



Bob Sahr, Chair  
Dustin Johnson, Vice-Chair  
Gary Hanson, Commissioner

## SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue  
Pierre, South Dakota 57501-5070  
[www.puc.sd.gov](http://www.puc.sd.gov)

Capitol Office  
(605) 773-3201  
(605) 773-3809 fax

Transportation/Warehouse  
(605) 773-5280  
(605) 773-3225 fax

Consumer Hotline  
1-800-332-1782

November 15, 2006

eCHURCH  
ATTN: Lars Persson  
20422 Beach Blvd. Suite 210  
Huntington Beach CA 92648

Re: IN THE MATTER OF UNAUTHORIZED LONG DISTANCE CHARGES  
MADE BY E-CHURCH NETWORK AND ILAB TECHNOLOGIES AND FOR  
THEIR FAILURE TO OBTAIN CERTIFICATES OF AUTHORITY IN SOUTH  
DAKOTA

Enclosed please find a copy of Staff's Motion for an Order to Show Cause in the above captioned matter. This is intended as service upon you by certified mail.

Very truly yours,

Kara Van Bockern  
Staff Attorney

Enc.

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF UNAUTHORIZED  
LONG DISTANCE CHARGES MADE BY  
E-CHURCH NETWORK AND ILAB  
TECHNOLOGIES AND FOR THEIR  
FAILURE TO OBTAIN CERTIFICATES  
OF AUTHORITY IN SOUTH DAKOTA

MOTION FOR ORDER TO SHOW  
CAUSE

TC06-190

Comes now the staff of the South Dakota Public Utilities Commission (Commission), pursuant to SDCL 49-31-69, SDCL 49-31-89 and ARSD 20:10:24:02, and moves the Commission to issue an Order to Show Cause, pursuant to 20:10:01:45 in the above-entitled manner. By this Motion, staff requests that the Commission assess up to the maximum civil monetary fine against eChurch Network (“eChurch”) and iLab Technologies (“iLab”) and require they cease conducting business in the State of South Dakota until they apply for and are granted Certificates of Authority from the Commission. In support of this Motion, staff asserts as follows:

**BACKGROUND**

On September 27, 2006, the Consumer Affairs Division (“Consumer Affairs”) of the Commission received its first complaint regarding an unauthorized long distance charge assessed against a consumer by eChurch. The complaining consumer received a bill from ILD Telecommunications Billing on behalf of eChurch. Within the next fifteen minutes Consumer Affairs received three more complaints. Consumer Affairs immediately began an investigation of the charges. Throughout the course of the investigation, Consumer Affairs discovered the Complainants were all billed for a one minute, fifty dollar (\$50) long distance charge. None of the Complainants authorized the charges. Further, when several of the Complainants called eChurch to inquire about the

charge, the Complainants were told they could not be helped until a complete list of any other phone numbers associated with the affected business was provided. All Complainants asked to provide such information to eChurch refused and called Consumer Affairs.

Consumer Affairs contacted eChurch directly to both inform them of the complaints and to obtain an explanation and possible resolution. eChurch denied any wrongdoing, and informed Consumer Affairs the billing was a result of a computer hacker. eChurch has not, however, despite the request, provided the name and contact information of its computer consultant hired to remedy the computer problem. eChurch did, however, voluntarily submit data to Consumer Affairs regarding those billed for long distance services in South Dakota.

Soon thereafter, Consumer Affairs spoke with Lars Persson the incorporator of Radical Persson, Inc. a California Corporation. Radical Persson, Inc. does business as both eChurch and iLab Technologies (“iLab”) and is registered as such with the Orange County, California Office. The unauthorized bills show “eChurch” and “iLab” are used interchangeably as the long distance provider. The data voluntarily submitted by Mr. Lars Persson indicates either eChurch or iLab illegally billed consumers in South Dakota. In fact, at least sixty-three (63) small businesses across the State of South Dakota have incurred unauthorized charges under the name of either iLab or eChurch. The results of such billings vary. The consumer responses are as follows:

- 1) Some did not pay the bill sent by eChurch or iLab. Rather, those charges were rejected by the consumer’s Local Exchange Carrier.

- 2) Some, despite the inclusion of the consumer on the list, are not aware of the billing and do not believe they incurred such charges.
- 3) Other consumers called either eChurch or iLab to cancel the service. According to the data provided by eChurch, all such services were canceled and the consumers were reimbursed.
- 4) eChurch claims to have three active customers in South Dakota.
- 5) eChurch claims eight consumers were billed as a result of a computer hacker.

Although the ultimate result of the billings varied, several facts remain constant.

It does not appear, from Consumer Affairs investigation that any of the affected consumers authorized, agreed to, or wanted the services as charged by either eChurch or iLab. Further, neither company has a Certificate of Authority to do business in South Dakota. Further, despite the long distance bills, it does not appear any of those consumers billed ever received a service from either eChurch or iLab.

Consumer Affairs worked diligently to resolve this issue informally with eChurch, iLab and Radical Persson, Inc. The companies failed to sufficiently supply Consumer Affairs with documentation to substantiate the charges. Consumer Affairs provided the companies with a list of those consumers with current disputed charges, and further asked for an explanation and resolution if the charges are truly a result of a computer hacker or billing glitch. None of the current disputed bills have been resolved, and Consumer Affairs still lacks any sort of explanation. Due to the inability of Consumer Affairs to obtain any answers or any attempt at resolution by either eChurch, or iLab it asks the Commission to assist. Neither eChurch nor iLab has attempted to correct the problem.

## ARGUMENT IN SUPPORT OF MOTION

1. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3, 49-31-7 and 49-31-7.1 and ARSD 20:10:24:04.02.
2. Pursuant to 20:10:01:45, this Motion has been served by certified mail upon Lars Perrson, the Registered Agent for Radical Perrson, Inc., the parent company of eChurch and iLab. The purpose of this service is to give notice of the facts and conduct which warrant Staff's request that the Commission issue the maximum fine of up to Twenty Thousand Dollars (\$20,000) per offense pursuant to SDCL 49-31-94 and require both iLab and eChurch to immediately cease doing business in South Dakota.

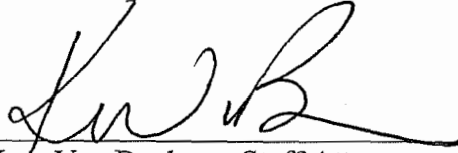
It is Staff's position that both iLab and eChurch are guilty of the following

- a) Unauthorized products and service listed on the subscriber's bill. SDCL 49-31-89; and,
- b) Failure to obtain a Certificate of Authority prior to conducting business as a telecommunications provider.

Pursuant to 20:10:01:45, an Affidavit from Deb Gregg, director of the Consumer Affairs Division of the Commission is attached and will be served via certified mail on Lars Perrson. Consistent with the allegations in this Affidavit, staff requests the Commission serve notice that the following issues will be heard by the Commission:

1. Whether eChurch and iLab conducted business in South Dakota without a Certificate of Authority;
2. Whether eChurch and iLab violated the South Dakota anti-cramming laws; and,
3. What penalties, if any, shall be imposed if eChurch and iLab are found guilty of such violations.

Signed and dated this 15<sup>th</sup> day of November, 2006



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Kara Van Bockern, Staff Attorney  
South Dakota Public Utilities Commission  
500 E. Capitol Ave  
Pierre, SD 57501  
(605)773-3201

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF UNAUTHORIZED  
LONG DISTANCE CHARGES MADE BY  
E-CHURCH NETWORK AND ILAB  
TECHNOLOGIES AND FOR THEIR  
FAILURE TO OBTAIN CERTIFICATE OF  
AUTHORITY IN SOUTH DAKOTA

AFFIDAVIT OF DEB GREGG OF THE  
CONSUMER AFFAIRS DIVISION OF  
THE PUC

TC06-

Deb Gregg, after being duly sworn upon her oath, hereby states and disposes as follows:

1. My name is Deb Gregg and I am an employee of the South Dakota Public Utilities Commission in the Consumer Affairs Division.
2. Since September 27, 2006, the Consumer Affairs Division of the South Dakota Public Utilities Commission has received several complaints regarding eChurch Network.
3. I conducted an investigation after receiving the above complaints. Upon investigation I discovered eChurch's illegal telecommunication practices.
4. I contacted eChurch to not only inform them of the Complaints but in an attempt to understand its telecommunication practices.
5. As a result of my investigation, I discovered that two fictitious businesses, including eChurch, registered under Radical Persson, Inc. of California were charging unauthorized long distance fees in South Dakota.
6. eChurch volunteered a list of those they billed in South Dakota. However, the information sent by eChurch appears inaccurate. Some of consumers contacted on the list denied any knowledge of being billed for any

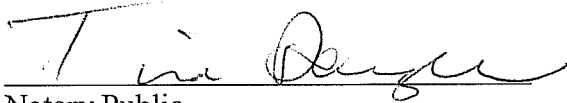
unauthorized services, while others that contacted the Consumer Affairs were not included on the eChurch document at all.

7. According to eChurch's own list, either it or iLab (the other fictitious business) billed at least sixty-three South Dakota residents for unauthorized services. It does not appear the consumers authorized the services.
8. eChurch is not able to rationally explain its billing practice. It appears from the voluntarily produced list that both eChurch and iLab intentionally billed all South Dakota victims.
9. I believe both eChurch and iLab participated in a practice known as "cramming" as is defined in SDCL 49-31-89.
10. I also believe both eChurch and iLab conducted business in the State of South Dakota as a telecommunications company without first obtaining a Certificate of Authority as is required in SDCL 49-31-75.

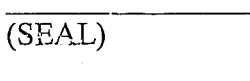
  
\_\_\_\_\_  
Deb Gregg  
South Dakota Public Utilities Commission

STATE OF SOUTH DATKOA     )  
                                          ) SS  
COUNTY OF HUGHES         )

On this 15<sup>th</sup> day of November, 2006, before me Tina Douglas, a Notary Public within and for said County and State, personally appeared Deb Gregg, known to me to be the person who is described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

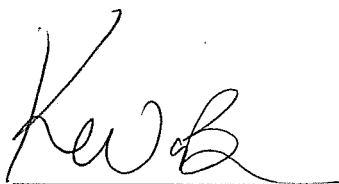
(SEAL)   
TINA DOUGLAS  
My Commission Expires  
April 14, 2011



## CERTIFICATE OF SERVICE

I hereby certify that a copy of the Motion for Order to Show Cause was served on the following by mailing the same to him by United States Post Office Certified Mail, postage thereon prepaid, at the address shown below on this the 15th day of November, 2006.

Mr. Lars Persson  
e-Church Network and  
iLab Technologies  
20422 Beach Boulevard, Suite 210  
Huntington Beach, CA 92648

A handwritten signature in black ink, appearing to read 'KVB', is written over a horizontal line.

Kara Van Bockern  
Staff Attorney  
South Dakota Public Utilities Commission