

**BEFORE THE
SOUTH DAKOTA PUBLIC SERVICE COMMISSION**

Pursuant to Rule **20:10:32:03** of the Commission's Telecommunications Services Rules, MAGICJACK SMB, INC. ("Applicant") submits the following registration information:

- (1) **The applicant's name, address, telephone number, facsimile number, web page URL, and E-mail address;**

MAGICJACK SMB, INC.
222 Lakeview Avenue, Suite 1600
West Palm Beach, FL 33401
Toll Free/Regulatory 888-656-3055
Telephone: 561-290-8585
Facsimile: 561-514-9441
Toll Free: 888-657-6282
Website: <https://www.magicjackforbusiness.com/>

- (2) **A description of the legal and organizational structure of the applicant's company;**

MAGICJACK SMB, INC. is a Florida corporation incorporated on January 12, 2016. A copy of the Applicant's Articles of Incorporation and a copy of the certificate of authority to transact business in South Dakota from the Secretary of State is included as **Attachment I** to the application.

- (3) **The name under which applicant will provide local exchange services if different than in subdivision (1) of this section;**

The Applicant will provide services under the name shown in Question 1.

- (4) **The location of the applicant's principal office, if any, in this state and the name and address of its current registered agent, if applicable;**

MAGICJACK SMB, INC. has no principal office in South Dakota.

The name and address of Applicant's current registered agent is:

Corporation Service Company
503 S Pierre St
Pierre, SD 57501-4522

- (5) **A copy of its certificate of authority to transact business in South Dakota from the secretary of state;**

A copy of the Applicant's certificate of authority to transact business in South Dakota from the Secretary of State is included as **Attachment I** to the application.

- (6) **A description of the applicant's experience providing any telecommunications services in South Dakota or in other jurisdictions, including the types of services provided, and the dates and nature of state or federal authorization to provide the services;**

MAGICJACK SMB offers the services that it proposes to offer in South Dakota on a nationwide basis, excluding Alaska. Most states do not require interconnected VoIP service providers to obtain a certificate of public convenience. States that require a form of registration are identified in **Exhibit V**, with any applicable registration number. MAGICJACK SMB also holds an FCC 214 international license, as listed in **Exhibit V**.

- (7) **Names and addresses of applicant's affiliates, subsidiaries, and parent organizations, if any;**

MagicJack VocalTec, Ltd.
Binat Building 5th Floor
HAR Hotzvim
Netanya, Israel 42504
Telephone: 97256.17712253

- (8) **A list and specific description of the types of services the applicant seeks to offer and how the services will be provided including:**

- (a) Information indicating the classes of customers the applicant intends to serve;

MAGICJACK SMB, INC. will provide its services to small business customers.

- (b) Information indicating the extent to and time-frame by which applicant will provide service through the use of its own facilities, the purchase of unbundled network elements, or resale;

The Applicant proposes to offer Interconnected Voice over Internet Protocol service using facilities of the underlying carrier.

- (c) A description of all facilities that the applicant will utilize to furnish the proposed local exchange services, including any facilities of underlying carriers; and

MAGICJACK SMB, INC. will offer service through interconnection and commercial agreements utilizing the facilities of its underlying carrier. Its underlying CLEC partner will provide interconnection to the public switched network, routing and call completion functions.

- (d) Information identifying the types of services it seeks authority to provide by reference to the general nature of the service;

MAGICJACK SMB, INC. will provide Interconnected Voice over Internet Protocol service to business customers only.

(9) **A service area map or narrative description indicating with particularity the geographic area proposed to be served by the applicant;**

The Applicant requests authority to provide service throughout the state of South Dakota.

MAGICJACK SMB's service areas and exchanges will mirror those established its underlying carrier and MAGICJACK SMB concurs in the service maps of those carriers, as currently filed with the Commission and as subsequently redefined. For these reasons, MAGICJACK SMB requests that it be exempted from the requirement to provide a service area map in its filing.

(10) **Information regarding the technical competence of the applicant to provide its proposed local exchange services including:**

- (a) A description of the education and experience of the applicant's management personnel who will oversee the proposed local exchange services; and

MAGICJACK SMB is technically qualified to provide the interconnected VoIP services that it proposes. As indicated below, its management team has extensive telecommunications experience. MAGICJACK SMB will provide customers with customer premise equipment along with instructions for installation and set up. Customer service representatives will be available to answer questions regarding set up and operation. Its underlying CLEC carrier will provide interconnection to the public switched network, routing and call completion functions. A copy of current resumes of MAGICJACK SMB, INC. management personnel is attached at **Attachment III**.

- (b) Information regarding policies, personnel, or arrangements made by the applicant which demonstrates the applicant's ability to respond to customer complaints and inquiries promptly and to perform facility and equipment maintenance necessary to ensure compliance with any commission quality of service requirements;

Applicant is responsible for all customer inquiries and complaints. The telephone number for customer inquiries and complaints is provided by MAGICJACK SMB, INC. on the customer bill. MAGICJACK SMB, INC. Customer Service department may be accessed 561-612-2656 or Toll Free 888-657-6282 for consumer complaints. Customer service is available Monday through Friday from 9:00 AM to 5:00 PM.

- (11) **Information explaining how the applicant will provide customers with access to emergency services such as 911 or enhanced 911, operator services, interexchange services, directory assistance, and telecommunications relay services;**

MAGICJACK SMB intends to provide interconnected VoIP service to small business customers. The Company's offerings will provide customers with the communications equivalent of traditional wireline local and intrastate long distance services for connections to and from the public switched telephone network, including essential functionalities such as access to emergency 911 service, operator services and directory assistance. Customers will be able to make and receive calls in essentially the same manner as traditional wireline service customers and will enjoy access to features similar to those available with traditional wireline services, including but not limited to call waiting, call forwarding, 3way calling, caller ID and voice mail. MAGICJACK SMB will utilize the services of its underlying CLEC carrier, YMax Communications Corp., for interconnection to the public switched network and numbering resources. The Applicant intends to provide most customers with unlimited flat rate domestic calling, although it may offer certain services on a per minute basis. MAGICJACK SMB does not intend to serve residential customers.

- (12) **For the most recent 12 month period, financial statements of the applicant consisting of balance sheets, income statements, and cash flow statements. The applicant shall provide audited financial statements, if available;**

MAGICJACK SMB, INC. has the financing and capital necessary to provide local exchange service via interconnected VoIP, as proposed in this Application. Attached hereto as **Attachment II**, is a copy of the Applicant's balance sheet.

- (13) **Information detailing the following matters associated with interconnection to provide proposed local exchange services:**

- (a) The identity of all local exchange carriers with which the applicant plans to interconnect;

MAGICJACK SMB will utilize the services of its underlying carrier, YMax Communications Corp., for interconnection to the public switched network and numbering resources.

- (b) The likely timing of initiation of interconnection service and a statement as to when negotiations for interconnection started or when negotiations are likely to start; and

MAGICJACK SMB currently has access to YMax Communications Corp's network which holds a Certificate of Authority as a CLEC in South Dakota. Because the agreement does not involve an ILEC, a filing with the Commission is not required.

- (c) A copy of any request for interconnection made by the applicant to any local exchange carrier;

Not applicable. See response to (a) and (b).

- (14) **A description of how the applicant intends to market its local exchange services, its target market, whether the applicant engages in multilevel marketing, and copies of any company brochures that will be used to assist in sale of the services;**

The primary marketing channel for MAGICJACK SMB, INC. is via agents, direct mail and internet advertising.

- (15) **If the applicant is seeking authority to provide local exchange service in the service area of a rural telephone company, the date by which the applicant expects to meet the service obligations imposed pursuant to § 20:10:32:15 and applicant's plans for meeting the service obligations;**

MAGICJACK SMB, INC. is not seeking to provide service in rural territories.

- (16) **A list of the states in which the applicant is registered or certified to provide telecommunications services, whether the applicant has ever been denied registration or certification in any state and the reasons for any such denial, a statement as to whether or not the applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified, and a detailed explanation of why the applicant is not in good standing in a given state, if applicable;**

MAGICJACK SMB, INC. is providing Interconnected Voice over Internet Protocol Service nationwide. A list of states that required either an Application or Registration is provided as **Attachment V**. MAGICJACK SMB has also submitted the required FCC registration as an interconnected VoIP provider. The Applicant has never been denied registration or certification and is in good standing with all states in which it operates.

- (17) **The names, addresses, telephone numbers, E-mail addresses, and facsimile numbers of the applicant's representatives to whom all inquiries must be made regarding customer complaints and other regulatory matters;**

Contact for Customer Complaints

Debora Giffin, Customer Service Manager
MAGICJACK SMB, INC.
560 Village Blvd. suite 120
West Palm Beach, FL 33409

Telephone: 888-657-6282
Facsimile: 561-514-9441
Email: deb.giffin@magicjack.com

Contact Regulatory Matters

Mark Pavol, Regulatory Manager
Telephone: 908-806-4479
Facsimile: 866-329-2322
Email: Mark.pavol@magicjack.com

- (18) **Information concerning how the applicant plans to bill and collect charges from customers who subscribe to its proposed local exchange services;**

MAGICJACK SMB, INC. will bill customers directly. Customer payments will be made directly to the Company and the Company will have no payment centers in South Dakota.

- (19) **Information concerning the applicant's policies relating to solicitation of new customers and a description of the efforts the applicant shall use to prevent the unauthorized switching of local service customers by the applicant, its employees, or agents;**

MAGICJACK SMB, INC. utilizes a direct sales approach to its marketing efforts. The Company does not utilize any form of multilevel marketing in the sale of its services. The Company uses written or electronic LOA to prevent the unauthorized switching of local service customers.

- (20) **The number and nature of complaints filed against the applicant with any state or federal commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered;**

MAGICJACK SMB, INC. has never had a complaint filed against it for the unauthorized switching of a customer's local exchange service.

- (21) **Information concerning how the applicant will make available to any person information concerning the applicant's current rates, terms, and conditions for all of its telecommunications services;**

MAGICJACK SMB, INC. will post product offerings on its website, and all customers will enter into written or electronic contracts for products and services.

- (22) **Information concerning how the applicant will notify a customer of any materially adverse change to any rate, term, or condition of any telecommunications service being provided to the customer. The notification must be made at least thirty days in advance of the change;**

MAGICJACK SMB, INC. will notify customers directly or via bill insert, thirty days in advance of the change, as warranted by the nature of the change.

- (23) **A written request for waiver of those rules believed to be inapplicable;**

MAGICJACK SMB, INC. requests a waiver from ARSD 20:10:32:03(14) requiring cost support. The Company has addressed these issues in items 11 and 14.

Additionally, MAGICJACK SMB, INC. will not be collecting deposits for service within South Dakota. The company will post a surety bond payable to the Consumers of the State of South Dakota should they change their deposit policy in the future.

- (24) **Federal tax identification number and South Dakota sales tax number; and**

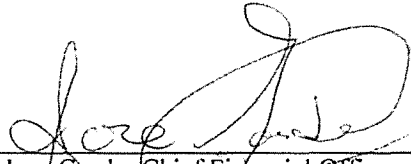
MAGICJACK SMB, INC. Federal Tax Identification Number is 81-1101638.

- (25) **Other information requested by the commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the local exchange services it intends to offer consistent with the requirements of this chapter and other applicable rules and laws.**

MAGICJACK SMB, INC. has experience operating as a telecommunications provider as provided in **Attachment IV**. MAGICJACK SMB, INC. will rely on its facilities-based underlying carrier for the operation and maintenance of the local exchange network. MAGICJACK SMB, INC. is technically, financially and managerially qualified to provide local and interexchange services in South Dakota based on the Company's experience and manner of provision services with South Dakota.

WHEREFORE, on the basis of the information provided in the Application and Attachments MAGICJACK SMB, INC. respectfully requests that the Commission grant this application.

MAGICJACK SMB, INC. will comply with all requirements applicable to the provision of Interconnected Voice Over Internet services provision.



Jose Gordo, Chief Financial Officer
MAGICJACK SMB, INC.
222 Lakeview Avenue, Suite 1600
West Palm Beach, FL 33401

Dated: 4/5/17