosure of any additional surcharges, call setup charges or fees applicable to the advertised price, rate or unit value;

2. The person responsible for issuing a card, whether it be the provider or distributor, or both, shall cause the following information to be conspicuously printed on the card or, if the rights to use the service are not embodied in a card or other physical object, the information shall be furnished as provided in (a)3 below:

i. The name of the provider and, if applicable, the distributor issuing the card;

ii. A toll-free customer service number and notice that at that number the user can obtain the number of minutes remaining on the card for a call to a particular destination number;

iii. A network access number, if available, to access service and the charge, if any, for use of that number;

iv. The authorization code or PIN, if required to access service, which shall be concealed by opaque security film with a scratch layer, or other means, until uncovered by the user;

v. The expiration date, if any, which shall be a fixed date, or the expiration period, which shall be a specified period measured from first use of the card;

vi. If applicable, that the card or service is subject to maintenance and other fees and charges;

vii. Instructions on how to use the card; and

viii. Instructions on how to obtain complete information about the use of the card, including fees and charges for, and any restrictions or limitations on the use of, the card;

3. The person responsible for the packaging of a card, whether it be the provider or distributor, or both, shall cause the following information to be conspicuously printed on the packaging, if any, or on a clear and conspicuous poster or other writing in plain language at the point of sale, and through the customer service number, a web site or other electronic medium, the following information:

i. The name of the provider and, if applicable, the distributor issuing the card;

ii. The value of the card or service, in dollars or minutes;

iii. The amount and frequency of any permitted fee that may be applicable to the use of the card or service for calls originating within the United States;

iv. Notice that additional per minute rates or charges, including surcharges, taxes or fees, including monthly or other periodic fees, maintenance fees, per-call access, connection fees or disconnection fees, may apply to use of the card or the service for calls to or from international telephone numbers, indicating the applicable respective amounts and which such rates or charges, if any, are assessed on a call prior to the dialing of a destination number;

v. If advertising for a card identifies one or more regions, countries, cities or other destinations that may be called by using the card the rates for calls made to the destination or destinations advertised for the card or, in lieu of disclosing each rate, the highest rate for any calls to the destinations advertised for that card;

vi. Notice that additional or different per minute rates, charges or fees may apply to calls made to or from international cellular and international wireless telephone numbers;

vii. Where a toll-free number is not the exclusive access number, notice that per minute rates may be higher, or a surcharge may be imposed, for calls made via toll-free numbers;

viii. Notice that a pay phone surcharge may be imposed or that the per minute rate may be higher on a call made from a pay phone;

ix. The minimum charge per call, if any;

x. The definition of the term "unit," if applicable;

xi. The billing decrement and monetary rounding policies as provided in N.J.A.C. 13:45A-8.8;

xii. The recharge policy, if any;

xiii. The refund policy, if any; and

xiv. The expiration policy, if any;

4. The person responsible for advertisements that are not at the point of sale or on a website or other electronic medium shall cause the following information to be disclosed in such advertising:

i. The name of the provider or distributor issuing the card;

ii. A toll-free customer service number and notice that at that number the user can obtain complete information about the use of the card, including fees and charges, any restrictions or limitations on the use of the

card and the number of minutes remaining on the card for a call to a particular destination number; and

iii. The expiration policy, if any;

5. The value of the card and the amount of the various charges, however denominated, that are required to be disclosed by (a)2 and 3 above, shall be expressed in the same format. That is, if the value of a card is expressed in minutes, all charges shall be expressed in minutes based on calls from New Jersey to the advertised destination. If the value of the card is expressed in dollars, all charges shall be expressed in dollars;

6. Any claims made in the information required by (a)3 above regarding the number of minutes available to one or more destinations shall contain an explanation as to how the maximum number of minutes was determined. Such number of minutes shall be available to the consumer under the conditions stated;

7. Where any rates or claims listing the maximum number of minutes available to one or more particular destinations are made in the information required by (a)3 above that is furnished in writing, and such rates or claims are subject to change, the provider or distributor shall include in such written information, the fact that rates are subject to change, the date the written information was printed, the date through which the rates or claims are in effect, if applicable, and how the consumer can contact the provider to determine current rates and terms of service;

8. Where any rates or claims listing the maximum number of minutes available to one or more particular destinations are made in the information required by (a)3 above that is furnished through the customer service number, a web site or other electronic medium, the rates or minutes shall be those in effect when the information is furnished; and

9. If a language other than English is predominantly used on a prepaid calling card or its packaging, or in point-of-sale advertising or promotion for the prepaid calling card or prepaid calling service, the information required by (a)3 above shall also be disclosed in that language on the card, packaging, advertisement or promotion.

13:45A-8.4 Prohibited practices

(a) A provider shall not charge, apply or deduct from a card's balance any fees, taxes, surcharges or other amounts for use of the card, except:

1. The rate per minute for the particular destination called;

2. Any permitted fees; and

3. Any rate per minute, fee or charge disclosed pursuant to N.J.A.C. 13:45A-8.3(a)3.

(b) Prepaid calling card distributors shall not distribute any prepaid calling card, which they know violates any provision of N.J.A.C. 13:45A-8.3.

(c) Prepaid calling card retailers shall not sell or offer for sale any prepaid calling card, which they know provides fewer minutes than the number of minutes promoted or advertised for that card, including the number of minutes listed on the card, any advertising or point-of-sale material related to the card or any voice prompt indicating the number of minutes available for a call with the card.

13:45A-8.5 Required toll-free telephone number

(a) A provider shall establish and maintain a toll-free customer service telephone number that shall meet the following requirements:

1. Customer service may be provided by a combination of a live operator, interactive voice response and electronic voice recording of customer inquiries and complaints, but live operator service shall be available 24 hours a day, seven days a week. If an electronic voice recorder is used, the provider shall attempt to contact the customer no later than the next day following the date of the recording;

2. The telephone number shall have sufficient capacity and staffing to accommodate a reasonably anticipated number of calls without incurring a busy signal or undue wait. If a language other than English is predominantly used on a card or any advertising for a card or service, such card or advertising shall contain a notice in that other language whether customer service is available in that other language;

3. The telephone number shall allow consumers to lodge complaints and obtain information on all of the following:

i. All rates, surcharges, taxes and fees;

ii. The minutes and, if applicable, the dollar balance, available and remaining on the card, for use in a single, uninterrupted call to a single, requested destination through the card and prepaid calling service;

iii. The provider's recharge, refund and expiration policies; and

iv. In the event of a dispute, the information specified in N.J.A.C. 13:45A-8.9(a); and

4. A provider shall not impose a fee or surcharge related to obtaining customer service, including any charge related to connecting with the customer service number or waiting to speak to a live operator.

13:45A-8.6 Verbal disclosure requirements

(a) Providers shall provide a verbal announcement, which may be automated, immediately after a destination number is entered and prior to the processing of the call, stating the

ADMINISTRATIVE RULES**13:45A-8.10**

minutes remaining on the prepaid calling services account or prepaid calling card for a call to the number entered and offering the caller the opportunity to cancel the call, followed by a pause giving the caller reasonable time to terminate the call without incurring any charge for the call.

(b) The voice prompt shall state only the number of minutes available for that call to the dialed destination. The caller must be able to receive 100 percent of the minutes of prepaid calling service that have been announced on the voice prompt for such call. The provider or distributor may not disclaim liability under this section by providing notice that the announced minutes are subject to, or before the application of, fees or charges or by utilizing other disclaimers or limitations. Other than information about the number of minutes available to the destination dialed by the consumer on the particular call, providers shall not advertise or promote minutes or rates available for calls to other destinations through voice prompts after the entry of the destination number dialed by the caller.

(c) The consumer shall not be charged for any busy signal or unanswered call.

(d) When, during a call, the prepaid account or card balance is about to be completely depleted, the provider shall provide a voice prompt or other audible signal at least one minute or billing increment before the time expires.

1. If the voice prompt or other audible signal occurs more than one minute before the call time expires, then the voice prompt or audible signal shall indicate the minutes of call time remaining.

13:45A-8.7 Availability of minutes advertised or promoted

All minutes or rates, or both, promoted or advertised on any prepaid calling card, any point-of-sale material relating to that card or otherwise relating to any prepaid calling service, shall be available and achievable by the consumer and there shall be no limitations on the period of time for which the promoted or advertised minutes or rates, or both, will be available to the consumer unless those limitations are clearly and conspicuously disclosed in the same location on the card, advertising or point-of-sale material where the minutes or rates, or both, are promoted or advertised.

13:45A-8.8 Billing decrement rounding and monetary rounding

(a) The billing decrement required to be disclosed under N.J.A.C. 13:45A-8.3(a)3xii shall be the policy that applies to the use of the prepaid calling card or calling service for calls from New Jersey to the advertised destination no matter where the caller is when the call is placed. The disclosure shall also give notice, if applicable, that additional or different billing decrement policies may apply to usage of the prepaid calling card or prepaid calling service to or from other destinations.

(b) A provider or distributor shall not be required to print a billing decrement rounding policy when calls are rounded no higher than to the nearest minute.

(c) A provider or distributor shall not be required to print a monetary rounding policy when rates are rounded no higher than the nearest cent.

13:45A-8.9 Call detail information; records

(a) In the event of a dispute between a customer and a provider concerning the duration or occurrence of a call, which cannot otherwise be resolved, the provider shall provide the customer with the following information about the disputed call or calls:

1. The area code or country code of the originating telephone number;
2. The area code or country code of the terminating telephone number; and
3. The date, time and call duration.

(b) A provider shall maintain for at least two years records of all consumer complaints received by live customer service representatives.

(c) A provider shall maintain for at least two years a sample of all prepaid calling cards, card packaging and advertisements, including point-of-sale advertisements; copies of all detailed rate decks for all of provider's cards, including detailed breakdowns of all rates, charges and fees applicable for calls to all destinations on the rate deck and all records showing all modifications made to the rate decks during such period; records of provider's calling card platform settings showing whether voice prompts announcing call duration have been set to correspond with actual call duration; recordings of voice prompts announcing rates, fees or charges; and the following call detail information: the dialing and signaling information that identifies the inbound access telephone number called, the number of the originating telephone, the date and time the call originated, the date and time the call terminated, the called telephone number and the PIN and/or account number associated with the call and the PIN decrement records.

13:45A-8.10 Activation and recharging

(a) If a card is not available for use until activated by a point-of-sale terminal or comparable means, notice shall be provided on the card or on the front of the card's packaging in language that reasonably explains that the card has no value until activated.

(b) If a customer contacts the provider to recharge the card, the provider shall inform the customer, upon request, of the per minute rate and all charges and/or fees that apply to the use of the card for calls within the continental United States made from New Jersey, including, but not limited to, maintenance fees, pay phone surcharge and connection fees.

13:45A-8.11 Minimum active period; maintenance fees

(a) A card shall expire at the earlier of the expiration date or the end of the expiration period stated on the card. Cards without a specific expiration date or policy printed on the card, and with a balance of service remaining, shall be considered active for a minimum of one year from the date of sale, or if recharged, from the date of the last recharge.

(b) No maintenance or dormancy fee shall be charged against a card for any period prior to the time it is first used to dial a destination number.

13:45A-8.12 Required refunds

A provider that issues prepaid calling cards or prepaid calling services shall provide a refund to any purchaser of a prepaid calling card or prepaid calling services if the network services associated with that card or services fail to operate in a commercially reasonable manner. The refund shall be in an amount not less than the value remaining on the card or in the form of a replacement card and shall be provided to the consumer within 60 days from the date of receipt of notification from the consumer that the card has failed to operate in a commercially reasonable manner.

13:45A-8.13 Surcharges

(a) A provider shall not charge any fee or surcharge that is not disclosed as required by this subchapter or that exceeds the amount disclosed by the provider.

(b) A provider shall not charge a consumer for, or impose a fee or surcharge on, any call if the consumer is not connected to the number called. For this purpose, a call shall not be considered connected to the number called if the consumer receives a busy signal or the call is unanswered.

(c) In the case of prepaid calling cards or services utilized at a pay phone, the provider shall provide voice prompt notification of any applicable pay phone surcharges, in addition to the notice required by N.J.A.C. 13:45A-8.3(a)3vii, so long as the provider affords users of prepaid calling cards or services reasonable time to terminate the call after notification of applicable pay phone surcharges without incurring any charge for the call.

13:45A-8.14 Access number

A provider shall maintain access numbers with sufficient capacity to accommodate a reasonably anticipated number of calls without incurring a busy signal or undue delay.

13:45A-8.15 Violations

Without limiting the prosecution of any other practices, which may be unlawful under the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., any violation of the provisions of this subchapter shall be subject to the sanctions contained in the Consumer Fraud Act.

SUBCHAPTER 9. GENERAL ADVERTISING**13:45A-9.1 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Advertisement" means any attempt by an advertiser, other than by use of a price tag, catalog or any offering for the sale of a motor vehicle subject to the requirements of N.J.A.C. 13:45A-26A, to directly or indirectly induce the purchase or rental of merchandise at retail, appearing in any newspaper, magazine, periodical, circular, in-store or out-of-store sign or other written matter placed before the consuming public, or in any radio broadcast, television broadcast, electronic medium or delivered to or through any computer.

"Advertiser" means any person as defined by N.J.S.A. 56:8-1(d) who in the ordinary course of business is engaged in the sale or rental of merchandise at retail and who placed, either directly or through an advertising agency, an advertisement before the public.

"Catalog" means a multi-page solicitation in which a seller offers goods for sale or rental for a seasonal or specified period of time, from which consumers can order goods directly without going to the seller's place of business. An advertising circular, distributed through inclusion in a newspaper, representing a seller's partial offering of goods for sale or rental for a period of time not to exceed two weeks, shall not be considered a catalog.

"Closeout sale" means a sale in which an advertiser offers for sale at a reduced price items of merchandise remaining at one or more specified locations which the advertiser will not have available for sale within a reasonable period of time after all such items have been sold.

"Division" means the Division of Consumer Affairs.

"Factory outlet" means an establishment owned by a manufacturer that is used primarily to offer, at retail, the manufacturer's products directly to the consumer for his or her own use and not for resale.

"Fictitious former price" means an artificially inflated price for an item or items of merchandise established for the purpose of enabling the advertiser to subsequently offer the item or items at a large reduction.

"Former price or price range" in a price reduction advertisement means an advertised price or price range for an item of merchandise that has been offered or sold by the advertiser in his or her trade area or competitors in their trade area.

"Home appliance" means any electrical, mechanical or thermal article produced or distributed for sale to a consumer for use in or around a permanent or temporary household or residence including, but not limited to, air conditioners, cameras,

Exhibit 3



THE STATE OF NEW JERSEY

DEPARTMENT OF LAW & PUBLIC SAFETY

DIVISION OF CONSUMER AFFAIRS

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Thomas B. Calcagni
Acting Director



Division of Alcoholic Beverage Control

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NJ Bureau of Securities

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Division of Highway Traffic Safety

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State Athletic Control Board

Division of NJ State Police

Victims of Crime Compensation Office



Division of Consumer Affairs Press Release

Attorney General
Anne Milgram

Division of Consumer Affairs, Director
David Szuchman

For Immediate Release:
March 17, 2009

For Further Information Contact:
Jeff Lamm, 973-504-6327

New Jersey Reaches Settlements With Seven Companies Regarding Pre-Paid Calling Cards

NEWARK - The Office of the Attorney General, through its Division of Consumer Affairs, has entered into settlement agreements with seven telecommunications companies regarding their advertising and sale of pre-paid calling cards and concerns whether consumers were receiving the full amount of time for which they paid.

"Getting less than what you paid for is illegal and these settlements ensure that the terms governing the use of calling cards are clearly and plainly disclosed to consumers," Attorney General Anne Milgram said. "We've told the industry that 'every second counts' and these companies will account for every second on these cards."

The settlement terms mirror requirements contained in a new state law governing pre-paid calling cards that took effect last year.

"These settlements, and the state law governing calling cards provide New Jersey consumers with protection against the deceptive sales practices which have plagued this industry for too long" said David Szuchman, Consumer Affairs Director. "We've changed the business practices of this industry and the millions of consumers who buy calling cards each year will benefit."

The seven companies are:

- CVT Prepaid Solutions, Inc., 40 Cuttermill Road, Suite 500, Great Neck, New York 11201
- Dollar Phone Enterprises, Inc., 232 Broadway, Brooklyn, New York 11211
- Epana Networks, Inc., 1250 Broadway, 30th Floor, New York, New York 10001
- IDT Corp., 520 Broad Street, Newark, New Jersey 07102
- Locus Telecommunications, Inc., 111 Sylvan Avenue, Englewood Cliffs, New Jersey 07632
- STi PhoneCard, Inc., 30-50 Whitehouse Expressway, 4th Floor, Flushing, New York 11354
- Total Call International, Inc., 707 Wilshire Boulevard, 12th Floor, Los Angeles, CA 90017

The settlements conclude investigations into each company's business practices related to pre-paid calling cards. Each company has paid \$5,000 to reimburse the Division's costs. Other than CVT (which is no longer selling pre-paid calling calls), each company will pay \$5,000 per year for the next three years to offset the cost of the Division's continued monitoring for compliance.

As part of the settlements, each company also agreed to the following business practices:

Comply with the Consumer Fraud Act and regulations, as well as any other state and/or federal laws, rules and regulations which are applicable to all future sales and marketing of pre-paid calling cards by or on behalf of the company;

Ensure that all minutes or rates, or both, advertised on any pre-paid calling card, any point of sale material relating to that card or otherwise relating to any pre-paid calling service, shall be available to the consumer and there shall be no limitations on the period of time for which the advertised minutes, or rates, or both, will be available to the consumer unless those limitations are clearly and conspicuously disclosed in the same location on the card, advertising or point of sale material where the minutes or rates, or both are advertised;

Ensure that all service minutes promoted, advertised or disclosed on any voice prompts provided at the time the consumer places a call with company's pre-paid calling cards shall be immediately available to the consumer on that call. The consumer shall not be charged for any busy signal or unanswered call;

Not charge, apply or deduct from a pre-paid calling card's balance any fees, taxes, surcharges or other amounts for use of the card except:

1. the rate per minute for the particular destination called;
2. any permitted fees; and
3. any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers;

Clearly and conspicuously disclose all permitted fees, as well as any other fees and surcharges, on its pre-paid calling cards and/or packaging materials and on its advertisements;

Clearly and conspicuously disclose the company's policy of rounding off time for billing purposes on its pre-paid calling cards and packaging materials;

Make available to consumers a toll-free customer service telephone number to address any post-order inquiries concerning all pre-paid calling cards, and clearly and conspicuously disclose to consumers the telephone number in all materials accompanying the pre-paid calling cards;

Within thirty (30) days of settlement, make available through the toll-free customer service telephone number all information concerning any charges and deductions and its and its policy of rounding off time for billing purposes; and

For a three-year period, maintain and preserve, and make available to the Division upon its request, specified documents and records.

Consumer Affairs' E-Commerce Investigative Unit conducted the investigation of this matter and Deputy Attorney General Jeffrey Kozlar of the Consumer Fraud Prosecution Section provided the legal representation.

###

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Page last modified: Thursday, April 7, 2011

Exhibit 4

FILED

MAR 06 2009

SETTLEMENT AGREEMENT

Division of Consumer Affairs

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1 et seq. ("CFA Regulations"), have been or are being committed by CVT Prepaid Solutions, Inc. ("CVT Prepaid Solutions"), a corporation established in the state of Delaware, with a principal place of business at 40 Cuttermill Road, Suite 500, Great Neck, New York 11201, and its owners, officers, directors, managers, employees, representatives, agents, subsidiaries, successors and assigns (collectively, "Company") (hereinafter referred to as the "Investigation").

WHEREAS the Division and Company (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Company having voluntarily cooperated with the Investigation and consented to the terms of this Settlement Agreement without having admitted any violation of law or finding of fact, and for good cause shown:

IT IS on this 6th day of MARCH, 2009 **AGREED** as follows:

EFFECTIVE DATE

This Settlement Agreement shall be effective on the date that it is executed by the Parties ("Effective Date"), provided, however, that Sections 2.4 and 2.5 of the Settlement Agreement shall become effective on the date P.L. 2007, Chapter 293 becomes effective.

1. DEFINITIONS

As used in this Settlement Agreement, the following words or terms shall have the following meanings:

1.1 “Advertisement” shall mean any attempt, whether a written, oral or electronic statement, illustration or depiction directly or indirectly to induce the purchase of goods or services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television, cable television, program-length commercial or “infomercial” or any other medium. This definition applies to other forms of the word “Advertisement” including, without limitation, “Advertise” or “Advertising.” For purposes of the Advertising Regulations, “Advertisement” shall be defined in accordance with N.J.A.C. 13:45A-9.1.

1.2 “Advertising Regulations” shall refer to the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq.

1.3 “Attorney General” shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

1.4 “Billing Decrement Rounding Policy” shall refer to the Company’s policy for deducting the partial minutes used on a Prepaid Calling Card.

1.5 “Clear and Conspicuous” or “Clearly and Conspicuously” shall mean a statement that, regardless of the medium in which it is made, is presented in such type, size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

1.6 "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

1.7 "Government fees" means and includes any and all fees, taxes and charges assessed pursuant to State or federal law, regulation or other mandate or requirement, including universal service fees and charges.

1.8 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and shall include Prepaid Calling Cards and rechargeable calling cards, through which Prepaid Calling Service is obtained through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey.

1.9 "Payphone surcharge" means the surcharge that a Provider may charge a Consumer when that Consumer places a call with a card from a payphone using a toll-free access number. The payphone surcharge shall be deducted from a card's balance.

1.10 "Permitted fee" means fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any Payphone Surcharge, any recharge convenience fee, any directory assistance fee and any Government Fees.

1.11 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

1.12 "PIN" shall refer to Personal Identification Number.

1.13 "Prepaid Calling Card" or "Card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a Prepaid Calling Service through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey. Such rights of use may be

embodied on a card or other physical object or may be purchased by an electronic or telephonic means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object.

1.14 "Prepaid Calling Card Distributor" or "Distributor" means and includes: (1) any company that purchases or receives Prepaid Calling Cards from a Prepaid Service Provider or Distributor and sells or distributes those cards to one or more Distributor or to one or more Prepaid Calling Card retailers; and (2) any company that otherwise actively engages in the promotion, advertising or dissemination of Prepaid Calling Cards and which is not a Provider.

1.15 "Prepaid Calling Service" or "Service" means any prepaid telecommunications service that allows Consumers to originate calls through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey, and authorization code, whether manually or electronically dialed.

1.16 "Prepaid Calling Service Provider" or "Provider" means any company, providing Prepaid Calling Service to the public using its own, or a resold telecommunications network, or voice over Internet technology.

1.17 "Rate Deck" shall refer to the rates charged by Prepaid Calling Service Providers for Prepaid Calling Service to particular locations.

1.18 "State" shall refer to the State of New Jersey.

2. BUSINESS PRACTICES

2.1 Company shall comply with such State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended, which are applicable to all future sales and

marketing of Merchandise by or on behalf of Company including, but not limited to, the CFA and the Regulations.

2.2 Company shall ensure that all minutes or rates, or both, Advertised on any Prepaid Calling Card, any point of sale material relating to that Card or otherwise relating to any Prepaid Calling Service, shall be available and achievable by the Consumer and there shall be no limitations on the period of time for which the Advertised minutes, or rates, or both, will be available to the Consumer unless those limitations are Clearly and Conspicuously disclosed in the same location on the card, Advertising or point of sale material where the minutes or rates, or both are Advertised.

2.3 Company shall ensure that all Service minutes promoted, Advertised or disclosed on any voice prompts given to a Consumer at the time the Consumer places a call with Company's Prepaid Calling Cards shall be immediately available and achievable by the Consumer on that call. The Consumer shall not be charged for any busy signal or unanswered call.

2.4 Company may not charge, apply or deduct from a Prepaid Calling Card's balance any fees, taxes, surcharges or other amounts for use of the Card except: (1) the rate per minute for the particular destination called; (2) any Permitted Fees; and (3) any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers.

2.5 Company shall Clearly and Conspicuously disclose all Permitted Fees, as well as any other fees and surcharges, on its Prepaid Calling Cards and/or packaging materials and on its Advertisements.

2.6 Company's Prepaid Calling Cards or packaging materials shall Clearly and Conspicuously disclose the Billing Decrement Rounding Policy.

2.7 Company shall make available to Consumers a toll-free Customer Service telephone number to address any post-order inquiries concerning all Prepaid Calling Cards, and shall Clearly and Conspicuously disclose to Consumers the telephone number in all materials accompanying the Prepaid Calling Cards.

2.8 Beginning no later than thirty (30) days after the Effective Date, Company shall make available through the toll-free Customer Service telephone number all information concerning any charges and deductions referenced in Section 2.4, and the Billing Decrement Rounding Policy.

3. COSTS

3.1 On or before the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in this Investigation ("Costs Payment").

3.2 All payments made in satisfaction of the Costs Payment shall be made by a certified or cashier's check payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

3.3 Upon making the Costs Payment, Company shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent

interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

4. GENERAL PROVISIONS

4.1 This Settlement Agreement is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Settlement Agreement.

4.2 This Settlement Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State except to the extent that this Settlement Agreement is inconsistent with any Federal laws that may conflict with and take precedence over State law. Compliance with the requirements of a State or Federal law or regulation shall not constitute a violation of this Settlement Agreement.

4.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Settlement Agreement and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Settlement Agreement.

4.4 This Settlement Agreement contains the entire agreement among the Parties. Except as otherwise provided herein, this Settlement Agreement shall be modified only by a written instrument signed by or on behalf of the Parties.

4.5 Except as otherwise explicitly provided in this Settlement Agreement, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

4.6 If any portion of this Settlement Agreement is held invalid or unenforceable by operation of law, the remaining terms of this Settlement Agreement shall not be affected.

4.7 This Settlement Agreement shall be binding upon the Parties and their successors. In no event shall assignment of any right, power or authority under this Settlement Agreement be used to avoid compliance with this Settlement Agreement.

4.8 This Settlement Agreement is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Company; and (b) an admission by Company that any of its acts or practices described in or prohibited by this Settlement Agreement are unfair or deceptive or violate the CFA and/or the CFA Regulations. Neither the existence of, nor the terms of this Settlement Agreement, shall be deemed to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Settlement Agreement; or (b) any action or proceeding involving a Released Claim (as defined in Section 6.1) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

4.9 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Settlement Agreement.

5. REPRESENTATIONS AND WARRANTIES

5.1 Company represents that on December 1, 2008, STi Prepaid, LLC acquired substantially all of the operating assets formerly used by CVT Prepaid Solutions to engage in the sale of Prepaid Calling Cards.

5.2 Company represents that CVT itself no longer engages in the sale of Prepaid Calling Cards.

6. RELEASE

6.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Settlement Agreement and conditioned on Company making the Costs Payment in the manner specified in Section 3 the Division hereby agrees to release Company from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Company for violations of the CFA and/or the CFA Regulations, as well as the matters addressed in this Settlement Agreement (the "Released Claims").

6.2 Notwithstanding any term of this Settlement Agreement, the following do not comprise Released Claims: (a) Private rights of action; (b) actions to enforce this Settlement Agreement; and (c) any claims against Company by any other entity or subdivision of the State.

7. COMPLIANCE WITH ALL LAWS

7.1 Except as provided in this Settlement Agreement, no provision herein shall be construed as:

- (a) Relieving Company of its obligation to comply with all State and Federal laws, regulations, or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Company pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Company may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process

employed by the Division to obtain such information, documents or testimony.

8. NOTICES UNDER THIS SETTLEMENT AGREEMENT

8.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Company pursuant to this Settlement Agreement shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

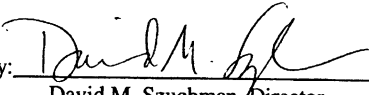
For the Division:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Company:

Steven Menaker, Esq.
Chasan Leyner & Lamparello, P.C.
300 Harmon Meadow Blvd.
Secaucus, New Jersey 07094

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
David M. Szuchman, Director
Division of Consumer Affairs

Dated: 3/6, 2009

FOR THE DIVISION:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: Jeffrey Koziar
Jeffrey Koziar
Deputy Attorney General

Dated: 3/4, 2009

124 Halsey Street - 5th Floor
Post Office Box 45029
Newark, New Jersey 07101
(973) 648-7819

FOR THE COMPANY:

CHASAN LEYNER & LAMPARELO, P.C.

By: _____
Steven Menaker, Esq.
300 Harmon Meadow Blvd.
Secuacus, New Jersey 07094

Dated: _____, 2009

CVT PREPAID SOLUTIONS

By: Robert H. Book
[Name Robert H. Book
Title] authorized Representative

Dated: 2-27, 2009

Name: Robert H. Book
(Printed)

Exhibit 5

FILED

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Division of Consumer Affairs

SETTLEMENT AGREEMENT

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1 et seq. ("CFA Regulations"), have been or are being committed by Dollar Phone Enterprise, Inc., d/b/a Dollar Phone Corp.; Dollar Phone Access, Inc.; Dollar Phone Services, Inc., ("Dollar Phone Enterprise"), a corporation established in the State of New York, with a principal place of business at 232 Broadway, Brooklyn, New York 11211 and its owners, officers, directors, managers, employees, representatives, agents, subsidiaries, successors and assigns (collectively, "Company") (hereinafter referred to as the "Investigation").

WHEREAS the Division and Company (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Company having voluntarily cooperated with the Investigation and consented to the terms of this Settlement Agreement without having admitted any violation of law or finding of fact, and for good cause shown:

IT IS on this 25th day of November, 2008 **AGREED** as follows:

EFFECTIVE DATE

This Settlement Agreement shall be effective on the date that it is executed by the Parties ("Effective Date"), provided, however, that Sections 2.4 and 2.5 of the Settlement Agreement shall become effective on the date P.L. 2007, Chapter 293 becomes effective.

1. DEFINITIONS

As used in this Settlement Agreement, the following words or terms shall have the following meanings:

1.1 "Advertisement" shall mean any attempt, whether a written, oral or electronic statement, illustration or depiction directly or indirectly to induce the purchase of goods or services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television, cable television, program-length commercial or "infomercial" or any other medium. This definition applies to other forms of the word "Advertisement" including, without limitation, "Advertise" or "Advertising." For purposes of the Advertising Regulations, "Advertisement" shall be defined in accordance with N.J.A.C. 13:45A-9.1.

1.2 "Advertising Regulations" shall refer to the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq.

1.3 "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

1.4 "Billing Decrement Rounding Policy" shall refer to the Company's policy for deducting the partial minutes used on a Prepaid Calling Card.

1.5 "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, is presented in such type, size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

1.6 "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

1.7 "Government fees" means and includes any and all fees, taxes and charges assessed pursuant to State or federal law, regulation or other mandate or requirement, including universal service fees and charges.

1.8 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and shall include Prepaid Calling Cards and rechargeable calling cards, through which Prepaid Calling Card Service is obtained through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey.

1.9 "Payphone surcharge" means the surcharge that a Provider may charge a Consumer when that Consumer places a call with a card from a payphone using a toll-free access number. The payphone surcharge shall be deducted from a card's balance.

1.10 "Permitted fee" means fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any Payphone Surcharge, any recharge convenience fee, any directory assistance fee and any Government Fees.

1.11 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

1.12 "PIN" shall refer to Personal Identification Number.

1.13 "Prepaid Calling Card" or "Card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a Prepaid Calling Service through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey. Such rights of use may be

embodied on a card or other physical object or may be purchased by an electronic or telephonic means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object.

1.14 "Prepaid Calling Card Distributor" or "Distributor" means and includes: (1) any company that purchases or receives Prepaid Calling Cards from a Prepaid Service Provider or Distributor and sells or distributes those cards to one or more Distributor or to one or more Prepaid Calling Card retailers; and (2) any company that otherwise actively engages in the promotion, advertising or dissemination of Prepaid Calling Cards and which is not a Provider.

1.15 "Prepaid Calling Service" or "Service" means any prepaid telecommunications service that allows Consumers to originate calls through a New Jersey local access number, or through a toll-free access number that Company distributes for sale and/or sells in New Jersey, and authorization code, whether manually or electronically dialed.

1.16 "Prepaid Calling Service Provider" or "Provider" means any company, providing Prepaid Calling Service to the public using its own, or a resold telecommunications network, or voice over Internet technology.

1.17 "Rate Deck" shall refer to the rates charged by Prepaid Calling Service Providers for Prepaid Calling Service to particular locations.

1.18 "State" shall refer to the State of New Jersey.

2. BUSINESS PRACTICES

2.1 Company shall comply with such State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended, which are applicable to all future sales and

marketing of Merchandise by or on behalf of Company including, but not limited to, the CFA and the Regulations.

2.2 Company shall ensure that all minutes or rates, or both, Advertised on any Prepaid Calling Card, any point of sale material relating to that Card or otherwise relating to any Prepaid Calling Service, shall be available and achievable by the Consumer and there shall be no limitations on the period of time for which the Advertised minutes, or rates, or both, will be available to the Consumer unless those limitations are Clearly and Conspicuously disclosed in the same location on the card, Advertising or point of sale material where the minutes or rates, or both are Advertised.

2.3 Company shall ensure that all Service minutes promoted, Advertised or disclosed on any voice prompts given to a Consumer at the time the Consumer places a call with Company's Prepaid Calling Cards shall be immediately available and achievable by the Consumer on that call. The Consumer shall not be charged for any busy signal or unanswered call.

2.4 Company may not charge, apply or deduct from a Prepaid Calling Card's balance any fees, taxes, surcharges or other amounts for use of the Card except: (1) the rate per minute for the particular destination called; (2) any Permitted Fees; and (3) any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers.

2.5 Company shall Clearly and Conspicuously disclose all Permitted Fees, as well as any other fees and surcharges, on its Prepaid Calling Cards and/or packaging materials and on its Advertisements.

2.6 Company's Prepaid Calling Cards or packaging materials shall Clearly and Conspicuously disclose the Billing Decrement Rounding Policy.

2.7 Company shall make available to Consumers a toll-free Customer Service telephone number to address any post-order inquiries concerning all Prepaid Calling Cards, and shall Clearly and Conspicuously disclose to Consumers the telephone number in all materials accompanying the Prepaid Calling Cards.

2.8 Beginning no later than thirty (30) days after the Effective Date, Company shall make available through the toll-free Customer Service telephone number all information concerning any charges and deductions referenced in Section 2.4, and the Billing Decrement Rounding Policy.

3. FUTURE COMPLIANCE

3.1 For a period of three (3) years from the Effective Date, Company agrees to maintain and preserve the following documents, and provide or make these documents available to the Division within fifteen (15) days of receiving a written request: (a) copies of all Prepaid Calling Cards, Card Packaging and Advertisements (including point-of-sale Advertisements) issued, published or distributed by Company; (b) detailed Rate Decks for all of Company's Prepaid Calling Cards, including detailed breakdowns of all rates, charges and fees applicable for calls to all destinations on the Rate Deck, and all records showing all modifications made to the Rate Decks while this Settlement Agreement is in effect; (c) records of Company's Prepaid Calling Card platform settings showing whether voice prompts announcing call duration have been set to correspond with actual call duration; (d) the following call detail information: the dialing and signaling information that identifies the inbound access telephone number called, the number of the originating telephone, the date and time the call originated, the date and time the call terminated; the called telephone number and the PIN and/or account number associated with the call; (e) PIN

decrement records and (f) written records of any and all Consumer complaints and inquiries received by live customer service operators.

3.2 The Division's requests for call detail records shall identify specific PINs or a reasonable sampling of documents.

3.3 Company shall provide to the Division all other documents and information requested in writing by the Division, on reasonable notice, that would assist the Division in monitoring the compliance requirements set forth in the Settlement Agreement.

4. COSTS AND FUTURE COMPLIANCE PAYMENTS

4.1 On or before the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in this Investigation ("Costs Payment").

4.2 On or before the first, second and third anniversary of the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in monitoring and auditing future compliance with the Settlement Agreement ("Future Compliance Payments").

4.3 All payments made in satisfaction of the Costs Payment and Future Compliance Payments shall be made by a certified or cashier's check payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029

Newark, New Jersey 07101

4.4 Upon making the Costs Payment and Future Compliance Payments, Company shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

5. GENERAL PROVISIONS

5.1 This Settlement Agreement is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Settlement Agreement.

5.2 This Settlement Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State except to the extent that this Settlement Agreement is inconsistent with any Federal laws that may conflict with and take precedence over State law. Compliance with the requirements of a State or Federal law or regulation shall not constitute a violation of this Settlement Agreement.

5.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Settlement Agreement and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Settlement Agreement.

5.4 This Settlement Agreement contains the entire agreement among the Parties. Except as otherwise provided herein, this Settlement Agreement shall be modified only by a written instrument signed by or on behalf of the Parties.

5.5 Except as otherwise explicitly provided in this Settlement Agreement, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

5.6 If any portion of this Settlement Agreement is held invalid or unenforceable by operation of law, the remaining terms of this Settlement Agreement shall not be affected.

5.7 This Settlement Agreement shall be binding upon the Parties and their successors. In no event shall assignment of any right, power or authority under this Settlement Agreement be used to avoid compliance with this Settlement Agreement.

5.8 This Settlement Agreement is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Company; and (b) an admission by Company that any of its acts or practices described in or prohibited by this Settlement Agreement are unfair or deceptive or violate the CFA and/or the CFA Regulations. Neither the existence of, nor the terms of this Settlement Agreement, shall be deemed to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Settlement Agreement; or (b) any action or proceeding involving a Released Claim (as defined in Section 6.1) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

5.9 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Settlement Agreement.

6. RELEASE

6.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Settlement Agreement and conditioned on Company making the Costs Payment and Future Compliance Payments in the manner specified in Section 4 the Division hereby agrees to release Company from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Company for violations of the CFA and/or the CFA Regulations, as well as the matters addressed in this Settlement Agreement (the "Released Claims").

6.2 Notwithstanding any term of this Settlement Agreement, the following do not comprise Released Claims: (a) Private rights of action; (b) actions to enforce this Settlement Agreement; and (c) any claims against Company by any other entity or subdivision of the State.

7. COMPLIANCE WITH ALL LAWS

7.1 Except as provided in this Settlement Agreement, no provision herein shall be construed as:

- (a) Relieving Company of its obligation to comply with all State and Federal laws, regulations, or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Company pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Company may otherwise have

pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

8. NOTICES UNDER THIS SETTLEMENT AGREEMENT

8.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Company pursuant to this Settlement Agreement shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

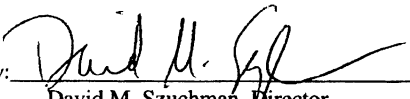
For the Division:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Company:

Mary Ellen Callahan, Esq.
Hogan & Hartson, L.L.P.
Columbia Square
555 Thirteenth Street
Washington, D.C. 20004

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
David M. Szuchman, Director
Division of Consumer Affairs

Dated: 11/25, 2008

FOR THE DIVISION:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: Jeffrey Koziar
Jeffrey Koziar
Deputy Attorney General

Dated: November 10, 2008

124 Halsey Street - 5th Floor
Post Office Box 45029
Newark, New Jersey 07101
(973) 648-7819

FOR THE COMPANY:

HOGAN & HARTSON, L.L.P.

By: Mary Ellen Callahan
Mary Ellen Callahan, Esq.
Columbia Square
555 Thirteenth Street
Washington, D.C. 20004
(202) 637-6406

Dated: October 31, 2008

DOLLAR PHONE ENTERPRISE, Inc.

By: A. Dwyer
[Name
Title]

Dated: October 31, 2008

Name: Abraham Greenfield, President
(Printed)

Exhibit 6

FILED

DEC 10 2008

Division of Consumer Affairs

SETTLEMENT AGREEMENT

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1 et seq. ("CFA Regulations"), have been or are being committed by Epana Networks, Inc. ("Epana Networks"), a corporation established in the state of Delaware, with a principal place of business at 1250 Broadway, 30th floor, New York, NY 10001, and its owners, officers, directors, managers, employees, representatives, agents, subsidiaries, successors and assigns (collectively, "Company") (hereinafter referred to as the "Investigation").

WHEREAS the Division and Company (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Company having voluntarily cooperated with the Investigation and consented to the terms of this Settlement Agreement without having admitted any violation of law or finding of fact, and for good cause shown:

IT IS on this 10th day of December, 2008 **AGREED** as follows:

EFFECTIVE DATE

This Settlement Agreement shall be effective on the date that it is executed by the Parties ("Effective Date"), provided, however, that Sections 2.4 and 2.5 of the Settlement Agreement shall become effective on the date P.L. 2007, Chapter 293 becomes effective.

1. DEFINITIONS

As used in this Settlement Agreement, the following words or terms shall have the following meanings:

1.1 “Advertisement” shall mean any attempt, whether a written, oral or electronic statement, illustration or depiction directly or indirectly to induce the purchase of goods or services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television, cable television, program-length commercial or “infomercial” or any other medium. This definition applies to other forms of the word “Advertisement” including, without limitation, “Advertise” or “Advertising.” For purposes of the Advertising Regulations, “Advertisement” shall be defined in accordance with N.J.A.C. 13:45A-9.1.

1.2 “Advertising Regulations” shall refer to the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq.

1.3 “Attorney General” shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

1.4 “Billing Decrement Rounding Policy” shall refer to the Company’s policy for deducting the partial minutes used on a Prepaid Calling Card.

1.5 “Clear and Conspicuous” or “Clearly and Conspicuously” shall mean a statement that, regardless of the medium in which it is made, is presented in such type, size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

1.6 "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

1.7 "Government fees" means and includes any and all fees, taxes and charges assessed pursuant to State or federal law, regulation or other mandate or requirement, including universal service fees and charges.

1.8 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and shall include Prepaid Calling Cards and rechargeable calling cards, through which Prepaid Calling Service is obtained through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey.

1.9 "Payphone surcharge" means the surcharge that a Provider may charge a Consumer when that Consumer places a call with a card from a payphone using a toll-free access number. The payphone surcharge shall be deducted from a card's balance.

1.10 "Permitted fee" means fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any Payphone Surcharge, any recharge convenience fee, any directory assistance fee and any Government Fees.

1.11 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

1.12 "PIN" shall refer to Personal Identification Number.

1.13 "Prepaid Calling Card" or "Card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a Prepaid Calling Service through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey. Such rights of use may be

embodied on a card or other physical object or may be purchased by an electronic or telephonic means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object.

1.14 "Prepaid Calling Card Distributor" or "Distributor" means and includes: (1) any company that purchases or receives Prepaid Calling Cards from a Prepaid Service Provider or Distributor and sells or distributes those cards to one or more Distributor or to one or more Prepaid Calling Card retailers; and (2) any company that otherwise actively engages in the promotion, advertising or dissemination of Prepaid Calling Cards and which is not a Provider.

1.15 "Prepaid Calling Service" or "Service" means any prepaid telecommunications service that allows Consumers to originate calls through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey, and authorization code, whether manually or electronically dialed.

1.16 "Prepaid Calling Service Provider" or "Provider" means any company, providing Prepaid Calling Service to the public using its own, or a resold telecommunications network, or voice over Internet technology.

1.17 "Rate Deck" shall refer to the rates charged by Prepaid Calling Service Providers for Prepaid Calling Service to particular locations.

1.18 "State" shall refer to the State of New Jersey.

2. BUSINESS PRACTICES

2.1 Company shall comply with such State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended, which are applicable to all future sales and

marketing of Merchandise by or on behalf of Company including, but not limited to, the CFA and the Regulations.

2.2 Company shall ensure that all minutes or rates, or both, Advertised on any Prepaid Calling Card, any point of sale material relating to that Card or otherwise relating to any Prepaid Calling Service, shall be available and achievable by the Consumer and there shall be no limitations on the period of time for which the Advertised minutes, or rates, or both, will be available to the Consumer unless those limitations are Clearly and Conspicuously disclosed in the same location on the card, Advertising or point of sale material where the minutes or rates, or both are Advertised.

2.3 Company shall ensure that all Service minutes promoted, Advertised or disclosed on any voice prompts given to a Consumer at the time the Consumer places a call with Company's Prepaid Calling Cards shall be immediately available and achievable by the Consumer on that call. The Consumer shall not be charged for any busy signal or unanswered call.

2.4 Company may not charge, apply or deduct from a Prepaid Calling Card's balance any fees, taxes, surcharges or other amounts for use of the Card except: (1) the rate per minute for the particular destination called; (2) any Permitted Fees; and (3) any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers.

2.5 Company shall Clearly and Conspicuously disclose all Permitted Fees, as well as any other fees and surcharges, on its Prepaid Calling Cards and/or packaging materials and on its Advertisements.

2.6 Company's Prepaid Calling Cards or packaging materials shall Clearly and Conspicuously disclose the Billing Decrement Rounding Policy.

2.7 Company shall make available to Consumers a toll-free Customer Service telephone number to address any post-order inquiries concerning all Prepaid Calling Cards, and shall Clearly and Conspicuously disclose to Consumers the telephone number in all materials accompanying the Prepaid Calling Cards.

2.8 Beginning no later than thirty (30) days after the Effective Date, Company shall make available through the toll-free Customer Service telephone number all information concerning any charges and deductions referenced in Section 2.4, and the Billing Decrement Rounding Policy.

3. FUTURE COMPLIANCE

3.1 For a period of three (3) years from the Effective Date, Company agrees to maintain and preserve the following documents, and provide or make these documents available to the Division within fifteen (15) days of receiving a written request: (a) copies of all Prepaid Calling Cards, Card Packaging and Advertisements (including point-of-sale Advertisements) issued, published or distributed by Company; (b) detailed Rate Decks for all of Company's Prepaid Calling Cards, including detailed breakdowns of all rates, charges and fees applicable for calls to all destinations on the Rate Deck, and all records showing all modifications made to the Rate Decks while this Settlement Agreement is in effect; (c) records of Company's Prepaid Calling Card platform settings showing whether voice prompts announcing call duration have been set to correspond with actual call duration; (d) the following call detail information: the dialing and signaling information that identifies the inbound access telephone number called, the number of the originating telephone, the date and time the call originated, the date and time the call terminated; the called telephone number and the PIN and/or account number associated with the call; (e) PIN

decrement records and (f) written records of any and all Consumer complaints and inquiries received by live customer service operators.

3.2 The Division's requests for call detail records shall identify specific PINs or a reasonable sampling of documents.

3.3 Company shall provide to the Division all other documents and information requested in writing by the Division, on reasonable notice, that would assist the Division in monitoring the compliance requirements set forth in the Settlement Agreement.

4. COSTS AND FUTURE COMPLIANCE PAYMENTS

4.1 On or before the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in this Investigation ("Costs Payment").

4.2 On or before the first, second and third anniversary of the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in monitoring and auditing future compliance with the Settlement Agreement ("Future Compliance Payments").

4.3 All payments made in satisfaction of the Costs Payment and Future Compliance Payments shall be made by a certified or cashier's check payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029

Newark, New Jersey 07101

4.4 Upon making the Costs Payment and Future Compliance Payments, Company shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

5. GENERAL PROVISIONS

5.1 This Settlement Agreement is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Settlement Agreement.

5.2 This Settlement Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State except to the extent that this Settlement Agreement is inconsistent with any Federal laws that may conflict with and take precedence over State law. Compliance with the requirements of a State or Federal law or regulation shall not constitute a violation of this Settlement Agreement.

5.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Settlement Agreement and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Settlement Agreement.

5.4 This Settlement Agreement contains the entire agreement among the Parties. Except as otherwise provided herein, this Settlement Agreement shall be modified only by a written instrument signed by or on behalf of the Parties.

5.5 Except as otherwise explicitly provided in this Settlement Agreement, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

5.6 If any portion of this Settlement Agreement is held invalid or unenforceable by operation of law, the remaining terms of this Settlement Agreement shall not be affected.

5.7 This Settlement Agreement shall be binding upon the Parties and their successors. In no event shall assignment of any right, power or authority under this Settlement Agreement be used to avoid compliance with this Settlement Agreement.

5.8 This Settlement Agreement is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Company; and (b) an admission by Company that any of its acts or practices described in or prohibited by this Settlement Agreement are unfair or deceptive or violate the CFA and/or the CFA Regulations. Neither the existence of, nor the terms of this Settlement Agreement, shall be deemed to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Settlement Agreement; or (b) any action or proceeding involving a Released Claim (as defined in Section 6.1) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

5.9 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Settlement Agreement.

6. RELEASE

6.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Settlement Agreement and conditioned on Company making the Costs Payment and Future Compliance Payments in the manner specified in Section 4 the Division hereby agrees to release Company from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Company for violations of the CFA and/or the CFA Regulations, as well as the matters addressed in this Settlement Agreement (the "Released Claims").

6.2 Notwithstanding any term of this Settlement Agreement, the following do not comprise Released Claims: (a) Private rights of action; (b) actions to enforce this Settlement Agreement; and (c) any claims against Company by any other entity or subdivision of the State.

7. COMPLIANCE WITH ALL LAWS

7.1 Except as provided in this Settlement Agreement, no provision herein shall be construed as:

- (a) Relieving Company of its obligation to comply with all State and Federal laws, regulations, or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Company pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Company may otherwise have

pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

8. NOTICES UNDER THIS SETTLEMENT AGREEMENT

8.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Company pursuant to this Settlement Agreement shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

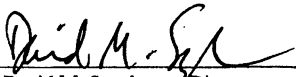
For the Division:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Company:

David J. Saenz, Esq.
Greenberg Traurig, L.L.P.
Met Life Building
200 Park Avenue
New York, NY 10166

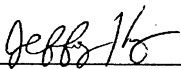
ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
David M. Szuchman, Director
Division of Consumer Affairs

Dated: 12/10, 2008

FOR THE DIVISION:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

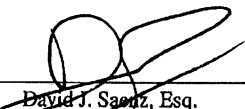
By: 
Jeffrey Koziar
Deputy Attorney General

Dated: 12/5, 2008

124 Halsey Street - 5th Floor
Post Office Box 45029
Newark, New Jersey 07101
(973) 648-7819

FOR THE COMPANY:

GREENBERG TRAURIG, L.L.P.

By: 
David J. Saenz, Esq.
Met Life Building
200 Park Avenue
New York, NY 10166

Dated: 12/5, 2008

EPANA NETWORKS

By: John Prinner
[Name] JOHN PRINNER
[Title] PRESIDENT • CEO

Dated: 12/5/2008, 2008

Name: JOHN PRINNER
(Printed)

Exhibit 7

FILED

MAR 18 2009

SETTLEMENT AGREEMENT

Division of Consumer Affairs

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1 et seq. ("CFA Regulations"), have been or are being committed by IDT Corporation ("IDT"), a corporation established in the state of Delaware, with a principal place of business at 520 Broad Street, Newark, New Jersey 07102, and its owners, officers, directors, managers, employees, representatives, agents, affiliates, subsidiaries, successors and assigns (collectively, "Company") (hereinafter referred to as the "Investigation").

WHEREAS the Division and Company (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Company having voluntarily cooperated with the Investigation and consented to the terms of this Settlement Agreement without having admitted any violation of law or finding of fact, and for good cause shown:

IT IS on this 18th day of MARCH, 2009 AGREED as follows:

EFFECTIVE DATE

This Settlement Agreement shall be effective on the date that it is executed by the Parties ("Effective Date").

1. DEFINITIONS

As used in this Settlement Agreement, the following words or terms shall have the following meanings:

1.1 "Advertisement" shall mean any attempt, whether a written, oral or electronic statement, illustration or depiction directly or indirectly to induce the purchase of goods or services,

whether the statement appears in a brochure, newspaper, magazine, free-standing insert, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television, cable television, program-length commercial or “infomercial” or any other medium. This definition applies to other forms of the word “Advertisement” including, without limitation, “Advertise” or “Advertising.” For purposes of the Advertising Regulations, “Advertisement” shall be defined in accordance with N.J.A.C. 13:45A-9.1.

1.2 “Advertising Regulations” shall refer to the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq.

1.3 “Attorney General” shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

1.4 “Billing Decrement Rounding Policy” shall refer to the Company’s policy for deducting the partial minutes used on a Prepaid Calling Card.

1.5 “Clear and Conspicuous” or “Clearly and Conspicuously” shall mean a statement that, regardless of the medium in which it is made, is presented in such type, size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

1.6 “Consumer” shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

1.7 "Government fees" means and includes any and all fees, taxes and charges assessed pursuant to State or federal law, regulation or other mandate or requirement, including universal service fees and charges.

1.8 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and shall include Prepaid Calling Cards and rechargeable calling cards , through which Prepaid Calling Service is obtained through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey.

1.9 "Payphone surcharge" means the surcharge that a Provider may charge a Consumer when that Consumer places a call with a card from a payphone using a toll-free access number. The payphone surcharge shall be deducted from a card's balance.

1.10 "Permitted fee" means fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any Payphone Surcharge, any recharge convenience fee, any directory assistance fee and any Government Fees.

1.11 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

1.12 "PIN" shall refer to Personal Identification Number associated with a particular Card.

1.13 "Prepaid Calling Card" or "Card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a Prepaid Calling Service through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey. Such rights of use may be embodied on a card or other physical object or may be purchased by an electronic or telephonic

means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object.

1.14 "Prepaid Calling Card Distributor" or "Distributor" means and includes: (1) any company that purchases or receives Prepaid Calling Cards from a Prepaid Service Provider or Distributor and sells or distributes those cards to one or more Distributor or to one or more Prepaid Calling Card retailers; and (2) any company that otherwise actively engages in the promotion, advertising or dissemination of Prepaid Calling Cards and which is not a Provider.

1.15 "Prepaid Calling Service" or "Service" means any prepaid telecommunications service that allows Consumers to originate calls through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey, and authorization code, whether manually or electronically dialed.

1.16 "Prepaid Calling Service Provider" or "Provider" means any company, providing Prepaid Calling Service to the public using its own, or a resold telecommunications network, or voice over Internet, technology.

1.17 "Rate Deck" shall refer to the rates charged by Prepaid Calling Service Providers for Prepaid Calling Service to particular locations.

1.18 "State" shall refer to the State of New Jersey.

2. BUSINESS PRACTICES

2.1 Company shall comply with such State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended, which are applicable to all future sales and marketing of Merchandise by or on behalf of Company including, but not limited to, the CFA and the Regulations.

2.2 Company shall ensure that all minutes or rates, or both, Advertised on any Prepaid Calling Card, any point of sale material relating to that Card or otherwise relating to any Prepaid Calling Service, shall be available and achievable by the Consumer and there shall be no limitations on the period of time for which the Advertised minutes, or rates, or both, will be available to the Consumer unless those limitations are Clearly and Conspicuously disclosed in the same location on the card, Advertising or point of sale material where the minutes or rates, or both are Advertised.

2.3 Company shall ensure that all Service minutes promoted, Advertised or disclosed on any voice prompts given to a Consumer at the time the Consumer places a call with Company's Prepaid Calling Cards shall be immediately available and achievable by the Consumer on that call. The Consumer shall not be charged for any busy signal or unanswered call.

2.4 Company may not charge, apply or deduct from a Prepaid Calling Card's balance any fees, taxes, surcharges or other amounts for use of the Card except: (1) the rate per minute for the particular destination called; (2) any Permitted Fees; and (3) any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers.

2.5 Company shall Clearly and Conspicuously disclose all Permitted Fees, as well as any other fees and surcharges, on its Prepaid Calling Cards and/or packaging materials and on its Advertisements.

2.6 Company's Prepaid Calling Cards or packaging materials shall Clearly and Conspicuously disclose the Billing Decrement Rounding Policy.

2.7 Company shall make available to Consumers a toll-free Customer Service telephone number to address any post-order inquiries concerning all Prepaid Calling Cards, and shall Clearly

and Conspicuously disclose to Consumers the telephone number in all materials accompanying the Prepaid Calling Cards.

2.8 Beginning no later than thirty (30) days after the Effective Date, Company shall make available through the toll-free Customer Service telephone number all information concerning any charges and deductions referenced in Section 2.4, and the Billing Decrement Rounding Policy.

3. FUTURE COMPLIANCE

3.1 For a period of three (3) years from the Effective Date, Company agrees to maintain and preserve the following documents, and provide or make these documents available to the Division within fifteen (15) days of receiving a written request: (a) copies of all Prepaid Calling Cards, Card Packaging and Card Advertisements (including point-of-sale Advertisements) issued, published or distributed by Company; (b) detailed Rate Decks for all of Company's Prepaid Calling Cards, including detailed breakdowns of all rates, charges and fees applicable for calls to all destinations on the Rate Deck, and all records showing all modifications made to the Rate Decks while this Settlement Agreement is in effect; (c) records of Company's Prepaid Calling Card platform settings showing whether voice prompts announcing call duration have been set to correspond with actual call duration; (d) the following call detail information: the dialing and signaling information that identifies the inbound access telephone number called, the number of the originating telephone, the date and time the call originated, the date and time the call terminated; the called telephone number and the PIN and/or account number associated with the call; (e) PIN decrement records and (f) written records of any and all Consumer complaints and inquiries received by live customer service operators.

3.2 The Division's requests for call detail records shall identify specific PINs or a reasonable sampling of documents.

3.3 Company shall provide to the Division all other documents and information requested in writing by the Division, on reasonable notice, that would assist the Division in monitoring the compliance requirements set forth in the Settlement Agreement.

4. COSTS AND FUTURE COMPLIANCE PAYMENTS

4.1 On or before the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in this Investigation ("Costs Payment").

4.2 On or before the first, second and third anniversary of the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in monitoring and auditing future compliance with the Settlement Agreement ("Future Compliance Payments").

4.3 All payments made in satisfaction of the Costs Payment and Future Compliance Payments shall be made by a certified or cashier's check payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

4.4 Upon making the Costs Payment and Future Compliance Payments, Company shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

5. GENERAL PROVISIONS

5.1 This Settlement Agreement is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Settlement Agreement.

5.2 This Settlement Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State except to the extent that this Settlement Agreement is inconsistent with any Federal laws that may conflict with and take precedence over State law. Compliance with the requirements of a State or Federal law or regulation shall not constitute a violation of this Settlement Agreement.

5.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Settlement Agreement and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Settlement Agreement.

5.4 This Settlement Agreement contains the entire agreement among the Parties. Except as otherwise provided herein, this Settlement Agreement shall be modified only by a written instrument signed by or on behalf of the Parties.

5.5 Except as otherwise explicitly provided in this Settlement Agreement, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

5.6 If any portion of this Settlement Agreement is held invalid or unenforceable by operation of law, the remaining terms of this Settlement Agreement shall not be affected.

5.7 This Settlement Agreement shall be binding upon the Parties and their successors. In no event shall assignment of any right, power or authority under this Settlement Agreement be used to avoid compliance with this Settlement Agreement.

5.8 This Settlement Agreement is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Company; and (b) an admission by Company that any of its acts or practices are unfair or deceptive or violate the CFA and/or the CFA Regulations. Neither the existence of, nor the terms of this Settlement Agreement, shall be deemed to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Settlement Agreement; or (b) any action or proceeding involving a Released Claim (as defined in Section 6.1) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

5.9 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Settlement Agreement.

6. RELEASE

6.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Settlement Agreement and conditioned on Company making the Costs Payment

and Future Compliance Payments in the manner specified in Section 4, the Division hereby agrees to release Company from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Company for violations of the CFA and/or the CFA Regulations, as well as the matters addressed in this Settlement Agreement (the "Released Claims").

6.2 Notwithstanding any term of this Settlement Agreement, the following do not comprise Released Claims: (a) Private rights of action; (b) actions to enforce this Settlement Agreement; and (c) any claims against Company by any other entity or subdivision of the State.

7. COMPLIANCE WITH ALL LAWS

7.1 Except as provided in this Settlement Agreement, no provision herein shall be construed as:

- (a) Relieving Company of its obligation to comply with all State and Federal laws, regulations, or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Company pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Company may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

8. NOTICES UNDER THIS SETTLEMENT AGREEMENT

8.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Company pursuant to this Settlement Agreement shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service

that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

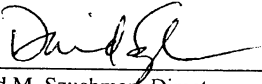
For the Division:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Company:

Chief Legal Officer
IDT Corp.
520 Broad Street
Newark, NJ 07102


ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
David M. Szuchman, Director
Division of Consumer Affairs

Dated: 3/18, 2009

FOR THE DIVISION:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

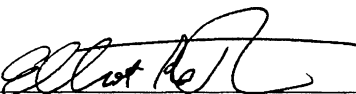
By: 
Jeffrey Koziar
Deputy Attorney General

Dated: March 16, 2009

124 Halsey Street - 5th Floor
Post Office Box 45029
Newark, New Jersey 07101
(973) 648-7819

FOR THE COMPANY:

IDT CORPORATION

By: 
Elliot Rothstein, Esq.
Chief Legal Officer

Dated: MAR 4, 2009

Name: ELLIOT ROTHSTEIN
(Printed)

REVIEWED BY LEGAL DEPT.	
Date 3/4/09	Initial MER

Exhibit 8

SETTLEMENT AGREEMENT

FILED

FEB 04 2009

Division of Consumer Affairs

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1 et seq. ("CFA Regulations"), have been or are being committed by Locus Telecommunications, Inc. ("Locus Telecommunications"), a corporation established in the state of New Jersey, with a principal place of business at 111 Sylvan Avenue, Englewood Cliffs, New Jersey 07632 and its owners, officers, directors, managers, employees, representatives, agents, subsidiaries, successors and assigns (collectively, "Company") (hereinafter referred to as the "Investigation").

WHEREAS the Division and Company (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Company having voluntarily cooperated with the Investigation and consented to the terms of this Settlement Agreement without having admitted any violation of law or finding of fact, and for good cause shown:

IT IS on this 4th day of February, 2009 **AGREED** as follows:

EFFECTIVE DATE

This Settlement Agreement shall be effective on the date that it is executed by the Parties ("Effective Date"), provided, however, that Sections 2.4 and 2.5 of the Settlement Agreement shall become effective on the date P.L. 2007, Chapter 293 becomes effective.

1. DEFINITIONS

As used in this Settlement Agreement, the following words or terms shall have the following meanings:

1.1 "Advertisement" shall mean any attempt, whether a written, oral or electronic statement, illustration or depiction directly or indirectly to induce the purchase of goods or services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television, cable television, program-length commercial or "infomercial" or any other medium. This definition applies to other forms of the word "Advertisement" including, without limitation, "Advertise" or "Advertising." For purposes of the Advertising Regulations, "Advertisement" shall be defined in accordance with N.J.A.C. 13:45A-9.1.

1.2 "Advertising Regulations" shall refer to the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq.

1.3 "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

1.4 "Billing Decrement Rounding Policy" shall refer to the Company's policy for deducting the partial minutes used on a Prepaid Calling Card.

1.5 "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, is presented in such type, size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

1.6 "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

1.7 "Government fees" means and includes any and all fees, taxes and charges assessed pursuant to State or federal law, regulation or other mandate or requirement, including universal service fees and charges.

1.8 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and shall include Prepaid Calling Cards and rechargeable calling cards, through which Prepaid Calling Service is obtained through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey.

1.9 "Payphone surcharge" means the surcharge that a Provider may charge a Consumer when that Consumer places a call with a card from a payphone using a toll-free access number. The payphone surcharge shall be deducted from a card's balance.

1.10 "Permitted fee" means fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any Payphone Surcharge, any recharge convenience fee, any directory assistance fee and any Government Fees.

1.11 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

1.12 "PIN" shall refer to Personal Identification Number.

1.13 "Prepaid Calling Card" or "Card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a Prepaid Calling Service through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey. Such rights of use may be

embodied on a card or other physical object or may be purchased by an electronic or telephonic means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object.

1.14 "Prepaid Calling Card Distributor" or "Distributor" means and includes: (1) any company that purchases or receives Prepaid Calling Cards from a Prepaid Service Provider or Distributor and sells or distributes those cards to one or more Distributor or to one or more Prepaid Calling Card retailers; and (2) any company that otherwise actively engages in the promotion, advertising or dissemination of Prepaid Calling Cards and which is not a Provider.

1.15 "Prepaid Calling Service" or "Service" means any prepaid telecommunications service that allows Consumers to originate calls through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey, and authorization code, whether manually or electronically dialed.

1.16 "Prepaid Calling Service Provider" or "Provider" means any company, providing Prepaid Calling Service to the public using its own, or a resold telecommunications network, or voice over Internet technology.

1.17 "Rate Deck" shall refer to the rates charged by Prepaid Calling Service Providers for Prepaid Calling Service to particular locations.

1.18 "State" shall refer to the State of New Jersey.

2. BUSINESS PRACTICES

2.1 Company shall comply with such State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended, which are applicable to all future sales and

marketing of Merchandise by or on behalf of Company including, but not limited to, the CFA and the Regulations.

2.2 Company shall ensure that all minutes or rates, or both, Advertised on any Prepaid Calling Card, any point of sale material relating to that Card or otherwise relating to any Prepaid Calling Service, shall be available and achievable by the Consumer and there shall be no limitations on the period of time for which the Advertised minutes, or rates, or both, will be available to the Consumer unless those limitations are Clearly and Conspicuously disclosed in the same location on the card, Advertising or point of sale material where the minutes or rates, or both are Advertised.

2.3 Company shall ensure that all Service minutes promoted, Advertised or disclosed on any voice prompts given to a Consumer at the time the Consumer places a call with Company's Prepaid Calling Cards shall be immediately available and achievable by the Consumer on that call. The Consumer shall not be charged for any busy signal or unanswered call.

2.4 Company may not charge, apply or deduct from a Prepaid Calling Card's balance any fees, taxes, surcharges or other amounts for use of the Card except: (1) the rate per minute for the particular destination called; (2) any Permitted Fees; and (3) any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers.

2.5 Company shall Clearly and Conspicuously disclose all Permitted Fees, as well as any other fees and surcharges, on its Prepaid Calling Cards and/or packaging materials and on its Advertisements.

2.6 Company's Prepaid Calling Cards or packaging materials shall Clearly and Conspicuously disclose the Billing Decrement Rounding Policy.

2.7 Company shall make available to Consumers a toll-free Customer Service telephone number to address any post-order inquiries concerning all Prepaid Calling Cards, and shall Clearly and Conspicuously disclose to Consumers the telephone number in all materials accompanying the Prepaid Calling Cards.

2.8 Beginning no later than thirty (30) days after the Effective Date, Company shall make available through the toll-free Customer Service telephone number all information concerning any charges and deductions referenced in Section 2.4, and the Billing Decrement Rounding Policy.

3. FUTURE COMPLIANCE

3.1 For a period of three (3) years from the Effective Date, Company agrees to maintain and preserve the following documents, and provide or make these documents available to the Division within fifteen (15) days of receiving a written request: (a) copies of all Prepaid Calling Cards, Card Packaging and Advertisements (including point-of-sale Advertisements) issued, published or distributed by Company; (b) detailed Rate Decks for all of Company's Prepaid Calling Cards, including detailed breakdowns of all rates, charges and fees applicable for calls to all destinations on the Rate Deck, and all records showing all modifications made to the Rate Decks while this Settlement Agreement is in effect; (c) records of Company's Prepaid Calling Card platform settings showing whether voice prompts announcing call duration have been set to correspond with actual call duration; (d) the following call detail information: the dialing and signaling information that identifies the inbound access telephone number called, the number of the originating telephone, the date and time the call originated, the date and time the call terminated; the called telephone number and the PIN and/or account number associated with the call; (e) PIN decrement records and

(f) written records of any and all Consumer complaints and inquiries received by live customer service operators.

3.2 The Division's requests for call detail records shall identify specific PINs or a reasonable sampling of documents.

3.3 Company shall provide to the Division all other documents and information requested in writing by the Division, on reasonable notice, that would assist the Division in monitoring the compliance requirements set forth in the Settlement Agreement.

4. COSTS PAYMENT

4.1 On or before the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in this Investigation ("Costs Payment").

4.2 On or before the first, second and third anniversary of the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in monitoring and auditing future compliance with the Settlement Agreement ("Future Compliance Payments").

4.3 All payments made in satisfaction of the Costs Payment and Future Compliance Payments shall be made by a certified or cashier's check payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029

Newark, New Jersey 07101

4.4 Upon making the Costs Payment and Future Compliance Payments, Company shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

5. GENERAL PROVISIONS

5.1 This Settlement Agreement is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Settlement Agreement.

5.2 This Settlement Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State except to the extent that this Settlement Agreement is inconsistent with any Federal laws that may conflict with and take precedence over State law. Compliance with the requirements of a State or Federal law or regulation shall not constitute a violation of this Settlement Agreement.

5.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Settlement Agreement and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Settlement Agreement.

5.4 This Settlement Agreement contains the entire agreement among the Parties. Except as otherwise provided herein, this Settlement Agreement shall be modified only by a written instrument signed by or on behalf of the Parties.

5.5 Except as otherwise explicitly provided in this Settlement Agreement, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

5.6 If any portion of this Settlement Agreement is held invalid or unenforceable by operation of law, the remaining terms of this Settlement Agreement shall not be affected.

5.7 This Settlement Agreement shall be binding upon the Parties and their successors. In no event shall assignment of any right, power or authority under this Settlement Agreement be used to avoid compliance with this Settlement Agreement.

5.8 This Settlement Agreement is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Company; and (b) an admission by Company that any of its acts or practices described in or prohibited by this Settlement Agreement are unfair or deceptive or violate the CFA and/or the CFA Regulations. Neither the existence of, nor the terms of this Settlement Agreement, shall be deemed to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Settlement Agreement; or (b) any action or proceeding involving a Released Claim (as defined in Section 6.1) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

5.9 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Settlement Agreement.

6. RELEASE

6.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Settlement Agreement and conditioned on Company making the Costs Payment and Future Compliance Payments in the manner specified in Section 4, the Division hereby agrees to release Company from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Company for violations of the CFA and/or the CFA Regulations, as well as the matters addressed in this Settlement Agreement (the "Released Claims").

6.2 Notwithstanding any term of this Settlement Agreement, the following do not comprise Released Claims: (a) Private rights of action; (b) actions to enforce this Settlement Agreement; and (c) any claims against Company by any other entity or subdivision of the State.

7. COMPLIANCE WITH ALL LAWS

7.1 Except as provided in this Settlement Agreement, no provision herein shall be construed as:

- (a) Relieving Company of its obligation to comply with all State and Federal laws, regulations, or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Company pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Company may otherwise have

pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

8. NOTICES UNDER THIS SETTLEMENT AGREEMENT

8.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Company pursuant to this Settlement Agreement shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Company:

Peter J. Gallagher, Esq.
Greenberg Traurig, L.L.P.
200 Park Avenue
Florham Park, New Jersey 07932-0677

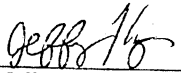
ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: David M. Szuchman
David M. Szuchman, Director
Division of Consumer Affairs

Dated: Feb. 4, 2009

FOR THE DIVISION:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By:  Dated: 1/26, 2009
Jeffrey Koziar
Deputy Attorney General

124 Halsey Street - 5th Floor
Post Office Box 45029
Newark, New Jersey 07101
(973) 648-7819

FOR THE COMPANY:

GREENBERG TRAURIG, L.L.P.

By:  Dated: 1/22, 2009
Peter J. Gallagher, Esq.
200 Park Avenue

P.O. Box 677
Florham Park, New Jersey 07932-0677

LOCUS TELECOMMUNICATIONS

By:  Dated: 1/22, 2009
[Name] Jason Chon
[Title] PRESIDENT-CEO

Name: JASON CHON
(Printed)

Exhibit 9

FILED

OCT 28 2008

SETTLEMENT AGREEMENT

Division of Consumer Affairs

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1 et seq. ("CFA Regulations"), have been or are being committed by STi PhoneCard, Inc, d/b/a Telco Group, VOIP Enterprises, Inc., Find and Focus Abilities, Inc. ("STi PhoneCard"), a corporation established in the state of New York, with a principal place of business at 30-50 Whitehouse Expressway, 4th Floor, Flushing, New York 11354, and its owners, officers, directors, managers, employees, representatives, agents, subsidiaries, successors and assigns (collectively, "Company") (hereinafter referred to as the "Investigation").

WHEREAS the Division and Company (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Company having voluntarily cooperated with the Investigation and consented to the terms of this Settlement Agreement without having admitted any violation of law or finding of fact, and for good cause shown:

IT IS on this 28th day of October, 2008 **AGREED** as follows:

EFFECTIVE DATE

This Settlement Agreement shall be effective on the date that it is executed by the Parties ("Effective Date"), provided, however, that Sections 2.4 and 2.5 of the Settlement Agreement shall become effective on the date P.L. 2007, Chapter 293 becomes effective.

1. DEFINITIONS

As used in this Settlement Agreement, the following words or terms shall have the following meanings:

1.1 "Advertisement" shall mean any attempt, whether a written, oral or electronic statement, illustration or depiction directly or indirectly to induce the purchase of goods or services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television, cable television, program-length commercial or "infomercial" or any other medium. This definition applies to other forms of the word "Advertisement" including, without limitation, "Advertise" or "Advertising." For purposes of the Advertising Regulations, "Advertisement" shall be defined in accordance with N.J.A.C. 13:45A-9.1.

1.2 "Advertising Regulations" shall refer to the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq.

1.3 "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

1.4 "Billing Decrement Rounding Policy" shall refer to the Company's policy for deducting the partial minutes used on a Prepaid Calling Card.

1.5 "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, is presented in such type, size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

1.6 "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

1.7 "Government fees" means and includes any and all fees, taxes and charges assessed pursuant to State or federal law, regulation or other mandate or requirement, including universal service fees and charges.

1.8 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and shall include Prepaid Calling Cards and rechargeable calling cards, through which Prepaid Calling Service is obtained through a New Jersey local access number that Company distributes for sale, offers for sale and/or sells in New Jersey.

1.9 "Payphone surcharge" means the surcharge that a Provider may charge a Consumer when that Consumer places a call with a card from a payphone using a toll-free access number. The payphone surcharge shall be deducted from a card's balance.

1.10 "Permitted fee" means fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any Payphone Surcharge, any recharge convenience fee, any directory assistance fee and any Government Fees.

1.11 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

1.12 "PIN" shall refer to Personal Identification Number.

1.13 "Prepaid Calling Card" or "Card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a Prepaid Calling Service through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey. Such rights of use may be

embodied on a card or other physical object or may be purchased by an electronic or telephonic means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object.

1.14 "Prepaid Calling Card Distributor" or "Distributor" means and includes: (1) any company that purchases or receives Prepaid Calling Cards from a Prepaid Service Provider or Distributor and sells or distributes those cards to one or more Distributor or to one or more Prepaid Calling Card retailers; and (2) any company that otherwise actively engages in the promotion, advertising or dissemination of Prepaid Calling Cards and which is not a Provider.

1.15 "Prepaid Calling Service" or "Service" means any prepaid telecommunications service that allows Consumers to originate calls through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey, and authorization code, whether manually or electronically dialed.

1.16 "Prepaid Calling Service Provider" or "Provider" means any company, providing Prepaid Calling Service to the public using its own, or a resold telecommunications network, or voice over Internet technology.

1.17 "Rate Deck shall refer to the rates charged by Prepaid Calling Service Providers for Prepaid Calling Service to particular locations.

1.18 "State" shall refer to the State of New Jersey.

2. BUSINESS PRACTICES

2.1 Company shall comply with such State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended, which are applicable to all future sales and

marketing of Merchandise by or on behalf of Company including, but not limited to, the CFA and the Regulations.

2.2 Company shall ensure that all minutes or rates, or both, Advertised on any Prepaid Calling Card, any point of sale material relating to that Card or otherwise relating to any Prepaid Calling Service, shall be available and achievable by the Consumer and there shall be no limitations on the period of time for which the Advertised minutes, or rates, or both, will be available to the Consumer unless those limitations are Clearly and Conspicuously disclosed in the same location on the card, Advertising or point of sale material where the minutes or rates, or both are Advertised.

2.3 Company shall ensure that all Service minutes promoted, Advertised or disclosed on any voice prompts given to a Consumer at the time the Consumer places a call with Company's Prepaid Calling Cards shall be immediately available and achievable by the Consumer on that call. The Consumer shall not be charged for any busy signal or unanswered call.

2.4 Company may not charge, apply or deduct from a Prepaid Calling Card's balance any fees, taxes, surcharges or other amounts for use of the Card except: (1) the rate per minute for the particular destination called; (2) any Permitted Fees; and (3) any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers.

2.5 Company shall Clearly and Conspicuously disclose all Permitted Fees, as well as any other fees and surcharges, on its Prepaid Calling Cards and/or packaging materials and on its Advertisements.

2.6 Company's Prepaid Calling Cards or packaging materials shall Clearly and Conspicuously disclose the Billing Decrement Rounding Policy.

2.7 Company shall make available to Consumers a toll-free Customer Service telephone number to address any post-order inquiries concerning all Prepaid Calling Cards, and shall Clearly and Conspicuously disclose to Consumers the telephone number in all materials accompanying the Prepaid Calling Cards.

2.8 Beginning no later than thirty (30) days after the Effective Date, Company shall make available through the toll-free Customer Service telephone number all information concerning any charges and deductions referenced in Section 2.4, and the Billing Decrement Rounding Policy.

3. FUTURE COMPLIANCE

3.1 For a period of three (3) years from the Effective Date, Company agrees to maintain and preserve the following documents, and provide or make these documents available to the Division within fifteen (15) days of receiving a written request: (a) copies of all Prepaid Calling Cards, Card Packaging and Advertisements (including point-of-sale Advertisements) issued, published or distributed by Company; (b) detailed Rate Decks for all of Company's Prepaid Calling Cards, including detailed breakdowns of all rates, charges and fees applicable for calls to all destinations on the Rate Deck, and all records showing all modifications made to the Rate Decks while this Settlement Agreement is in effect; (c) records of Company's Prepaid Calling Card platform settings showing whether voice prompts announcing call duration have been set to correspond with actual call duration; (d) the following call detail information: the dialing and signaling information that identifies the inbound access telephone number called, the number of the originating telephone, the date and time the call originated, the date and time the call terminated; the called telephone number and the PIN and/or account number associated with the call; (e) PIN

decrement records and (f) written records of any and all Consumer complaints and inquiries received by live customer service operators.

3.2 The Division's requests for call detail records shall identify specific PINs or a reasonable sampling of documents.

3.3 Company shall provide to the Division all other documents and information requested in writing by the Division, on reasonable notice, that would assist the Division in monitoring the compliance requirements set forth in the Settlement Agreement.

4. COSTS AND FUTURE COMPLIANCE PAYMENTS

4.1 On or before the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in this Investigation ("Costs Payment").

4.2 On or before the first, second and third anniversary of the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in monitoring and auditing future compliance with the Settlement Agreement ("Future Compliance Payments").

4.3 All payments made in satisfaction of the Costs Payment and Future Compliance Payments shall be made by a certified or cashier's check payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029

Newark, New Jersey 07101

4.4 Upon making the Costs Payment and Future Compliance Payments, Company shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

5. GENERAL PROVISIONS

5.1 This Settlement Agreement is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Settlement Agreement.

5.2 This Settlement Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State except to the extent that this Settlement Agreement is inconsistent with any Federal laws that may conflict with and take precedence over State law. Compliance with the requirements of a State or Federal law or regulation shall not constitute a violation of this Settlement Agreement.

5.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Settlement Agreement and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Settlement Agreement.

5.4 This Settlement Agreement contains the entire agreement among the Parties. Except as otherwise provided herein, this Settlement Agreement shall be modified only by a written instrument signed by or on behalf of the Parties.

5.5 Except as otherwise explicitly provided in this Settlement Agreement, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

5.6 If any portion of this Settlement Agreement is held invalid or unenforceable by operation of law, the remaining terms of this Settlement Agreement shall not be affected.

5.7 This Settlement Agreement shall be binding upon the Parties and their successors. In no event shall assignment of any right, power or authority under this Settlement Agreement be used to avoid compliance with this Settlement Agreement.

5.8 This Settlement Agreement is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Company; and (b) an admission by Company that any of its acts or practices described in or prohibited by this Settlement Agreement are unfair or deceptive or violate the CFA and/or the CFA Regulations. Neither the existence of, nor the terms of this Settlement Agreement, shall be deemed to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Settlement Agreement; or (b) any action or proceeding involving a Released Claim (as defined in Section 6.1) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

5.9 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Settlement Agreement.

6. RELEASE

6.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Settlement Agreement and conditioned on Company making the Costs Payment and Future Compliance Payments in the manner specified in Section 4 the Division hereby agrees to release Company from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Company for violations of the CFA and/or the CFA Regulations, as well as the matters addressed in this Settlement Agreement (the "Released Claims").

6.2 Notwithstanding any term of this Settlement Agreement, the following do not comprise Released Claims: (a) Private rights of action; (b) actions to enforce this Settlement Agreement; and (c) any claims against Company by any other entity or subdivision of the State.

7. COMPLIANCE WITH ALL LAWS

7.1 Except as provided in this Settlement Agreement, no provision herein shall be construed as:

- (a) Relieving Company of its obligation to comply with all State and Federal laws, regulations, or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Company pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Company may otherwise have

pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

8. NOTICES UNDER THIS SETTLEMENT AGREEMENT

8.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Company pursuant to this Settlement Agreement shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

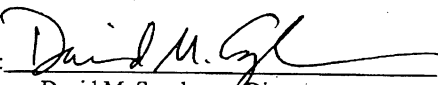
For the Division:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Company:

John R. Goldman, Esq.
Herrick, Feinstein, L.L.P.
2 Park Avenue
New York, NY 10016

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
David M. Szuchman, Director
Division of Consumer Affairs

Dated: 10/28, 2008

FOR THE DIVISION:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: Jeffrey Koziar
Jeffrey Koziar
Deputy Attorney General

Dated: 10/21, 2008

124 Halsey Street - 5th Floor
Post Office Box 45029
Newark, New Jersey 07101
(973) 648-7819

FOR THE COMPANY:

HERRICK, FEINSTEIN, L.L.P.

By: John R. Goldman, Esq.
John R. Goldman, Esq.
2 Park Avenue
New York, NY 10016

Dated: 10/16, 2008

STi

By: [Signature]
[Name
Title]

Dated: 10/16, 2008

Name: Sam Tawfik
(Printed)

Exhibit 10

FILED

JAN 07 2009

SETTLEMENT AGREEMENT

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1 et seq. ("CFA Regulations"), have been or are being committed by Total Call International, Inc. ("Total Call International"), a corporation established in the state of California, with a principal place of business at 707 Wilshire Boulevard, 12th floor, Los Angeles, California 90017 and its owners, officers, directors, managers, employees, representatives, agents, subsidiaries, successors and assigns (collectively, "Company") (hereinafter referred to as the "Investigation").

WHEREAS the Division and Company (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Company having voluntarily cooperated with the Investigation and consented to the terms of this Settlement Agreement without having admitted any violation of law or finding of fact, and for good cause shown:

IT IS on this 7th day of January, 2009 **AGREED** as follows:

EFFECTIVE DATE

This Settlement Agreement shall be effective on the date that it is executed by the Parties ("Effective Date"), provided, however, that Sections 2.4 and 2.5 of the Settlement Agreement shall become effective on the date P.L. 2007, Chapter 293 becomes effective.

1. DEFINITIONS

As used in this Settlement Agreement, the following words or terms shall have the following meanings:

1.1 "Advertisement" shall mean any attempt, whether a written, oral or electronic statement, illustration or depiction directly or indirectly to induce the purchase of goods or services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television, cable television, program-length commercial or "infomercial" or any other medium. This definition applies to other forms of the word "Advertisement" including, without limitation, "Advertise" or "Advertising." For purposes of the Advertising Regulations, "Advertisement" shall be defined in accordance with N.J.A.C. 13:45A-9.1.

1.2 "Advertising Regulations" shall refer to the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq.

1.3 "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

1.4 "Billing Decrement Rounding Policy" shall refer to the Company's policy for deducting the partial minutes used on a Prepaid Calling Card.

1.5 "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, is presented in such type, size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

1.6 "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

1.7 "Government fees" means and includes any and all fees, taxes and charges assessed pursuant to State or federal law, regulation or other mandate or requirement, including universal service fees and charges.

1.8 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and shall include Prepaid Calling Cards and rechargeable calling cards, through which Prepaid Calling Service is obtained through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey.

1.9 "Payphone surcharge" means the surcharge that a Provider may charge a Consumer when that Consumer places a call with a card from a payphone using a toll-free access number. The payphone surcharge shall be deducted from a card's balance.

1.10 "Permitted fee" means fees and surcharges that a provider may charge to, or deduct from, a card's balance for the use of that card, in addition to the rate per minute to the particular destination called, which includes and is limited to any Payphone Surcharge, any recharge convenience fee, any directory assistance fee and any Government Fees.

1.11 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

1.12 "PIN" shall refer to Personal Identification Number.

1.13 "Prepaid Calling Card" or "Card" means any right of use purchased for a sum certain that contains an access number and authorization code that enables a consumer to use a Prepaid Calling Service through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey. Such rights of use may be

embodied on a card or other physical object or may be purchased by an electronic or telephonic means through which the purchaser obtains access numbers and authorization codes that are not physically located on a card or other object.

1.14 "Prepaid Calling Card Distributor" or "Distributor" means and includes: (1) any company that purchases or receives Prepaid Calling Cards from a Prepaid Service Provider or Distributor and sells or distributes those cards to one or more Distributor or to one or more Prepaid Calling Card retailers; and (2) any company that otherwise actively engages in the promotion, advertising or dissemination of Prepaid Calling Cards and which is not a Provider.

1.15 "Prepaid Calling Service" or "Service" means any prepaid telecommunications service that allows Consumers to originate calls through a New Jersey local access number, or through a toll-free access number that Company distributes for sale, offers for sale and/or sells in New Jersey, and authorization code, whether manually or electronically dialed.

1.16 "Prepaid Calling Service Provider" or "Provider" means any company, providing Prepaid Calling Service to the public using its own, or a resold telecommunications network, or voice over Internet technology.

1.17 "Rate Deck" shall refer to the rates charged by Prepaid Calling Service Providers for Prepaid Calling Service to particular locations.

1.18 "State" shall refer to the State of New Jersey.

2. BUSINESS PRACTICES

2.1 Company shall comply with such State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended, which are applicable to all future sales and

marketing of Merchandise by or on behalf of Company including, but not limited to, the CFA and the Regulations.

2.2 Company shall ensure that all minutes or rates, or both, Advertised on any Prepaid Calling Card, any point of sale material relating to that Card or otherwise relating to any Prepaid Calling Service, shall be available and achievable by the Consumer and there shall be no limitations on the period of time for which the Advertised minutes, or rates, or both, will be available to the Consumer unless those limitations are Clearly and Conspicuously disclosed in the same location on the card, Advertising or point of sale material where the minutes or rates, or both are Advertised.

2.3 Company shall ensure that all Service minutes promoted, Advertised or disclosed on any voice prompts given to a Consumer at the time the Consumer places a call with Company's Prepaid Calling Cards shall be immediately available and achievable by the Consumer on that call. The Consumer shall not be charged for any busy signal or unanswered call.

2.4 Company may not charge, apply or deduct from a Prepaid Calling Card's balance any fees, taxes, surcharges or other amounts for use of the Card except: (1) the rate per minute for the particular destination called; (2) any Permitted Fees; and (3) any rate per minute, fee or charge for use of the card, or permitted for calls to or from international telephone numbers, international cellular and international wireless telephone numbers.

2.5 Company shall Clearly and Conspicuously disclose all Permitted Fees, as well as any other fees and surcharges, on its Prepaid Calling Cards and/or packaging materials and on its Advertisements.

2.6 Company's Prepaid Calling Cards or packaging materials shall Clearly and Conspicuously disclose the Billing Decrement Rounding Policy.

2.7 Company shall make available to Consumers a toll-free Customer Service telephone number to address any post-order inquiries concerning all Prepaid Calling Cards, and shall Clearly and Conspicuously disclose to Consumers the telephone number in all materials accompanying the Prepaid Calling Cards.

2.8 Beginning no later than thirty (30) days after the Effective Date, Company shall make available through the toll-free Customer Service telephone number all information concerning any charges and deductions referenced in Section 2.4, and the Billing Decrement Rounding Policy.

3. FUTURE COMPLIANCE

3.1 For a period of three (3) years from the Effective Date, Company agrees to maintain and preserve the following documents, and provide or make these documents available to the Division within fifteen (15) days of receiving a written request: (a) copies of all Prepaid Calling Cards, Card Packaging and Advertisements (including point-of-sale Advertisements) issued, published or distributed by Company; (b) detailed Rate Decks for all of Company's Prepaid Calling Cards, including detailed breakdowns of all rates, charges and fees applicable for calls to all destinations on the Rate Deck, and all records showing all modifications made to the Rate Decks while this Settlement Agreement is in effect; (c) records of Company's Prepaid Calling Card platform settings showing whether voice prompts announcing call duration have been set to correspond with actual call duration; (d) the following call detail information: the dialing and signaling information that identifies the inbound access telephone number called, the number of the originating telephone, the date and time the call originated, the date and time the call terminated; the called telephone number and the PIN and/or account number associated with the call; (e) PIN

decrement records and (f) written records of any and all Consumer complaints and inquiries received by live customer service operators.

3.2 The Division's requests for call detail records shall identify specific PINs or a reasonable sampling of documents.

3.3 Company shall provide to the Division all other documents and information requested in writing by the Division, on reasonable notice, that would assist the Division in monitoring the compliance requirements set forth in the Settlement Agreement.

4. COSTS AND FUTURE COMPLIANCE PAYMENTS

4.1 On or before the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in this Investigation ("Costs Payment").

4.2 On or before the first, second and third anniversary of the Effective Date, Company shall pay the amount of Five Thousand and 00/100 Dollars (\$5,000.00) to the Division to offset the Division's costs incurred in monitoring and auditing future compliance with the Settlement Agreement ("Future Compliance Payments").

4.3 All payments made in satisfaction of the Costs Payment and Future Compliance Payments shall be made by a certified or cashier's check payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029

Newark, New Jersey 07101

4.4 Upon making the Costs Payment and Total Compliance Payments, Company shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

5. GENERAL PROVISIONS

5.1 This Settlement Agreement is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Settlement Agreement.

5.2 This Settlement Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State except to the extent that this Settlement Agreement is inconsistent with any Federal laws that may conflict with and take precedence over State law. Compliance with the requirements of a State or Federal law or regulation shall not constitute a violation of this Settlement Agreement.

5.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Settlement Agreement and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Settlement Agreement.

5.4 This Settlement Agreement contains the entire agreement among the Parties. Except as otherwise provided herein, this Settlement Agreement shall be modified only by a written instrument signed by or on behalf of the Parties.

5.5 Except as otherwise explicitly provided in this Settlement Agreement, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

5.6 If any portion of this Settlement Agreement is held invalid or unenforceable by operation of law, the remaining terms of this Settlement Agreement shall not be affected.

5.7 This Settlement Agreement shall be binding upon the Parties and their successors. In no event shall assignment of any right, power or authority under this Settlement Agreement be used to avoid compliance with this Settlement Agreement.

5.8 This Settlement Agreement is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Company; and (b) an admission by Company that any of its acts or practices described in or prohibited by this Settlement Agreement are unfair or deceptive or violate the CFA and/or the CFA Regulations. Neither the existence of, nor the terms of this Settlement Agreement, shall be deemed to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Settlement Agreement; or (b) any action or proceeding involving a Released Claim (as defined in Section 6.1) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

5.9 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Settlement Agreement.

6. RELEASE

6.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Settlement Agreement and conditioned on Company making the Costs Payment and the Future Compliance Payments in the manner specified in Section 4 the Division hereby agrees to release Company from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Company for violations of the CFA and/or the CFA Regulations, as well as the matters addressed in this Settlement Agreement (the "Released Claims").

6.2 Notwithstanding any term of this Settlement Agreement, the following do not comprise Released Claims: (a) Private rights of action; (b) actions to enforce this Settlement Agreement; and (c) any claims against Company by any other entity or subdivision of the State.

7. COMPLIANCE WITH ALL LAWS

7.1 Except as provided in this Settlement Agreement, no provision herein shall be construed as:

- (a) Relieving Company of its obligation to comply with all State and Federal laws, regulations, or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Company pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Company may otherwise have

pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

8. NOTICES UNDER THIS SETTLEMENT AGREEMENT

8.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Company pursuant to this Settlement Agreement shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

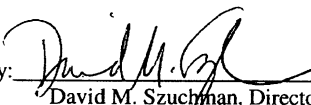
Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Company:

Jeffrey A. Kauffman, Esq.
Kelley Drye & Warren, LLP
3050 K Street
Suite 400
Washington, D.C. 20007-5108

Chief Legal Officer
Total Call International
707 Wilshire Blvd., 12th Fl.
Los Angeles, CA 90017

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
David M. Szuchman, Director
Division of Consumer Affairs

Dated: 1/7/09, 2009
2008

FOR THE DIVISION:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: Jeff 1/5
Jeffrey Koziar
Deputy Attorney General

Dated: 1/7, ~~2008~~ 2009

124 Halsey Street - 5th Floor
Post Office Box 45029
Newark, New Jersey 07101
(973) 648-7819

FOR THE COMPANY:

KELLEY DRYE & WARREN, LLP

By: [Signature]
Jeffrey A. Kauffman, Esq.
3050 K Street
Suite 400
Washington, D.C. 20007-5108

Dated: 1/6/2009, ~~2008~~

TOTAL CALL INTERNATIONAL

By: [Signature]
[Name MARK E. LEAFSTEDT
Title] CEO

Dated: 1/5/09, ~~2008~~

Name: MARK E. LEAFSTEDT
(Printed)

Exhibit 11

***Prepaid Phone Card Testing for
The Office of the Attorney General
of the State of New Jersey***

January 28 – April 23, 2011

***Batch 1 & 2 – All Providers
Summary Compliance Results***



*Provided by:
Network Analytics Corporation*





Compliance Results

The results for compliance of all tested cards with printed terms on the cards are provided in the following table. The explanations of each column in the Compliance Results table are provided below:

1. **% of Provided vs. Expected Minutes – All Calls:** This column shows the percentage of provided minutes on all calls placed on a card versus the calculated expected minutes for all calls placed. Expected minutes incorporate the total duration of all test calls placed for each card as well as all expected fees and surcharges. When calculating the expected minutes, the rate per minute that is calculated based on the announcement is used. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
2. **% of Provided vs. Announced Minutes – Last Call:** This column shows the percentage of the minutes provided in the card's last call versus the announced minutes in that same last call. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
3. **% of Provided vs. Announced Minutes – Overall:** This column shows the percentage of provided minutes on all cards versus total minutes announced in the initial prompt by each of the cards. Cards in which multiple calls are placed, this value is not expected to be 100% since additional charges, rounding terms and maintenance fees will reduce the card's value. Values less than 50% are highlighted in red in the Compliance Results tables and values between 50%-70% are highlighted in yellow.
4. **Fees & Surcharges:** This column shows the percentage of calls that were in compliance with the cards' indicated fees and surcharges. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
5. **Rounding:** This column shows the percentage of cards that were in compliance with the cards' indicated rounding rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
6. **First Call Fee:** This column shows the percentage of cards that didn't apply any additional fees on the first call placed on the card. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
7. **Maintenance Fee:** This column shows the percentage of cards that were in compliance with the cards' indicated maintenance fee rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
8. **Maintenance Term:** This column shows the percentage of cards that were in compliance with the cards' indicated maintenance term rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
9. **Toll Free Access Charge:** This column shows the percentage of cards that were in compliance with the indicated toll free access charges. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.



Measuring the Quality of Telecommunications
from an independent perspective

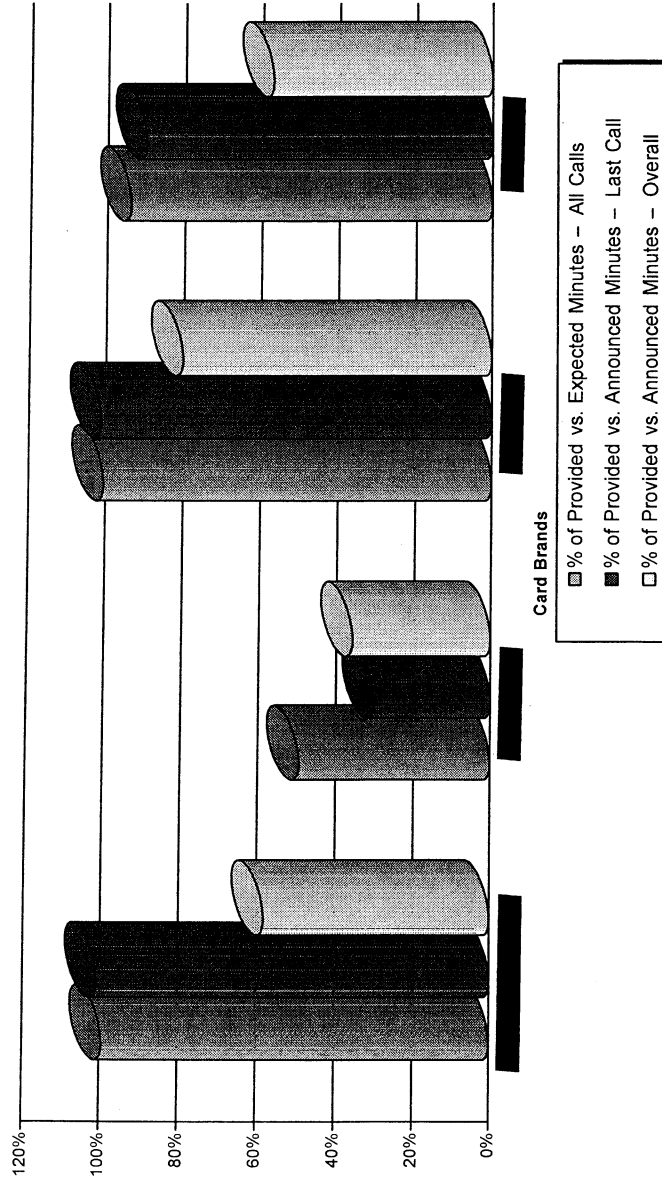
Compliance Results – Overall Results:

	% of Provided vs. Expected Minutes - All Calls	% of Provided vs. Announced Minutes - Last Call	% of Provided vs. Announced Minutes - Overall	Fees & Surcharges	Rounding	First Call Fee	Maintenance Fee	Maintenance Term	Toll Free Access Charges
	99%	101%	58%	92%		100%	100%		100%
				94%	100%		100%		
	100%	101%	80%	93%	100%	100%	100%	100%	100%
	94%	90%	57%	93%		100%	100%	100%	N/A



Measuring the Quality of Telecommunications
from an independent perspective

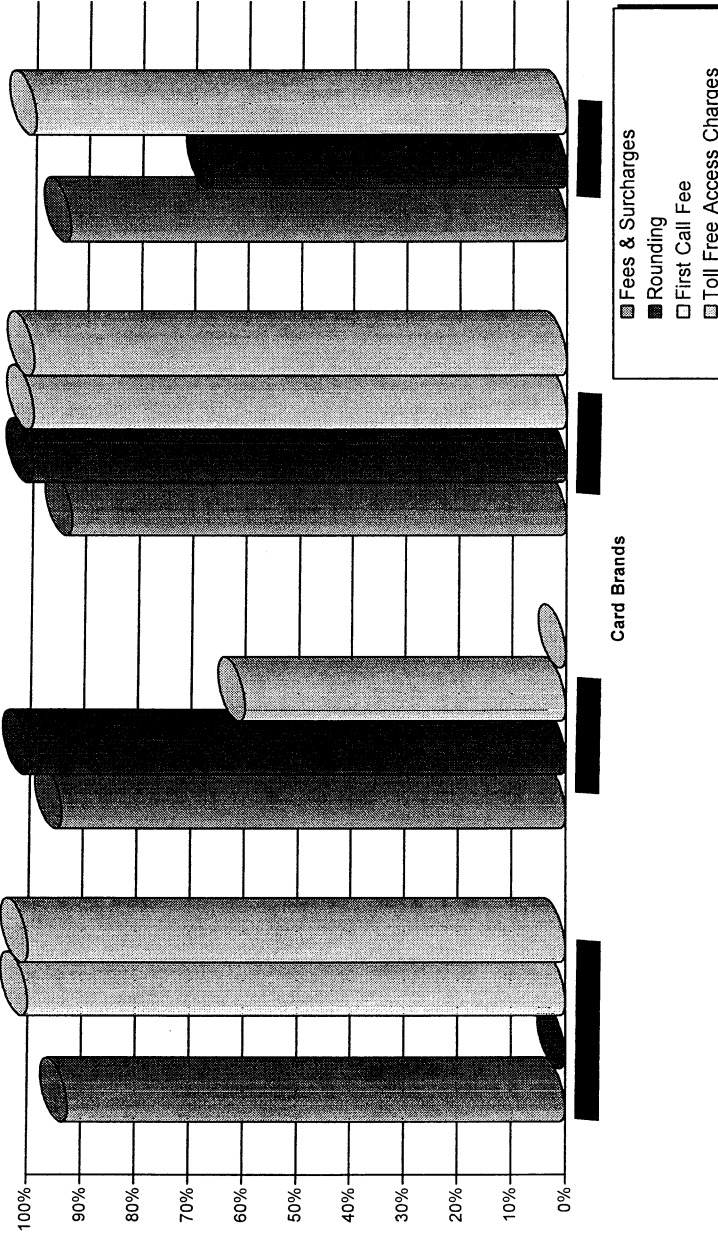
Percentage of Provided Minutes vs.
Expected (All Calls) & Announced Minutes (Last Call & Overall)





Measuring the Quality of Telecommunications
from an independent perspective

Terms & Conditions Compliance





Measuring the Quality of Telecommunications
from an independent perspective

Maintenance Fee & Maintenance Term Compliance

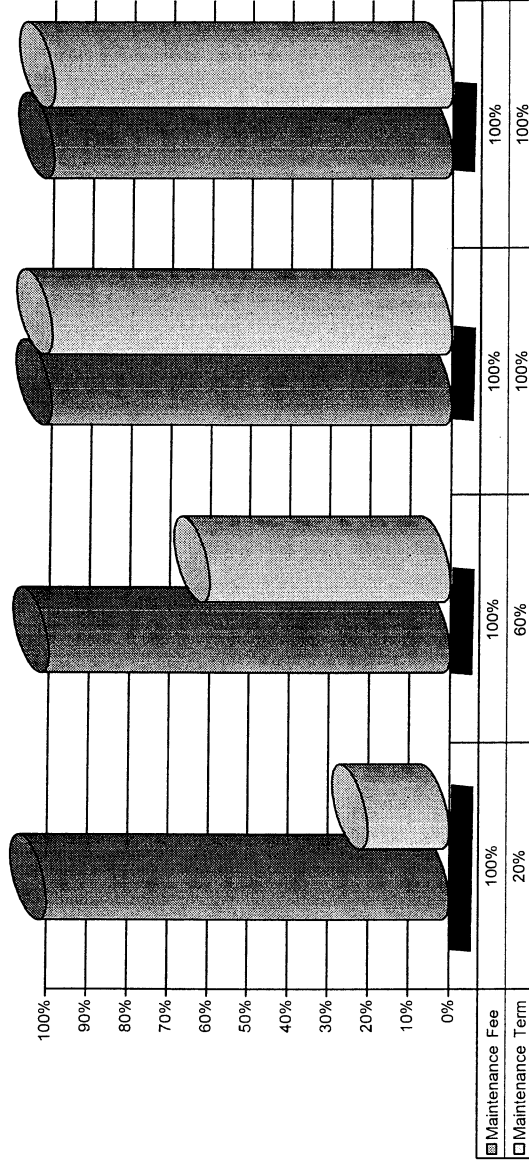


Exhibit 12

***Prepaid Phone Card Testing for
The Office of the Attorney General
of the State of New Jersey***

January 28 – February 16, 2011

Batch 1 – All Providers



*Provided by:
Network Analytics Corporation*





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Approach

The minutes provided by the calling cards are impacted by different variables such as per minute rate to the selected destination, call duration fees, rounding increments, service fees, toll-free / pay-phone charges and maintenance fees. In order to account for different possible scenarios, several methodologies are used in testing.

- **Single Call / Last Call:** In some test cases, the testing attempts to utilize the entire balance of the cards in a single call and compare the amount of minutes indicated by the card's voice prompt at the beginning of the test call with the amount of minutes actually provided in that same call. When tests can't achieve exhausting the entire balance in a single call due to quality of the lines or drops, then multiple calls are attempted until the entire balance is exhausted. In those cases, the comparison is made between the card's indicated balance during the last call's prompt (when the balance is exhausted) and the duration of that same call. The assumption is that this will minimize the impact of the additional charges on the amount of minutes provided. Additionally, on all other cards that are used for other types of testing (fees and surcharges, rounding, maintenance, toll free), comparison is made between the card's indicated balance during the last call's prompt (when the balance is exhausted) and the duration of that same call.
- **Fees and Surcharges:** In some test cases, the calls are intentionally disconnected by the test executor (using automated test scripts) to calculate and compare the impact of additional charges on the balance that is used within the same call. In these cases, the potential maximum charge for the call is calculated based on the indicated rounded duration of the call and all indicated fees (using the maximum values if ranges are provided) and it is compared to the actual balance that is used. The actual balance that is used for a call is calculated using the announced remaining balance in the consecutive call's voice prompt. These test cases are also used to compare the card's indicated balance during the last call's prompt (when the balance is exhausted) and the duration of that same call. The assumption is that this will minimize the impact of the additional charges on the amount of minutes provided.
- **Maintenance Fees:** Some test cases are executed to specifically test the maintenance fees indicated on the prepaid cards. An initial call is placed and then disconnected by the test executor (using automated test scripts). Following this call, a subsequent call is placed in order to record the balance remaining on the card, but no actual destination is dialed. This is repeated every day following the first calls until the indicated balance on the card is lower than the previous day's balance. The timing and the amount of the monetary value that is reduced are compared to the indicated timing and the charges for the maintenance fees.
- **Call Duration Rounding:** Some test cases are executed to specifically test the call duration rounding rules that are indicated on the prepaid cards. [REDACTED] cards indicate 3-minute increments. Multiple calls are placed on each of these cards and disconnected by the test executor (using automated test scripts) at pre-defined



durations within the same increment range to compare the call charges. It is expected that the calls with durations within the same increment duration (i.e. rounded durations are the same), will be charged the same way. The actual call charges are compared to each other to determine if the cards bill the calls at the increments that are specified on the card's terms.

- **First Call Fees:** Some test cases are executed to specifically test the fees that apply to the cards on the first call placed with the card. In these test cases, 2 calls are placed on each of the tested cards on the day of first use (including the very first call on the card) with the exact same duration (40 seconds). The remaining balance on the card is recorded following each call to calculate the actual charge for the calls. The charges for both of these calls are compared to determine if the fees are reduced in accordance with the card's indicated terms and conditions.
- **Toll-Free Access Number Usage Charges:** Some test cases are executed to test the application of toll-free access number usage charges. The very first call on the cards that are tested in this report are placed using the toll-free access number and the announced minutes are recorded. These calls are manually disconnected before they complete. The next call is placed using the local access number and the announced minutes are recorded as well. Using the balance on the card and the announced minutes, the per minute rates for toll-free access and local access are calculated and compared to determine if the toll-free access surcharges are applied in accordance with the card's indicated terms and conditions.

The methodologies that are used for these testing approaches are explained in detail in Appendix A.



Compliance Results

The results for compliance of all tested cards with printed terms on the cards are provided in the following table. The explanations of each column in the Compliance Results table are provided below:

1. **% of Provided vs. Expected Minutes – All Calls:** This column shows the percentage of provided minutes on all calls placed on a card versus the calculated expected minutes for all calls placed. Expected minutes incorporate the total duration of all test calls placed for each card as well as all expected fees and surcharges. When calculating the expected minutes, the rate per minute that is calculated based on the announcement is used. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
2. **% of Provided vs. Announced Minutes – Last Call:** This column shows the percentage of the minutes provided in the card's last call versus the announced minutes in that same last call. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
3. **% of Provided vs. Announced Minutes – Overall:** This column shows the percentage of provided minutes on all cards versus total minutes announced in the initial prompt by each of the cards. Cards in which multiple calls are placed, this value is not expected to be 100% since additional charges, rounding terms and maintenance fees will reduce the card's value. Values less than 50% are highlighted in red in the Compliance Results tables and values between 50%-70% are highlighted in yellow.
4. **Fees & Surcharges:** This column shows the percentage of calls that were in compliance with the cards' indicated fees and surcharges. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
5. **Rounding:** This column shows the percentage of cards that were in compliance with the cards' indicated rounding rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
6. **First Call Fee:** This column shows the percentage of cards that didn't apply any additional fees on the first call placed on the card. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
7. **Maintenance Fee:** This column shows the percentage of cards that were in compliance with the cards' indicated maintenance fee rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
8. **Maintenance Term:** This column shows the percentage of cards that were in compliance with the cards' indicated maintenance term rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.



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9. **Toll Free Access Charge:** This column shows the percentage of cards that were in compliance with the indicated toll free access charges. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.

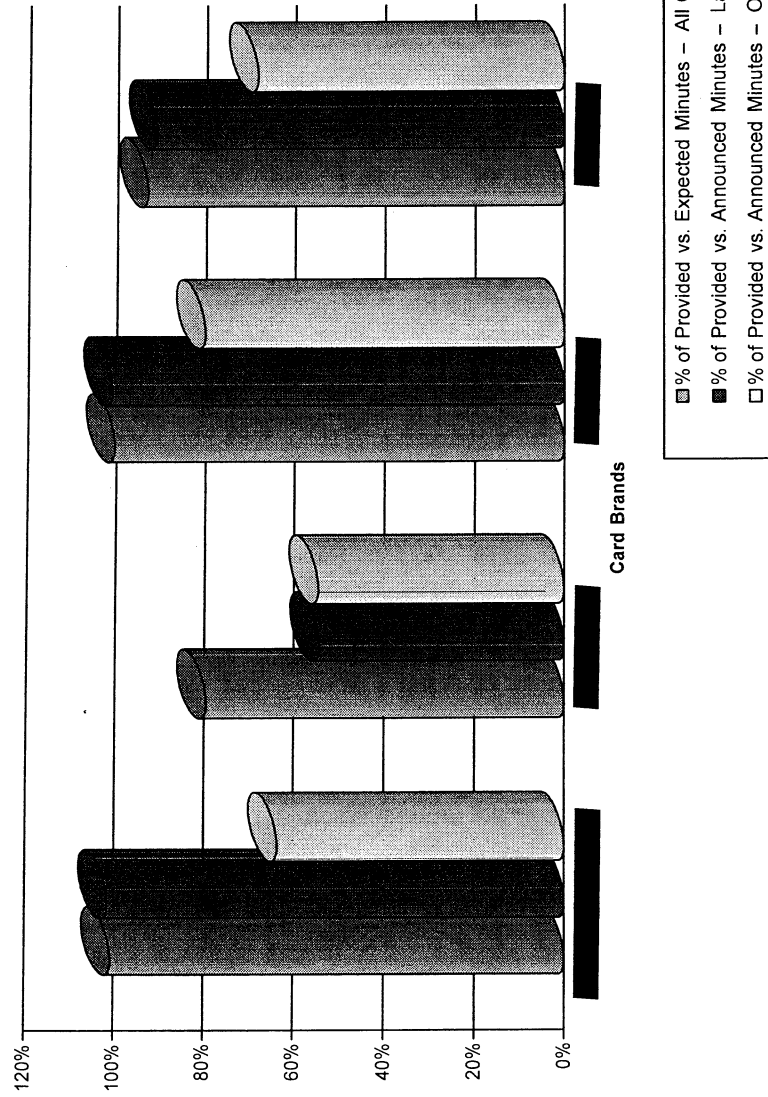


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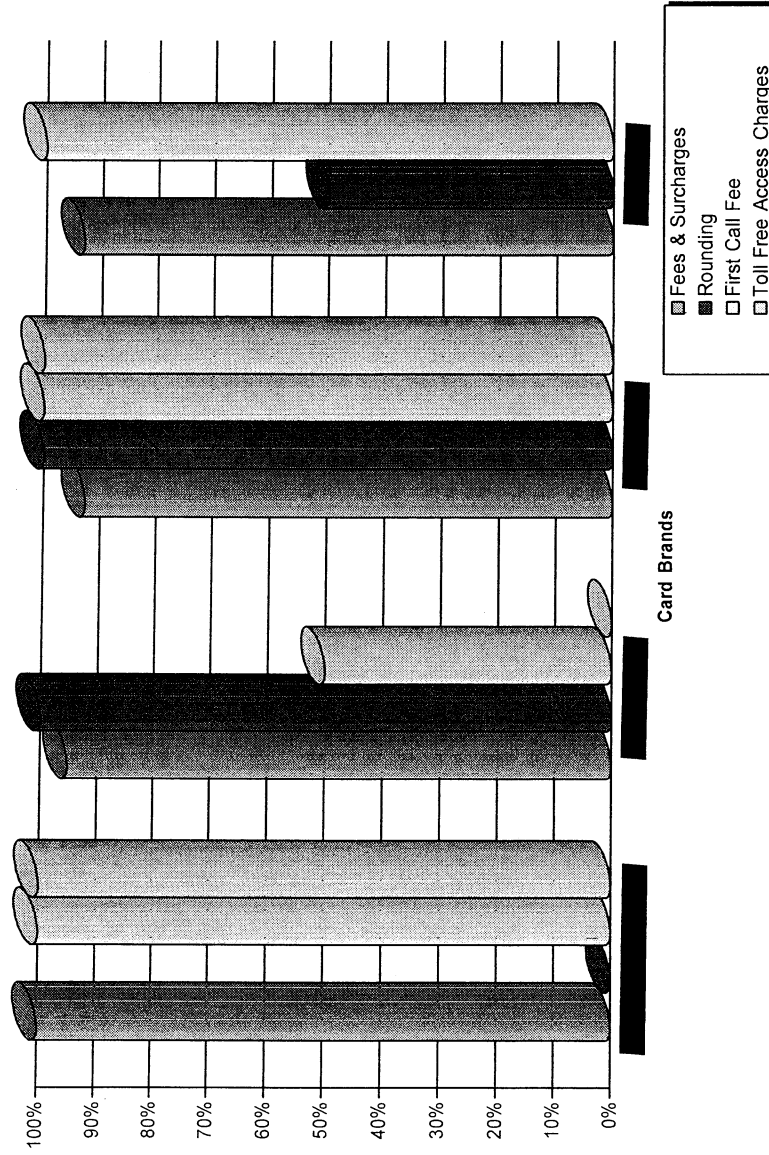
Compliance Results – Overall Results:

	% of Provided vs. Expected Minutes - All Calls	% of Provided vs. Announced Minutes - Last Call	% of Provided vs. Announced Minutes - Overall	Fees & Surcharges	Rounding	First Call Fee	Maintenance Fee	Maintenance Term	Toll Free Access Charges
	101% 101%		64%	100%		100% 100%			100%
			65%	95% 100%			100%		
	100%	101%	80%	93%	100%	100%	100% 100%	100%	
	93% 91%		69%	93%		100% 100%		100%	N/A

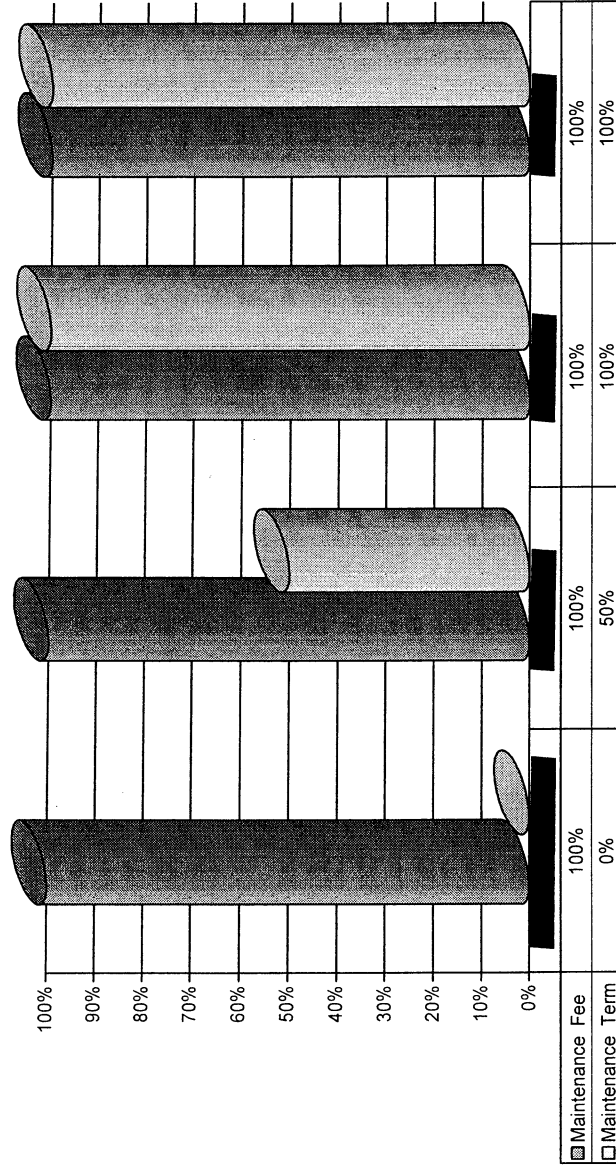
**Percentage of Provided Minutes vs.
Expected (All Calls) & Announced Minutes (Last Call & Overall)**



Terms & Conditions Compliance



Maintenance Fee & Maintenance Term Compliance





Compliance Observations

Provided vs. Expected Minutes

Percentages provided in “**Provided vs. Expected Minutes**” show the ratio between provided minutes on all calls placed on a card versus the calculated expected minutes for all calls placed using the same card.

- [REDACTED] cards that are tested within the scope of this report provided all minutes that are expected on all tested cards, based on all terms and conditions printed on the cards.
- 93% observed in Provided vs. Expected Minutes in [REDACTED] cards is mainly due to:
 - ☐ First call placed with \$5.00 [REDACTED] to [REDACTED] on January 28, 2011 at 22:56 GMT appeared to have charged more than the calculated maximum potential charge for this call. The extra charge is calculated as \$0.13 for this call based on the indicated fees and surcharges. The details of the call are provided in Appendix B: Compliance Results, Call Details.
 - ☐ First call placed with \$2.00 [REDACTED] on January 31, 2011 at 2:04 GMT appeared to have charged more than the calculated maximum potential charge for this call. The extra charge is calculated as \$0.08 for this call based on the indicated fees and surcharges. The details of the call are provided in Appendix B: Compliance Results, Call Details.
 - ☐ Single call that was placed with \$2.00 [REDACTED] on February 3, 2011 at 21:09 GMT. The card announced 5 hours 33 minutes for this call. The call dropped at 3 hours 1 minute (no “End of Balance” announcement was provided). After the fees and surcharges were applied to the dropped call, there was no balance remaining on the card; therefore, this card is perceived as not provided all the expected minutes. The details of the call are provided in Appendix B: Compliance Results, Call Details.
 - ☐ Last call that was placed with \$5.00 [REDACTED] on February 9, 2011 at 16:26 GMT. The card announced 7 hours 34 minutes for this call. The call dropped at 3 hours 36 minutes (no “End of Balance” announcement was provided). After the fees and surcharges were applied to the dropped call, there was no balance remaining on the card; therefore, this card is perceived as not provided all the expected minutes. The details of the call are provided in Appendix B: Compliance Results, Call Details.
- [REDACTED] cards that are tested within the scope of this report provided all minutes that are expected on all tested cards, based on all terms and conditions printed on the cards.
- 93% observed in Provided vs. Expected Minutes in [REDACTED] cards is mainly due to:
 - ☐ Single call placed with \$2.00 [REDACTED] on February 2, 2011 at 21:46 GMT. The card announced 3 hours 58



minutes for this call. The call was terminated by the platform at 3 hours 1 minute with a "Your call will now be terminated" announcement. After the fees and surcharges were applied to the call, there was no balance remaining on the card; therefore, this card is perceived as not provided all the expected minutes. The details of the call are provided in Appendix B: Compliance Results, Call Details.

- Last call placed with \$5.00 [REDACTED] on February 8, 2011 at 19:15 GMT. The card announced 3 hours 22 minutes for this call. The call was terminated by the platform at 3 hours 1 minute with a "Your call will now be terminated" announcement. After the fees and surcharges were applied to the call, there was no balance remaining on the card; therefore, this card is perceived as not provided all the expected minutes. The details of the call are provided in Appendix B: Compliance Results, Call Details.

Provided vs. Announced Minutes - Last Call

Percentages provided in "Provided vs. Announced Minutes - Last Call" column show the ratio between announced minutes on the last call and the actual minutes that are received on that same call.

- [REDACTED] cards that are tested within the scope of this report indicate "prompted minutes are available when using the entire balance on a single call". For this reason, these cards are expected to provide all the announced minutes if the card's balance is exhausted within the same call. All last calls (including single calls) that are tested for the [REDACTED] cards provided all announced minutes.
- [REDACTED] cards that are tested within the scope of this report indicate "the surcharges and fees will have the effect of reducing total minutes if not used on a single call". For this reason, these cards are expected to provide all the announced minutes if the card's balance is exhausted within the same call. [REDACTED] observed in Provided vs. Announced Minutes - Last Call in [REDACTED] cards is due to last calls that exhausted all the balance on these cards not providing all announced minutes. This low percentage is mainly due to last calls placed with [REDACTED] cards that dropped earlier than the announced duration. The explanations for these calls are provided in "Provided vs. Expected Minutes" section above and the details of these calls are provided in Appendix B: Compliance Results, Call Details.
- All last calls (including single calls) that are tested for [REDACTED] cards provided all announced minutes.
- [REDACTED] cards that are tested within the scope of this report indicate "the card delivers 100% of minutes announced if used in a single call". For this reason, these cards are expected to provide all the announced minutes if the card's balance is exhausted within the same call. Last calls (including single calls) that are tested for [REDACTED] cards provided 91% of all announced minutes. Please refer to "Provided vs. Expected Minutes" section for details.



Provided vs. Announced Minutes – Overall

Percentages provided in “**Provided vs. Announced Minutes – Overall**” column show the ratio between the announced minutes on the first call and the actual minutes that are received on the card as a result of all calls placed on the card. When multiple calls are placed on a card, this value is never expected to be 100% as the fees and surcharges will reduce the number of minutes. These percentages will be lower for cards with higher fees and surcharges and for cards in which higher number of test calls are placed. Therefore, the lower percentages shown in this column are not true compliance measurements. The purpose of this measure is to show the “received minutes perception” from the customer’s perspective.

Fees & Surcharges Compliance

Lower percentages in “**Fees & Surcharges**” column show the cards that appeared to have applied more fees and surcharges than indicated on the cards.

- [REDACTED] cards that are tested within the scope of this report appeared to have applied applicable fees and surcharges as indicated on the terms and conditions printed on the cards.
- [REDACTED] cards are found to be 95% in compliance with indicated fees and surcharges. This is mainly due to the calls that appeared to have charged more than the calculated maximum potential charge for these calls. This is explained in further detail in the “Provided vs. Expected Minutes” section above and the details of these calls are provided in Appendix B: Compliance Results, Call Details.
- 93% observed in Fees & Surcharges for [REDACTED] cards is due to:
 - Multiple calls that are placed with \$5.00 [REDACTED] on January 29, 2011 and February 9, 2011 appeared to have charged more than the calculated maximum potential charge for these calls. The announcement for available minutes for this card announced “there’s no time limit for this call” until the balance reached below a certain amount. The “rate per minute” values are assumed based on the first call that announced number of minutes (rather than “unlimited time”) and available minutes are calculated based on this rate. i.e. \$5 card announced “unlimited time” on the first call. The first call that announced available number of minutes had \$1.29 balance with 14 minutes. The “rate per minute” is calculated as 0.0921 based on this call ($\$1.29 / 14 \text{ minutes}$) and the \$5 card assumed to have 54 minutes to [REDACTED] ($\$5 / \0.0921). The maximum potential charges for the calls placed with this card are calculated using the fees and surcharges indicated on the cards and the calculated number of available minutes as explained above. The extra charges are calculated to be between \$0.01 and \$0.06 for these calls. The details of the call are provided in Appendix B: Compliance Results, Call Details.
- 93% observed in Fees & Surcharges for [REDACTED] cards is due to last calls terminated by the platform at 3 hours 1 minute with a “Your call will now be terminated” announcement. Please refer to “Provided vs. Expected Minutes” section for details.



Rounding

- [REDACTED] cards that are tested within the scope of this report indicate 3 minute rounding. With 3 minute rounding, it is expected that the calls lasted less than 3 minutes will be charged the same way, as well as calls between 3 minutes and 6 minutes, calls between 6 minutes and 9 minutes, and so forth. The cards that are tested for rounding within the scope of this report seemed to be applying a 1+3 minute rounding rule (calls less than 1 minute duration had the same charge, calls between 1 minute and 4 minutes had the same charge and calls between 4 minutes and 7 minutes had the same charge - The details of these calls are provided in Appendix B: Compliance Results, Call Details. Therefore [REDACTED] cards are found to be [REDACTED] with the rounding rules that are indicated on the cards.
- [REDACTED] cards that are tested within the scope of this report indicate 1 minute rounding and all tested cards are found to be in compliant with the indicated rounding rule.
- [REDACTED] cards that are tested within the scope of this report indicate 1 minute rounding and all tested cards are found to be in compliant with the indicated rounding rule.
- [REDACTED] observed in Rounding compliance in [REDACTED] cards is due observed rounding increments used for calls placed with [REDACTED] cards. The card indicates 1 minute rounding, however, the card seemed to be applying a 1+3 minute rounding rule (calls less than 1 minute duration had the same charge, calls between 1 minute and 4 minutes had the same charge and calls between 4 minutes and 7 minutes had the same charge). The details of these calls are provided in Appendix B: Compliance Results, Call Details).

First Call Fees

- All [REDACTED] cards that are tested for first call fees are found to be not applying any additional fees, therefore in compliance with rules.
- [REDACTED] observed in **First Call Fees** in [REDACTED] cards is due to:
 - First 40-second call placed with \$5.00 [REDACTED] on January 28, 2011 at 22:56 GMT charged \$0.67, which is \$0.39 more than the consecutive 40-second call to the same destination at 23:02 GMT (charged \$0.28). The details of these calls are provided in Appendix B: Compliance Results, Call Details.
 - First 40-second call placed with \$5.00 [REDACTED] on January 28, 2011 at 23:52 GMT charged \$0.40, which is \$0.39 more than the consecutive 40-second call to the same destination on January 29, 2011 at 00:00 GMT (charged \$0.01). The details of these calls are provided in Appendix B: Compliance Results, Call Details.
 - Please see "Additional Observations" section for further details.
- All [REDACTED] cards that are tested for first call fees are found to be not applying any additional fees, therefore in compliance with rules.
- All [REDACTED] cards that are tested for first call fees are found to be not applying any additional fees, therefore in compliance with rules.



Maintenance Fee

- The daily balances are recorded on all [REDACTED] cards that are tested for maintenance and a total of \$0.40 reduction is observed over a period of 7 days (deducted on two different days). Because the total deductions over a week are less than the indicated amount on the cards, these cards are found to be in compliance with maintenance fees.
- All [REDACTED] cards that are tested within the scope of this report are found to be in compliance with the maintenance fee rules as indicated on the cards.
- All [REDACTED] cards that are tested within the scope of this report are found to be in compliance with the maintenance fee rules as indicated on the cards.
- All [REDACTED] cards that are tested for maintenance within the scope of this report are found to be in compliance with the maintenance fee rules as indicated on the cards.
- The details of the daily deductions observed in each card are provided in Appendix C: Daily Balance Checks.

Maintenance Term

- [REDACTED] cards that are tested within the scope of this report indicate weekly maintenance fee that applies after 1st day of use. [REDACTED] observed in maintenance term compliance in all tested [REDACTED] cards is due to \$0.20 deductions which appeared to happen **twice** in a period of 7 days. The daily balances for these cards were recorded for 2 consecutive weeks and the same pattern (twice a week deduction) was observed both weeks after the 1st day of use.
- [REDACTED] cards that are tested within the scope of this report indicate weekly charge within 24 hours of first use. [REDACTED] cards that are tested for maintenance term within the scope of this report reduced the cards balance for \$0.39 on the first day after initial use and \$0.40 on the following day. Only one deduction of \$0.79 was observed the following week, as indicated on the maintenance term rules. However, due to multiple deductions within the first week of use in [REDACTED] cards, [REDACTED] cards are found to be [REDACTED] compliant with the maintenance term rules.
- All [REDACTED] cards that are tested within the scope of this report are found to be in compliance with the maintenance term rules as indicated on the cards.
- All [REDACTED] cards that are tested for maintenance within the scope of this report are found to be in compliance with the maintenance term rules as indicated on the cards.
- The details of the daily deductions observed in each card are provided in Appendix C: Daily Balance Checks.



Toll Free Access Charge

The very first call on the cards that are tested within the scope of this report are placed using the toll-free access number and the announced minutes are recorded. These calls are manually disconnected before they complete. The next call is placed using the local access number and the announced minutes are recorded. Based on the announced balance and the minutes, the rate per minute are calculated and compared.

- [REDACTED] cards that are tested within the scope of this report indicate that "an additional \$0.04 per minute" will apply when toll free access numbers are used. In all [REDACTED] cards that are tested within the scope of this report, the voice prompt for minutes when dialed the toll-free access number or the local access number are the same, therefore these cards are found to be in compliance with the toll free access charge rules (since they seem to apply a "less expensive" method for toll free access charges from the customer's perspective - assuming the card would provide all announced minutes when the toll-free access number is used).
- [REDACTED] cards that are tested within the scope of this report do not indicate any additional charges for toll free access number usage. However, when the calculated "rate per minute" charges for toll free access number and local access numbers are compared, it is observed that the [REDACTED] cards charge an additional \$0.02 per minute for toll free access number usage. Therefore these cards are found to be [REDACTED] with the toll free access usage charges.
- In [REDACTED] cards, toll free access numbers provided for [REDACTED] cards cannot be dialed from outside of New Jersey area, therefore these cards could not be tested for toll free access charge compliance. [REDACTED] card indicates that "calls made from toll free access are billed at a higher per minute rate", however it doesn't provide the specific amount. When the minutes announcements with toll free access and local access are compared, it's concluded that [REDACTED] cards apply \$0.02 additional per minute charge for toll free access number usage.
- Toll Free access numbers provided for [REDACTED] cards are only accessible within the state of New Jersey, therefore toll free access charge compliance could not be tested for the [REDACTED] cards within the scope of this report. (Note: [REDACTED] card is a toll free access card only and its access numbers can be dialed outside of the New Jersey area.)

Additional Observations – [REDACTED]

- All [REDACTED] cards appeared to terminate the calls with an "End of Balance" warning before all balance is exhausted on the cards. This may lead a consumer to believe that no more funds are available on the card and may lead the consumer to discard the card when it could actually be used for further calls.
 - o Call that is placed with \$2.00 [REDACTED] on January 31, 2011 at 2:55 GMT announced 51 minutes, however the call was disconnected by the platform with an "End of Balance" warning at 46 minutes. When the same card was used again immediately after



- this call at 3:50 GMT, there was still \$0.10 balance on the card, which provided additional 5 minutes to the same destination.
- o Call that is placed with \$2.00 [REDACTED]
[REDACTED] on February 1, 2011 at 22:37 GMT announced 1 hour 12 minutes, however the call was disconnected by the platform with an "End of Balance" warning at 1 hour 9 minutes. When the same card was used again immediately after this call on February 2, 2011 at 0:03 GMT, there was still \$0.02 balance on the card, which provided additional 2 minutes to the same destination.
 - o Call that is placed with \$5.00 [REDACTED]
[REDACTED] on February 10, 2011 at 2:35 GMT announced 1 hour 24 minutes, however the call was disconnected by the platform with an "End of Balance" warning at 1 hour 16 minutes. When the same card was used again immediately after this call at 4:13 GMT, there was still \$0.17 balance on the card, which provided additional 8 minutes to the same destination.
 - o Call that is placed with \$5.00 [REDACTED]
[REDACTED] on February 10, 2011 at 18:10 GMT announced 4 hours, however the call was disconnected by the platform with an "End of Balance" warning at 3 hours 49 minutes. When the same card was used again immediately after this call at 22:51 GMT, there was still \$0.08 balance on the card, which provided additional 11 minutes to the same destination.
- [REDACTED] cards appeared to apply an additional \$0.39 fee to the very first call placed with the cards. Please refer to "First Call Fees" section for further details. This fee is not directly mentioned on the cards' disclaimers; however, the cards do indicate that "**\$0.79 weekly charge within 24 hours of first use**" applies. Based on the recorded daily balances after the first day of use, [REDACTED] cards deducted \$0.40 after the first day. When the "first call fee" and "first day's maintenance fee" are added together, the cards appear to be applying a total of \$0.79 fee within 24 hours after the first use, therefore found in compliance with the indicated fees regarding the weekly charges.

Additional Observations – STI Prepaid:

- [REDACTED] cards could not be tested because the platform denied access to these cards with a recorded voice announcement that announced "This authorization code is invalid".
- Because \$5.00 cards were not available for [REDACTED] cards, these card brands could not be tested for rounding, first call and maintenance fee and term compliance.. Only \$2.00 denominations were available for these cards and those are tested for single calls to test the provided minutes vs. announced minutes on the first call.



Methodology

Several methodologies are used to test different aspects of prepaid calling cards as described in the Approach section. These methodologies are explained below using the flow for calls that are placed for each of these methodologies. In all scenarios, call duration is calculated and verified by 3 sources: 1. Call Generator units, 2. listening to actual recordings of each call and 3. The destination carrier's Call Detail Records (CDRs).

- **Methodology (1): Attempt to exhaust all minutes in a single call**

Every attempt is made to use all the available time in a single call. If this is not successful, most commonly due to quality of the line and drops, additional calls are made to the same destination until all the remaining balance in the cards is used. Each call is recorded by the units in order to interpret the amount of minutes announced by the calling card platform:

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the programmed call duration is exhausted or until the call drops prematurely due to quality of service issues or disconnection by the calling card platform. This is the end of the call duration
- Some cards provide a "warning" prompt usually indicating when there is one minute left for the call and then disconnect. This prompt is also recorded

- **Methodology (2): Place multiple calls**

Multiple calls are placed for a single prepaid calling card. The calls are intentionally broken by the test executer to calculate and compare the impact of additional charges on the balance that is used within the call. Each call is recorded by the units in order to interpret the amount of minutes and the remaining balance announced by the calling card platform:



- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the test executor disconnects the call.
- Test executor starts a new call. This call follows the same flow as above, until the test executor disconnects the calls. This is done multiple times, until a sufficient number of calls are reached or the card balance is exhausted.
- Some cards provide a “warning” prompt usually indicating when there is one minute left for the call and then disconnect. This prompt is also recorded

- **Methodology (3): Maintenance Fees**

A single call is placed and disconnected by the test executor as the very first call made by the card:

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)



- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
 - Quality of Service tests are performed between the units
 - Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
 - This continues until the test executer disconnects the call.
- Following this call, the balance on the card is recorded on the same day and every day following the first call, until the balance on the card is exhausted as many times as the testing requires. On each day:
- Unit goes off hook
 - Voice recording is started
 - After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
 - After detecting the answering voice announcement, dials the card access code
 - After detecting the prompt indicating the available monetary balance (which is recorded), the test executer terminates the call.

- **Methodology (4): Call Duration Rounding**

Multiple calls placed on a card and disconnected by the test executer at pre-defined call durations:

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the test executer disconnects the call at the pre-specified call duration. The method to determine the call durations is explained in the "Approach" section.



Methodology (5): "First Call" fees

Two (2) calls are placed on a card on the day of first use (including the very first call on the card) and disconnected by the test executer at exactly same bill durations (40 seconds):

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the test executer disconnects the call at 40 seconds from answer.
- Test executer starts a new call. This call follows the same flow as above, until the test executer disconnects the calls at 40 seconds from answer.

- Methodology (6): Toll-Free Access Number Usage Charges

The very first call on the card is placed using the toll-free access number and the announced minutes are recorded. These calls are manually disconnected before they complete. The next call is placed using the local access number and the announced minutes are recorded as well.

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Disconnects the call before it completes.
- Unit goes off hook



- Voice recording is started
- After detecting dialtone, dials the local access number of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the test executer disconnects the call at a predefined duration or the call drops or until all balance is exhausted.

[illegible]

[illegible]

[illegible]

* Values enclosed in blue boxes show the balance on the cards at the end of the first day of usage.

* Values highlighted in green show the maintenance deductions on the card.



Appendix D – Batch 1 Phone Cards

[REDACTED]

[REDACTED]

[REDACTED]

Exhibit 13

***Prepaid Phone Card Testing for
The Office of the Attorney General
of the State of New Jersey***

April 11 – April 23, 2011

Batch 2 – All Providers



*Provided by:
Network Analytics Corporation*





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Objective

The purpose of this testing is to determine if calls to selected destinations using selected prepaid calling cards are providing the amount of minutes as specified in the recorded announcements during the call and as specified in the terms and conditions printed on the cards.

The following prepaid calling card brands are tested within the scope of this report. The cards are provided to Network Analytics Corporation by the Office of the Attorney General of the State of New Jersey.

Prepaid Calling Card Brand	Service Provider
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

Detailed information about the cards that are tested in this batch is provided in Methodology section and Appendix D – Batch 2 Phone Cards.



Approach

The minutes provided by the calling cards are impacted by different variables such as per minute rate to the selected destination, call duration fees, rounding increments, service fees, toll-free / pay-phone charges and maintenance fees. In order to account for different possible scenarios, several methodologies are used in testing.

- **Single Call / Last Call:** In some test cases, the testing attempts to utilize the entire balance of the cards in a single call and compare the amount of minutes indicated by the card's voice prompt at the beginning of the test call with the amount of minutes actually provided in that same call. When tests can't achieve exhausting the entire balance in a single call due to quality of the lines or drops, then multiple calls are attempted until the entire balance is exhausted. In those cases, the comparison is made between the card's indicated balance during the last call's prompt (when the balance is exhausted) and the duration of that same call. The assumption is that this will minimize the impact of the additional charges on the amount of minutes provided. Additionally, on all other cards that are used for other types of testing (fees and surcharges, rounding, maintenance, toll free), comparison is made between the card's indicated balance during the last call's prompt (when the balance is exhausted) and the duration of that same call.
- **Fees and Surcharges:** In some test cases, the calls are intentionally disconnected by the test executor (using automated test scripts) to calculate and compare the impact of additional charges on the balance that is used within the same call. In these cases, the potential maximum charge for the call is calculated based on the indicated rounded duration of the call and all indicated fees (using the maximum values if ranges are provided) and it is compared to the actual balance that is used. The actual balance that is used for a call is calculated using the announced remaining balance in the consecutive call's voice prompt. These test cases are also used to compare the card's indicated balance during the last call's prompt (when the balance is exhausted) and the duration of that same call. The assumption is that this will minimize the impact of the additional charges on the amount of minutes provided.
- **Maintenance Fees:** Some test cases are executed to specifically test the maintenance fees indicated on the prepaid cards. An initial call is placed and then disconnected by the test executor (using automated test scripts). Following this call, a subsequent call is placed in order to record the balance remaining on the card, but no actual destination is dialed. This is repeated every day following the first calls until the indicated balance on the card is lower than the previous day's balance. The timing and the amount of the monetary value that is reduced are compared to the indicated timing and the charges for the maintenance fees.
- **Call Duration Rounding:** Some test cases are executed to specifically test the call duration rounding rules that are indicated on the prepaid cards. Multiple calls are placed on each of these cards and disconnected by the test executor (using automated test scripts) at pre-defined durations within the same increment range to



compare the call charges. It is expected that the calls with durations within the same increment duration (i.e. rounded durations are the same), will be charged the same way. The actual call charges are compared to each other to determine if the cards bill the calls at the increments that are specified on the card's terms.

- **First Call Fees:** Some test cases are executed to specifically test the fees that apply to the cards on the first call placed with the card. In these test cases, 2 calls are placed on each of the tested cards on the day of first use (including the very first call on the card) with the exact same duration (40 seconds). The remaining balance on the card is recorded following each call to calculate the actual charge for the calls. The charges for both of these calls are compared to determine if the fees are reduced in accordance with the card's indicated terms and conditions.
- **Toll-Free Access Number Usage Charges:** Some test cases are executed to test the application of toll-free access number usage charges. The very first call on the cards that are tested in this report are placed using the toll-free access number and the announced minutes are recorded. These calls are manually disconnected before they complete. The next call is placed using the local access number and the announced minutes are recorded as well. Using the balance on the card and the announced minutes, the per minute rates for toll-free access and local access are calculated and compared to determine if the toll-free access surcharges are applied in accordance with the card's indicated terms and conditions.

The methodologies that are used for these testing approaches are explained in detail in Appendix A.



Test Deployment

Access Numbers:

The access numbers that are used to test all cards in the scope of this document are:

Prepaid Calling Card Brand	Toll Free Access Number	Local Access Number
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Destinations:

[REDACTED]

Data Sources:

This information used in analysis are provided from:

- Terminating Carrier's Call Detail Record
- Call Generator (CallWave) Trace files
- Listening to the Recordings created for each call
- Terms written on the card



Compliance Results

The results for compliance of all tested cards with printed terms on the cards are provided in the following table. The explanations of each column in the Compliance Results table are provided below:

1. **% of Provided vs. Expected Minutes – All Calls:** This column shows the percentage of provided minutes on all calls placed on a card versus the calculated expected minutes for all calls placed. Expected minutes incorporate the total duration of all test calls placed for each card as well as all expected fees and surcharges. When calculating the expected minutes, the rate per minute that is calculated based on the announcement is used. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
2. **% of Provided vs. Announced Minutes – Last Call:** This column shows the percentage of the minutes provided in the card's last call versus the announced minutes in that same last call. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
3. **% of Provided vs. Announced Minutes – Overall:** This column shows the percentage of provided minutes on all cards versus total minutes announced in the initial prompt by each of the cards. Cards in which multiple calls are placed, this value is not expected to be 100% since additional charges, rounding terms and maintenance fees will reduce the card's value. Values less than 50% are highlighted in red in the Compliance Results tables and values between 50%-70% are highlighted in yellow.
4. **Fees & Surcharges:** This column shows the percentage of calls that were in compliance with the cards' indicated fees and surcharges. Values less than 80% are highlighted in red in the Compliance Results tables and values between 80%-90% are highlighted in yellow.
5. **Rounding:** This column shows the percentage of cards that were in compliance with the cards' indicated rounding rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
6. **First Call Fee:** This column shows the percentage of cards that didn't apply any additional fees on the first call placed on the card. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
7. **Maintenance Fee:** This column shows the percentage of cards that were in compliance with the cards' indicated maintenance fee rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.
8. **Maintenance Term:** This column shows the percentage of cards that were in compliance with the cards' indicated maintenance term rules. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.



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9. **Toll Free Access Charge:** This column shows the percentage of cards that were in compliance with the indicated toll free access charges. Values less than 90% are highlighted in red in the Compliance Results tables and values between 90%-99% are highlighted in yellow.



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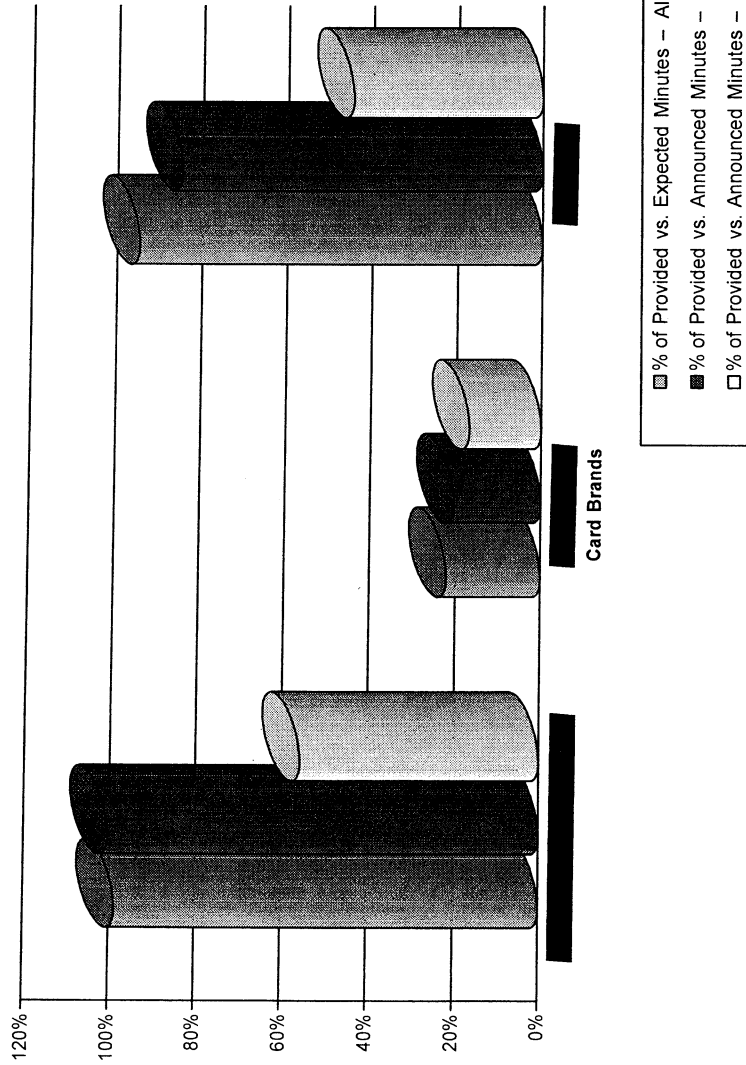
Compliance Results – Overall Results:

	% of Provided vs. Expected Minutes - All Calls	% of Provided vs. Announced Minutes - Last Call	% of Provided vs. Announced Minutes - Overall	Fees & Surcharges	Rounding	First Call Fee	Maintenance Fee	Maintenance Term	Toll Free Access Charges
	99%	100%	55%	85%		100%	100%		100%
				85%	100%	100%	100%	100%	N/A
	95%	85%		94%	100%	100%	100%	100%	N/A



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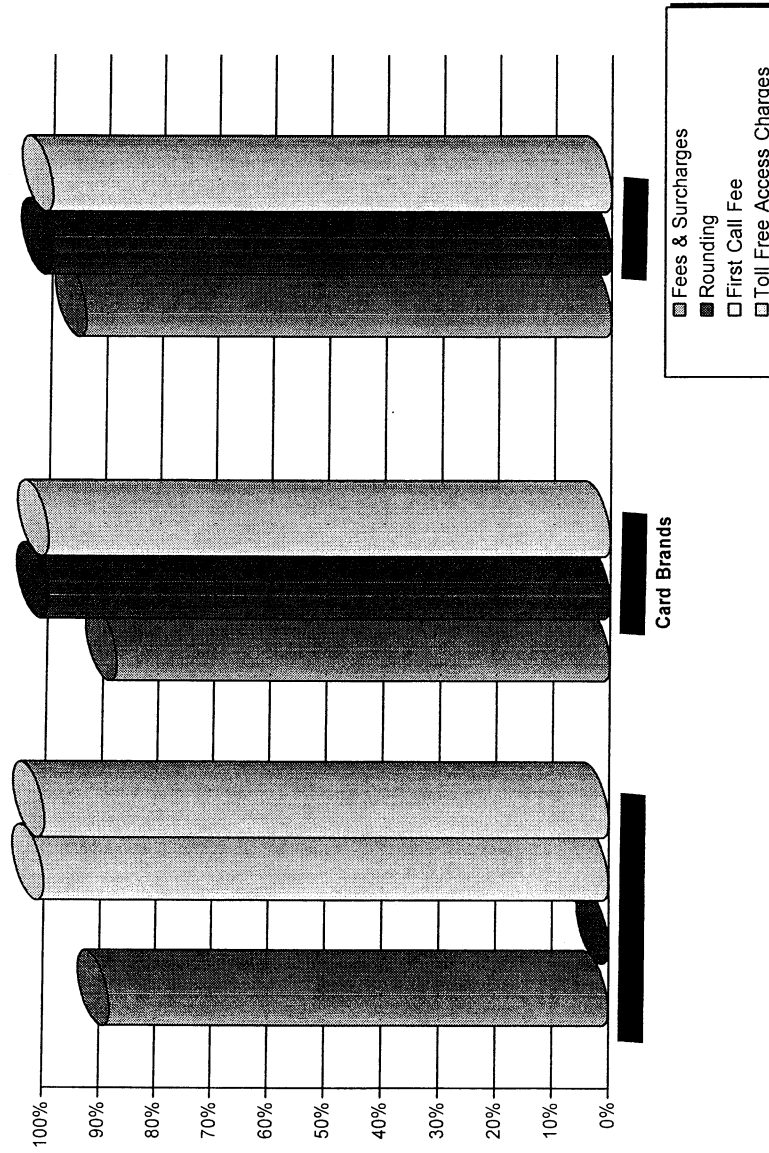
Percentage of Provided Minutes vs.
Expected (All Calls) & Announced Minutes (Last Call & Overall)





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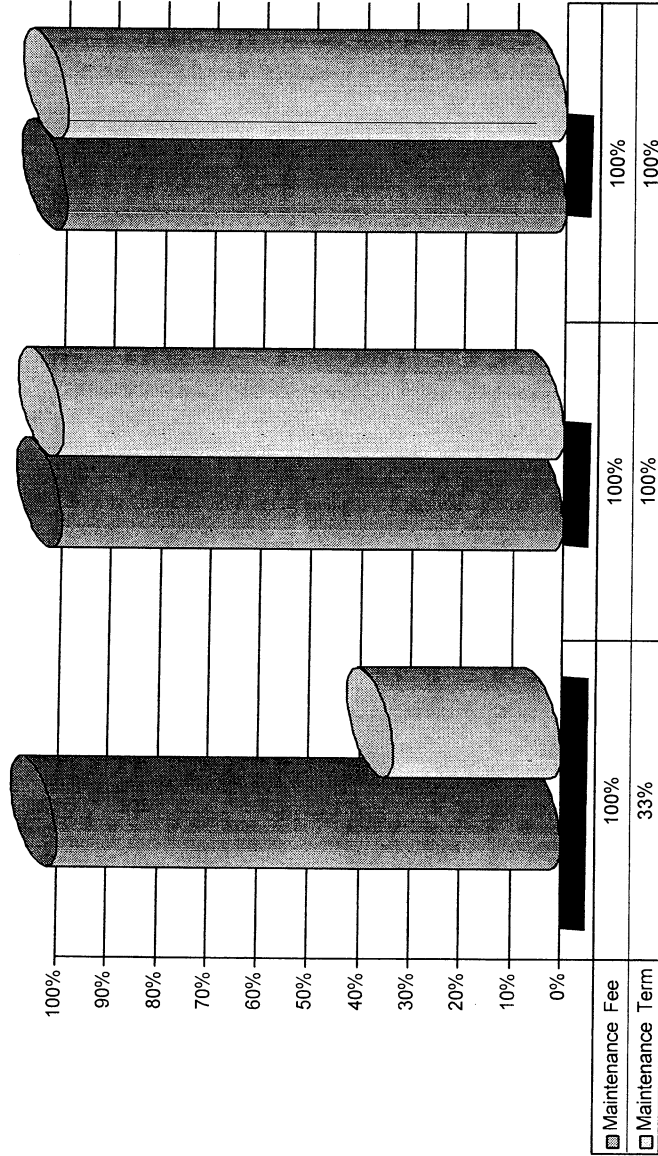
Terms & Conditions Compliance





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Maintenance Fee & Maintenance Term Compliance





Compliance Observations

Provided vs. Expected Minutes

Percentages provided in "Provided vs. Expected Minutes" show the ratio between provided minutes on all calls placed on a card versus the calculated expected minutes for all calls placed using the same card.

- [REDACTED] cards that are tested within the scope of this report provided 99% of all minutes that are expected on all tested cards, based on all terms and conditions printed on the cards.
- [REDACTED] observed in Provided vs. Expected Minutes in [REDACTED] cards is mainly due to:
 - Single call that was placed with \$5.00 [REDACTED] on April 14, 2011 at 1:23 GMT. The card announced 4 hours 10 minutes for this call. The call dropped at 3 hours (no "End of Balance" announcement was provided). After the fees and surcharges were applied to the dropped call, there was no balance remaining on the card; therefore, this card is perceived as not provided all the expected minutes. The details of the call are provided in Appendix B: Compliance Results, Call Details.
 - Last call that was placed with \$5.00 [REDACTED] on April 21, 2011 at 17:27 GMT. The card announced 30 hours 10 minutes for this call. The call dropped at 3 hours 59 minutes (no "End of Balance" announcement was provided). After the fees and surcharges were applied to the dropped call, there was no balance remaining on the card; therefore, this card is perceived as not provided all the expected minutes. The details of the call are provided in Appendix B: Compliance Results, Call Details.
- [REDACTED] cards that are tested within the scope of this report provided 95% of all minutes that are expected on all tested cards, based on all terms and conditions printed on the cards.

Provided vs. Announced Minutes - Last Call

Percentages provided in "Provided vs. Announced Minutes - Last Call" column show the ratio between announced minutes on the last call and the actual minutes that are received on that same call.

- [REDACTED] cards that are tested within the scope of this report indicate "prompted minutes are available when using the entire balance on a single call". For this reason, these cards are expected to provide all the announced minutes if the card's balance is exhausted within the same call. All last calls (including single calls) that are tested for the [REDACTED] cards provided all announced minutes.
- [REDACTED] cards that are tested within the scope of this report indicate "the surcharges and fees will have the effect of reducing total minutes if not used on a single call". For this reason, these cards are expected to provide all the announced minutes if the card's balance is exhausted within the same call. [REDACTED] observed in



Provided vs. Announced Minutes - Last Call in [REDACTED] cards is due to last calls that dropped and exhausted all the balance on these cards not providing all announced minutes. The explanations for these calls are provided in "Provided vs. Expected Minutes" section above and the details of these calls are provided in Appendix B: Compliance Results, Call Details.

- [REDACTED] cards that are tested within the scope of this report indicate "announced minutes based on using entire card in a single call". For this reason, these cards are expected to provide all the announced minutes if the card's balance is exhausted within the same call. 85% observed in Provided vs. Announced Minutes in [REDACTED] cards is mainly due to:
 - Last call that was placed with \$5.00 [REDACTED] on April 20, 2011 at 15:39 GMT. The card announced 3 hours 34 minutes for this call. The call was terminated by the platform at 3 hours 1 minute with a "Your call will now be terminated" announcement. After the fees and surcharges were applied to the call, there was no balance remaining on the card; therefore, this card is perceived as not provided all the expected minutes. The details of the call are provided in Appendix B: Compliance Results, Call Details.

Provided vs. Announced Minutes – Overall

Percentages provided in "Provided vs. Announced Minutes – Overall" column show the ratio between the announced minutes on the first call and the actual minutes that are received on the card as a result of all calls placed on the card. When multiple calls are placed on a card, this value is never expected to be 100% as the fees and surcharges will reduce the number of minutes. These percentages will be lower for cards with higher fees and surcharges and for cards in which higher number of test calls are placed. Therefore, the lower percentages shown in this column are not true compliance measurements. The purpose of this measure is to show the "received minutes perception" from the customer's perspective.

Fees & Surcharges Compliance

Lower percentages in "Fees & Surcharges" column show the cards that appeared to have applied more fees and surcharges than indicated on the cards.

- [REDACTED] cards are found to be 88% in compliance with indicated fees and surcharges. This is mainly due to:
 - Multiple call placed with \$5.00 [REDACTED] between April 13, 2011 and April 21, 2011 appeared to have charged more than the calculated maximum potential charges for these calls. The extra charges are calculated to be between \$0.01 and \$0.12 based on the indicated fees and surcharges. The details of these calls are provided in Appendix B: Compliance Results, Call Details.



- [REDACTED] cards are found to be 88% in compliance with indicated fees and surcharges. This is mainly due to last calls that dropped before the announced duration was reached. This is explained in further detail in the "Provided vs. Expected Minutes" section above and the details of these calls are provided in Appendix B: Compliance Results, Call Details.
- 94% observed in Fees & Surcharges for [REDACTED] cards is due to last calls terminated by the platform at 3 hours 1 minute with a "Your call will now be terminated" announcement. Please refer to "Provided vs. Expected Minutes" section for details.

Rounding

- [REDACTED] cards are found to be [REDACTED] with the rounding rules that are indicated on the cards:
 - ☐ [REDACTED] cards that are tested within the scope of this report indicate 3 minute rounding. With 3 minute rounding, it is expected that the calls lasted less than 3 minutes will be charged the same way, as well as calls between 3 minutes and 6 minutes, calls between 6 minutes and 9 minutes, and so forth. The cards that are tested for rounding within the scope of this report seemed to be applying a 1+3 minute rounding rule. The details of these calls are provided in Appendix B: Compliance Results, Call Details.
 - ☐ [REDACTED] card that is tested within the scope of this report indicate 1+5 minute rounding. With 1+5 minute rounding, it is expected that the calls lasted less than 1 minute will be charged the same way, as well as calls between 1 minute and 6 minutes and calls between 6 minutes and 11 minutes, and so forth. The [REDACTED] card that is tested for rounding within the scope of this report seemed to be applying a 1+3 minute rounding rule. The details of these calls are provided in Appendix B: Compliance Results, Call Details
- [REDACTED] cards that are tested within the scope of this report indicate 1 minute rounding and all tested cards are found to be in compliant with the indicated rounding rule.
- [REDACTED] card that is tested within the scope of this report indicate 1 minute rounding and all tested cards are found to be in compliant with the indicated rounding rule.

First Call Fees

- All [REDACTED] cards that are tested for first call fees are found to be not applying any additional fees, therefore in compliance with rules.
- All [REDACTED] cards that are tested for first call fees are found to be not applying any additional fees, therefore in compliance with rules.
- All [REDACTED] cards that are tested for first call fees are found to be not applying any additional fees, therefore in compliance with rules.



Maintenance Fee

- All [REDACTED] cards that are tested within the scope of this report are found to be in compliance with the maintenance fee rules as indicated on the cards.
- All [REDACTED] cards that are tested within the scope of this report are found to be in compliance with the maintenance fee rules as indicated on the cards.
- All [REDACTED] cards that are tested for maintenance within the scope of this report are found to be in compliance with the maintenance fee rules as indicated on the cards.
- The details of the daily deductions observed in each card are provided in Appendix C: Daily Balance Checks.

Maintenance Term

- [REDACTED] cards that are tested within the scope of this report indicate weekly maintenance fee that applies after 1st day of use. [REDACTED] observed in maintenance term compliance in all tested [REDACTED] cards is due to
 - ☐ \$0.20 deductions which appeared to happen multiple times in a period of 7 days in [REDACTED] card (on the 1st day after first use, 6th day and 7th day).
 - ☐ \$0.20 deduction that is observed on the 6th day after first use in [REDACTED] card.
- All [REDACTED] cards that are tested within the scope of this report are found to be in compliance with the maintenance term rules as indicated on the cards.
- All [REDACTED] cards that are tested for maintenance within the scope of this report are found to be in compliance with the maintenance term rules as indicated on the cards.
- The details of the daily deductions observed in each card are provided in Appendix C: Daily Balance Checks.

Toll Free Access Charge

The very first call on the cards that are tested within the scope of this report are placed using the toll-free access number and the announced minutes are recorded. These calls are manually disconnected before they complete. The next call is placed using the local access number and the announced minutes are recorded. Based on the announced balance and the minutes, the rate per minute are calculated and compared.

- [REDACTED] cards that are tested within the scope of this report indicate that "an additional \$0.04 per minute" will apply when toll free access numbers are used. Both of these cards appeared to be applying less than \$0.04 per minute. [REDACTED] card that is tested with in the scope of this report indicate that "toll-free access subject to additional charges" and it is found to be applying \$0.025 per minute. Therefore, all [REDACTED] cards that are tested within the scope of this report are found to be in compliance with the toll



free access charge rules (since they seem to apply a "less expensive" method for toll free access charges from the customer's perspective - assuming the card would provide all announced minutes when the toll-free access number is used).

- Toll Free access numbers provided for [REDACTED] cards are only accessible within the state of New Jersey, therefore toll free access charge compliance could not be tested for these cards within the scope of this report.

Additional Observations – [REDACTED]

- [REDACTED] card could not be tested because the platform denied access to this card with a recorded voice announcement that announced "Your account has expired" after the PIN code is dialed.
- Although the [REDACTED] card is advertised as "NO CONNECTION FEE" as printed on the front of the card, the disclaimer includes the following disclosures:
 - o "Low per-call network fee applies to some destinations",
 - o "Other charges may apply", and
 - o "Upto twenty percent pin maintenance charge may apply depending on the lenght & destination."

Additional Observations – [REDACTED] :

- [REDACTED] cards could not be tested because the platform denied access to these cards with a recorded voice announcement that announced ""Please check the number and dial again" and "This authorization code is invalid" respectively after the PIN codes are dialed.
- All last call attempts that were made for the [REDACTED] card were disconnected by the platform at exactly 3 hours 1 minute with a recorded voice announcement that says "Call will now be terminated". When the calls are disconnected, applicable fees and surcharges are applied to the calls' total charges. Disconnecting the calls at 3 hours may be due to security purposes, but it is preventing the customers from utilizing all available balance on the card.
- All [REDACTED] card access numbers (both local and toll free) as well as customer service numbers became inaccessible on April 17, 2011. The calls to the [REDACTED] platform did not complete (either a reorder tone or various recorded voice announcements such as the number can't be reached at this moment, the number does not accept calls at this moment, etc). When reached through their main line, [REDACTED] indicated that they had an outage that affected their system. This was corrected around 5pm EST on April 18, 2011.
- [REDACTED] card deducted \$0.69 as maintenance fee on the 7th day after first use as indicated on the card. On the 8th day, the card's value was restored to pre-maintenance value. The details are provided in Appendix C: Daily Balance Checks.
- Due to a technical problem that was experienced with the origination phone line when testing the [REDACTED] phone card, this card did not produce accurate results, therefore excluded from this report.



Appendix A - Methodology

Call Generators

Call generators are used to place the calls via the calling card and complete the call to the destination call generators. The testing is performed using Call Generators (CallWave) in the US (Washington, DC number) and terminating to Call Generators (CallWave) with Dominican Republic and Mexico numbers.

Cards

The following calling cards are tested to the specified destinations:

Card Name / Denomination	PIN Number	Destination Country

Methodology

Several methodologies are used to test different aspects of prepaid calling cards as described in the Approach section. These methodologies are explained below using the flow for calls that are placed for each of these methodologies. In all scenarios, call duration is calculated and verified by 3 sources: 1. Call Generator units, 2. listening to actual recordings of each call and 3. The destination carrier's Call Detail Records (CDRs).

- **Methodology (1): Attempt to exhaust all minutes in a single call**

Every attempt is made to use all the available time in a single call. If this is not successful, most commonly due to quality of the line and drops, additional calls are made to the same destination until all the remaining balance in the cards is used. Each call is recorded by the units in order to interpret the amount of minutes announced by the calling card platform:

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code



- and phone number of the destination unit – this is the start time of the post dialing delay
 - Waits for prompt indicating the available time for the call (which is recorded)
 - Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
 - Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
 - If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
 - Quality of Service tests are performed between the units
 - Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
 - This continues until the programmed call duration is exhausted or until the call drops prematurely due to quality of service issues or disconnection by the calling card platform. This is the end of the call duration
 - Some cards provide a “warning” prompt usually indicating when there is one minute left for the call and then disconnect. This prompt is also recorded
- **Methodology (2): Place multiple calls**
- Multiple calls are placed for a single prepaid calling card. The calls are intentionally broken by the test executer to calculate and compare the impact of additional charges on the balance that is used within the call. Each call is recorded by the units in order to interpret the amount of minutes and the remaining balance announced by the calling card platform:
- Unit goes off hook
 - Voice recording is started
 - After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
 - After detecting the answering voice announcement, dials the card access code
 - After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
 - Waits for prompt indicating the available time for the call (which is recorded)
 - Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
 - Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
 - If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
 - Quality of Service tests are performed between the units
 - Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
 - This continues until the test executer disconnects the call.



- Test executer starts a new call. This call follows the same flow as above, until the test executer disconnects the calls. This is done multiple times, until a sufficient number of calls are reached or the card balance is exhausted.
- Some cards provide a “warning” prompt usually indicating when there is one minute left for the call and then disconnect. This prompt is also recorded

- **Methodology (3): Maintenance Fees**

A single call is placed and disconnected by the test executer as the very first call made by the card:

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the test executer disconnects the call.

Following this call, the balance on the card is recorded on the same day and every day following the first call, until the balance on the card is exhausted as many times as the testing requires. On each day:

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), the test executer terminates the call.

- **Methodology (4): Call Duration Rounding**

Multiple calls placed on a card and disconnected by the test executer at pre-defined call durations:

- Unit goes off hook
- Voice recording is started



- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the test executer disconnects the call at the pre-specified call duration. The method to determine the call durations is explained in the “Approach” section.



Methodology (5): “First Call” fees

Two (2) calls are placed on a card on the day of first use (including the very first call on the card) and disconnected by the test executer at exactly same bill durations (40 seconds):

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number (depending on the scenario to be tested) of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the test executer disconnects the call at 40 seconds from answer.
- Test executer starts a new call. This call follows the same flow as above, until the test executer disconnects the calls at 40 seconds from answer.

- Methodology (6): Toll-Free Access Number Usage Charges

The very first call on the card is placed using the toll-free access number and the announced minutes are recorded. These calls are manually disconnected before they complete. The next call is placed using the local access number and the announced minutes are recorded as well.

- Unit goes off hook
- Voice recording is started
- After detecting dialtone, dials the local or toll-free access number of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Disconnects the call before it completes.
- Unit goes off hook



- Voice recording is started
- After detecting dialtone, dials the local access number of the calling card
- After detecting the answering voice announcement, dials the card access code
- After detecting the prompt indicating the available monetary balance (which is recorded), it dials the international access code followed by the country code and phone number of the destination unit – this is the start time of the post dialing delay
- Waits for prompt indicating the available time for the call (which is recorded)
- Waits for a valid network response such as a ringback and uses this time to calculate the end of post dialing delay
- Registers call disposition (Ring no answer, busy, network busy, recorded voice announcement or complete)
- If the destination unit detects an incoming ring, it goes off hook and answers the call, this is tagged as a complete call and is the start of the actual bill duration
- Quality of Service tests are performed between the units
- Both units continuously exchange information in order to keep the call open and in order to detect if the call has dropped
- This continues until the test executer disconnects the call at a predefined duration or the call drops or until all balance is exhausted.

[illegible]

[illegible]

[illegible]

[illegible]

* Values enclosed in blue boxes show the balance on the cards at the end of the first day of usage.
* Values highlighted in green show the maintenance deductions (or value changes) on the card.



Appendix D – Batch 2 Phone Cards

[REDACTED]

[REDACTED]

[REDACTED]