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June 24, 2016

Our File Number:
037019.0130

VIA ELECTRONICALLY FILING

Federal Communications Commission
Enforcement Bureau
P. O. Box 979094
St. Louis, MO 63197-9000

Re: ***Farmers Bank, Windsor, Virginia v. Verizon Business Network Services Inc. and MCI Communications Services, Inc. d/b/a Verizon Business Services***

Dear Commission:

Enclosed are a Formal Complaint and Exhibits, which I respectfully ask you file in the above-referenced matter on behalf of the Complainant, Farmers Bank, Windsor, Virginia. The Formal Complaint and Exhibits are being served on the Defendants by a private process server today. My firm's check for the filing fee was sent by Express Mail today.

Please let me know if you have any questions. Thank you for your assistance.

Sincerely,

Kelley C. Holland

KCH:tlh

Enclosures

cc: Client

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:	)	
	)	
Farmers Bank, Windsor, Virginia,	)	
	)	
Complainant,	)	
	)	
v.	)	File No. _____
	)	
Verizon Business Network Services Inc.,	)	
	)	
and	)	
	)	
MCI Communications Services, Inc., d/b/a Verizon Business Services,	)	
	)	
Defendants.	)	

FORMAL COMPLAINT

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and	)	
	)	
MCI Communications Services, Inc., d/b/a Verizon Business Services,	)	
	)	
Defendants.	)	

FORMAL COMPLAINT

To: The Commission

Pursuant to 47 U.S.C. § 208 and 47 C.F.R. §§ 1.720 *et. seq.*, complainant Farmers Bank, Windsor, Virginia ("Farmers Bank"), by counsel and for its Formal Complaint ("Complaint") against defendants Verizon Business Network Services Inc.[1] and MCI Communications Services, Inc. d/b/a Verizon Business Services (collectively "Verizon") states as follows:

SUMMARY OF THE FILING

This Formal Complaint is the verified claim of a small-town community owned and operated bank that prides itself on serving large rural communities throughout southeastern Virginia. Farmers Bank has served the individuals of its surrounding communities for nearly a

[1] Upon information and belief, Verizon Business Network Services Inc. merged on December 23, 2015 to become Verizon Digital Media Services Inc., a California corporation with a principal place of business at 13031 W. Jefferson Boulevard, Building 900, Los Angeles, California 90094.

century. More than unfortunate for the bank (as further detailed below), it has been restricted in its choice of telephone and internet service providers with Verizon holding a monopoly on the telecommunications business network in these rural community areas. Beginning in 2013 and continuing through today, Farmers Bank has been repeatedly subjected to extremely poor telephone communication services but even worse customer service as evidenced by Verizon's willful and blatant misrepresentations, multiple purposeful and unnecessary delays, false and unjust promises and incompetent advisors. Collectively these "services" provided by Verizon have resulted in Farmers Bank's inability to timely communicate within its own business branch locations and emergency service providers for police, fire and rescue being repeatedly misdirected or provided inaccurate critical information and identification. Farmers Bank suffers instances of complete loss of service causing a veritable "black-out" of telephone communications with its customers for days. It has been and remains subjected to subsidizing costs incurred by Verizon caused by Verizon but ultimately charged by Verizon to Farmers Bank. The claims in this Formal Complaint are well documented and supported by written admissions from Verizon. The performance and conduct of Verizon as outlined demonstrates an attitude of willful and deliberate indifference to the rural or small town business consumer. As a corporate giant monopolizing access to modern day telecommunications services Verizon's conduct and actions towards Farmers Bank repeatedly epitomize unjust, unreasonable and discriminatory practices prohibited by the Communications Act and therefore should be declared unlawful.

NATURE OF THE ACTION

1. This action against Verizon involves a myriad of abusive practices including the intentional charging of Farmers Bank for products and services that either Verizon, knowingly or

recklessly negligent, cannot provide or that Farmers Bank has not requested or authorized. Verizon's billing and collection of unauthorized or improper charges is further exacerbated by the misleading and deceptive nature of telephone bills it uniformly sends to Farmers Bank. Such conduct emulates the business practices Verizon has adopted or passively accepts for billing and collection of subpar services enhanced further by its corporate indifference to the rural or small town business consumer.

COMMISSION AUTHORITY

2. The Communications Act of 1934, as amended ("Communications Act"), and Title 47 of the Code of Federal Regulations ("Rules") grant the Federal Communications Commission ("FCC" or "Commission") broad authority to perform any and all acts, make such rules and regulations and issue such orders and other directives for the enforcement of the Communications Act, as may be necessary in the execution of its function and not inconsistent with its statutory authority. *See* 47 U.S.C. §§ 154(i), 208; 47 C.F.R. §§ 0.111, 0.311.

PARTIES & REGULATORY BACKGROUND

3. Farmers Bank is a corporation duly organized and existing under the laws of the Commonwealth of Virginia with its principal place of business at 50 E. Windsor Boulevard, Windsor, Virginia 23487. Farmers Bank is a "person" as defined in 47 U.S.C. § 153(39).

4. Farmers Bank prides itself on serving the people of Isle of Wight County, Southampton County, the City of Suffolk and surrounding communities by providing local community banking and financial services to its customers, with six branch facilities located in the Town of Windsor, the Town of Smithfield, the Town of Courtland and the City of Suffolk.

5. Beginning as a small-town community owned and operated bank in 1919, Farmers Bank has served its surrounding local rural communities in Southeastern Virginia for almost a century.

6. Upon information and belief, Verizon are Delaware corporations with principal places of business at One Verizon Way, Basking Ridge, New Jersey 07920.

7. Upon information and belief, Verizon are wholly owned subsidiaries of Verizon Communications Inc. ("Verizon Communications"), a publically held corporation.

8. Upon information and belief, Verizon Long Distance LLC d/b/a Verizon Enterprise Solutions ("VES") is a Delaware corporation and an indirect, wholly owned subsidiary of Verizon Communications, with its principal place of business in Arlington, Virginia. VES provides long distance services throughout Virginia and manages business and government clients of Verizon.

9. Upon information and belief, "Verizon Affiliates," include incumbent local exchange carriers ("ILECs"), such as Verizon Services Corp., Verizon South Inc., Verizon Virginia LLC, MCImetro Access Transmission Services of Virginia, Inc. and MCImetro Access Transmission Services LLC, each of which is either a Delaware or Virginia corporation or limited liability company with principal places of business in Ashburn, Virginia or Wilmington, Delaware.

10. By market capitalization, Verizon is the largest provider of telephone and internet services to consumers, businesses and governmental agencies, operating one of the largest Internet Protocol ("IP") networks and one of the largest optical networks to provide voice and data services throughout the United States.

11. Through the operations of its various networks, Verizon provides telephone services, including Integrated Services for Digital Network ("ISDN") and Voice over Internet Protocol ("VoIP"), to customers located within the Commonwealth of Virginia.

12. Because Verizon offers telecommunications for a fee directly to the public it is a provider of telecommunications services and a "telecommunications carrier" as defined in 47 U.S.C. § 153(51).

13. Section 153(51) of the Communications Act provides that a telecommunications carrier shall be treated as a "common carrier" when it is engaged in providing telecommunications services. 47 U.S.C. § 153(51).

14. Verizon employs a workforce of more than 176,000 individuals with consolidated revenues for 2015 of more than $131 billion.

15. Section 217 of the Communications Act renders the "act, omission or failure of any officer, agent, or other person acting for or employed by any common carrier or user, acting within the scope of his employment, shall in every case be also deemed to be the act, omission, or failure of such carrier or user as that of the person." 47 U.S.C. § 217. The actions and conduct of each Verizon representative, agent or other person contained herein were performed within the scope of his or her employment with Verizon.

FACTUAL ALLEGATIONS

16. The following allegations demonstrate a repetitive and cyclic pattern that includes (i) deceptive promises of superior services made with knowledge of an inability to provide superior services or reckless indifference, (ii) irreconcilable problems with services and (iii) purposeful and unjust billing for either unauthorized or unutilized and severely defective services.

A. Verizon's Initial Proposal for ISDN PRI Services at 3100 Godwin Blvd

17. Telephone Account Manager 1, Verizon Business ("Verizon Account Manager 1") provided Farmers Bank with a Telecommunications Proposal ("Proposal") and an Application for Service ("Application"), which provided for installation of ISDN through Primary Rate Interface ("PRI" or "ISDN PRI") to furnish associated ISDN PRI services at Farmers Bank's branch located at 3100 Godwin Boulevard in Suffolk, Virginia ("3100 Godwin Boulevard"). *See* Exhibit 1, Exhibit 2 & Exhibit 3.

18. Farmers Bank executed the Application on April 29, 2013, obligating Farmers Bank to purchase certain Verizon services for a minimum period of three years. *See* Exhibit 3.

19. The Proposal boasts of Verizon's "customer service" as an industry leader for Service Level Agreements ("SLA") and includes its slogan that "[w]e never stop working for you." *See* Exhibit 2.

20. Farmers Bank at the time of the Application utilized an ISDN PRI service provided by Verizon at its Windsor location ("Windsor ISDN PRI").

21. The monthly costs associated with the Windsor ISDN PRI do not exceed and have never exceeded $1200.00 in the preceding three years. *See* Exhibit 4, Exhibit 5, Exhibit 6 & Exhibit 7.

22. Separate and apart from the Windsor ISDN PRI, Famers Bank entered into a Verizon Business Service Agreement in 2007 for Multi-Protocol Label Switching ("MPLS") services that included routing data from one network node to another, established networking protocols, *etc.* for all Farmers Bank branch locations ("MPLS Service Agreement").

23. The MPLS Service Agreement required a total sum payment to Verizon of no less than $48,000.00 for each twelve month period during the initial thirty-six month term, also referred to as a minimum annual volume commitment ("AVC").

24. Farmers Bank executed the Application, *inter alia*, for Verizon to port over its main phone number (757-242-6111) associated with the Windsor branch location along with additional phone lines, also known as direct inward dialing numbers ("DID"), into the new ISDN PRI service at 3100 Godwin Boulevard, intending to centralize its phone system and move its customer service call center to 3100 Godwin Boulevard. *See* Exhibit 2, Exhibit 8 & Exhibit 9.

25. Farmers Bank received order verification for the ISDN PRI service at 3100 Godwin Boulevard on May 21, 2013. *See* Exhibit 10.

26. The ISDN PRI order verification provided for associated services billed on a 3-year ISDN PRI Plus 10K MOU pricing agreement with commencement of billing beginning after installation of the ISDN PRI circuit on May 31, 2013. *Id.*

27. Live implementation of the ISDN PRI service was scheduled for June 26, 2013. *See* Exhibit 8, Exhibit 9 & Exhibit 16.

28. Farmers Bank provided DID numbers to Verizon for importing on multiple occasions and well in-advance of the scheduled live implementation of the ISDN PRI service at 3100 Godwin Boulevard. Verizon already had many of these DID numbers due to the established Windsor ISDN PRI; nevertheless, each associated number was again provided to Verizon. *See* Exhibit 8.

29. Farmers Bank also provided phone lines for Plain Old Telephone Service ("POTS"), also known as Public Switched Telephone Network ("PSTN"), to Verizon that needed to be moved to the new ISDN PRI and Windsor ISDN PRI. *Id.*

30. In anticipation of the live implementation date, Farmers Bank moved personnel within its customer service department from the Windsor branch to the 3100 Godwin Boulevard location. *See* Exhibit 8, Exhibit 11 & Exhibit 16.

31. In anticipation of the live implementation date, Farmers Bank contracted with local vendor BCS Voice and Data Solutions ("BCS") to facilitate Farmers Bank's transition to the ISDN PRI service ("BCS Agreement") and to provide for the move of Farmers Bank's customer service call center to 3100 Godwin Boulevard. *See* Exhibit 8, Exhibit 11, Exhibit 12 & Exhibit 16.

32. The BCS Agreement required a customer deposit of $41,856.29. *See* Exhibit 12.

B. Verizon's (First) Failure to Provide ISDN PRI Services at 3100 Godwin Blvd

33. After receiving confirmation on June 24, 2013 that implementation of the ISDN PRI system remained on schedule, Verizon Account Manager 1 contacted Farmers Bank after close of business on June 25, 2013 to communicate that Farmers Bank would not have access or use of the ISDN PRI system on June 26, 2013 because Verizon had "discovered" DID numbers could not be ported due to rate center issues and an uncompleted order for POTS lines. *See* Exhibit 9, Exhibit 13, Exhibit 14, Exhibit 15 & Exhibit 16.

34. Verizon's failure to timely implement the ISDN PRI system accompanied by its late notice to Farmers Bank required BCS to immediately reverse all of its preparation work so phone lines would be accessible for Farmer Bank and its customers on June 26, 2013. *See* Exhibit 13, Exhibit 14, Exhibit 15, Exhibit 16, Exhibit 17, Exhibit 18 & Exhibit 24.

35. BCS' reversal work associated with Verizon's failure to timely implement the ISDN PRI system cost Farmers Bank an additional expense of $2,911.25. *See* Exhibit 18.

36. Due to this failure, Verizon requested copies of associated BCS invoices from Farmers Bank and repeatedly communicated to Farmers Bank that Verizon would reimburse Farmers Bank or provide credit toward its accounts for extra work associated with BCS' preparation work and reversal work. *See* Exhibit 17, Exhibit 18, Exhibit 19, Exhibit 20, Exhibit 21, Exhibit 24 & Exhibit 26.

C. Verizon's Proposed VoIP Solution for Verizon's (First) Failure to Provide ISDN PRI Services at 3100 Godwin Blvd & Verizon's Interim Solution Until Proposed VoIP Solution Implemented

37. On June 26, 2013, Verizon Cslt Eng-Ntwk Consulting Medium Business ("Verizon Engineer") communicated to Farmers Bank that it had "found a solution that will correct this predicament" but would take some implementation time thereby requiring in the interim use of a remote call forwarding ("RCF") system. *See* Exhibit 22 & Exhibit 23.

38. The proposed solution was to have a monthly cost of $875.00 based on a three year term, thereby reducing any monthly expenses associated with the ISDN PRI system that was never implemented at 3100 Godwin Boulevard. *See* Exhibit 22 & Exhibit 23.

39. Rather than utilize the ISDN PRI system, the proposed solution involved a VoIP network and associated services ("VoIP Solution"), which still necessitated importation of DID numbers and required Farmers Bank to incur additional and separate costs for different customer premises equipment ("CPE") than the previous CPE installed in reliance and in anticipation of the ISDN PRI system. *See* Exhibit 22 & Exhibit 23.

40. Verizon provided Farmers Bank a "contract for the new solution" – a Verizon Business Service Agreement ("VoIP Service Agreement") on June 28, 2013. *See* Exhibit 24.

41. Verizon Account Manager 1 communicated the following to Farmers Bank:

- *The RCF order has been place[d]*

- *For the RCF monthly charges, once [Farmers Bank is] billed for those charges [Verizon] will apply a credit for those charges on your new VoIP account;*
- *For the CPE on the VoIP solution, Verizon will apply a credit of $1400.00 for the CPE;*
- *For the new current PRI [at 3100 Godwin Boulevard] that [ ] will be moving to the new solution (VoIP). [Farmers Bank] should not be charged any term liability charges.*
- *For the BCS charges, once [Farmers Bank] receive[s] a bill/invoice from them please for [sic] to me so I can work with management on a credit for time and material charges.*

Id.

42. Verizon Account Manager 1 then rendered a "deep apology for some of the mistakes [he] may have cost [Farmers Bank]." *Id.*

43. Farmers Bank requested removal of Verizon Account Manager 1 from managing its accounts because Verizon Account Manager 1 continued to "drop the ball" resulting in "absolutely no credibility with [Farmers Bank, its] IT department or vendor." *See* Exhibit 25 & Exhibit 26.

44. Inside Sales Manager – Verizon Enterprise Solutions ("Verizon Sales Manager") and Center Manager, Medium Business – Verizon Enterprise Solutions ("Verizon Medium Business Manager") replaced Verizon Account Manager 1 on July 1, 2013. *See* Exhibit 26.

45. Verizon did not advise Farmers Bank of its rights and remedies regarding cancellation of the ISDN PRI as a result of Verizon's misrepresentations that such services could be provided at 3100 Godwin Boulevard. *Nor did Verizon provide a contract to Farmers Bank that aligned with the proposed VoIP Solution*. *See generally* Exhibit 13, Exhibit 14, Exhibit 15, Exhibit 17, Exhibit 19, Exhibit 20, Exhibit 21, Exhibit 22, Exhibit 23, Exhibit 24, Exhibit 26 & Exhibit 27.

46. But continued to charge Farmers Bank duplicative amounts that Farmers Bank paid based on Verizon issued billing invoices resulting in unknown suffered losses for the bank. *See* Exhibit 15 & Exhibit 62.

47. Verizon failed to credit Farmers Bank $1400.00 for the CPE associated with the VoIP Solution.

48. Verizon provided the VoIP Service Agreement without explanation to Farmers Bank but emphasized more than once that Verizon required Farmers Bank execute the VoIP Service Agreement and advance monthly amounts to begin implementation of the interim RCF system. *See* Exhibit 24.

49. The VoIP Service Agreement required a total sum payment to Verizon of no less than $48,000.00 for each twelve month period during the initial thirty-six month term, also referred to as a minimum AVC.

50. The VoIP Service Agreement stands in stark contrast to the proposed VoIP Solution that had a monthly cost of $875.00 based on a three year term. *See* Exhibit 22 & Exhibit 23.

51. From July 2013 through August 2014, Farmers Bank advanced amounts totaling to $14,853.07 for services allegedly associated with the interim RCF system. *See* Exhibit 28 through Exhibit 40.

52. Verizon consistently reassured Farmers Bank that Verizon would provide credit to Farmers Bank for its advanced RCF payments. *See* Exhibit 24, Exhibit 41, Exhibit 42, Exhibit 43, Exhibit 49, Exhibit 50 & Exhibit 125.

53. Farmers Bank supplied a detail accounting of RCF payments made to Verizon and requested return of the advanced funds on multiple occasions to no avail. *See* Exhibit 41, Exhibit 42 & Exhibit 43.

D. Verizon's (Second) Failure to Provide Proposed VoIP Solution at 3100 Godwin Blvd Resulting in Loss of Service, High Risk Security & 911 Issues & Unauthorized Billing for Services it Continuously Could Not Provide

54. Farmers Bank's main phone line (757-242-6111) providing customers' accessibility was "out of service" on July 1, 2013, with a prerecorded message informing callers that "the number … reached is no longer in service or has been disconnected at this time." *See* Exhibit 44.

55. Farmers Bank could not express strongly "enough to [Verizon] the irreparable damage this kind of issue causes to have customers call the bank and hear the phone number is not in service." *Id.*

56. Farmers Bank performed 911 testing on July 23, 2013 and discovered that omitted address information or misidentified branch locations were being relayed to 911 dispatch. *See* Exhibit 45.

57. Farmers Bank's inquires to Verizon's progress and implementation of the VoIP Solution were met with inconsistent responses and excuses from Verizon for further delays. *See* Exhibit 46, Exhibit 47 & Exhibit 55.

58. To the extent progress was being made on the proposed solution, it halted when Verizon "hit an issue with the porting the [DID] numbers from the Windsor location even with VoIP" in mid-August 2013. *See* Exhibit 48.

59. Verizon encountered this roadblock because its own VoIP "footprint" did not extend to rate centers in the rural town of Windsor and such expansion "[would] take about 5 months." *Id.*

60. Verizon "need[ed] ... Famers Bank [to] commit to placing a VES VoIP-local order in the Jan-Mar 2014 timeframe at the Windsor VA location" to assist the largest U.S. provider of telephone and internet services in expanding its VoIP footprint to Windsor. *See* Exhibit 49.

61. The anticipated extra months for Verizon VoIP footprint expansion to Windsor extended RCF charges that Farmers Bank continued advancing while awaiting such expansion and amounts billed for alleged use of an unimplemented ISDN PRI service at 3100 Godwin Boulevard. *See* Exhibit 50.

62. Farmers Bank again experienced 911 issues after phantom phone calls were placed with emergency response centers from two different Farmers Bank branch locations in late August 2013. *See* Exhibit 51.

63. Farmers Bank encountered additional issues associated with its main phone number due to MCI being designated as a Primary Interexchange Carrier ("PIC") throughout October 2013 and sought support from Verizon Customer Care after receiving messages that local toll services were blocked. *See* Exhibit 52.

64. Verizon Customer Care knowingly provided Farmers Bank and BCS erroneous phone contact information and curtly informed Farmers Bank that "[its] request [for support was] going to close after this reply." *Id.*

65. With little to no response from Verizon, the ongoing issue impacted Farmers Bank's ability to services its clients resulting in customer complaints. *See* Exhibit 53.

66. Verizon communicated to Farmers Bank that the Verizon VoIP order had been completed and an associated account for billing established on December 4, 2013. *See* Exhibit 54.

67. The Verizon VoIP order included a request that Farmers Bank "retain the information below that identifies the Verizon VoIP service that has been installed" at 3100 Godwin Boulevard. *Id.*

E. Verizon's (Continuous Second) Failure to Provide Proposed VoIP Solution at 3100 Godwin Blvd Resulting in Duplicative & Unauthorized Billing for Services it Continuously Could Not Provide or No Longer Necessitated Utilization

68. Farmers Bank received no notice from Verizon, at this time, that "the new current PRI [at 3100 Godwin Boulevard] that [ ] will be moving to the new solution (VoIP)" was no longer necessary but continued to bill Farmers Bank, without comment, for ISDN PRI services no longer being used or utilized. *See* Exhibit 24, Exhibit 55, Exhibit 56 & Exhibit 58.

69. Beginning December 2013 through May 2014, Verizon charged Farmers Bank duplicate amounts for expenses associated with the VoIP Solution and the ISDN PRI system, which was never properly implemented or functionally utilized and remains questionable if any associated services were effectively provided. *See* Exhibit 55, Exhibit 56, Exhibit 57 & Exhibit 58.

70. On January 29, 2014, Verizon stated that it would be "working on credits for the double charge, but that [it] needed to get the numbers ported to be able to do that." *See* Exhibit 57 & Exhibit 59.

71. Verizon continued to charge Farmers Bank amounts for numbers not utilized or issue billing invoices with no detail whatsoever and Farmers Bank submitted inquiries to Verizon on multiple occasions but received little or no response. *See* Exhibit 58.

72. On more than one occasion, Verizon invoices included no descriptions of associated services and billing charges and were so inconspicuous that Verizon Medium Business Manager "honestly ha[d] no idea." *See* Exhibit 60 & Exhibit 61.

73. Farmers Bank has never received from Verizon any detailed accounting or credits associated with the "double charge" despite multiple inquires and requests for billing clarification resulting in indeterminable losses for Farmers Bank. *See* Exhibit 55, Exhibit 56, Exhibit 57, Exhibit 58, Exhibit 59, Exhibit 60 & Exhibit 61.

74. But Verizon subsequently denied that such credits were owed claiming that "[Farmers Bank] should have disconnected the PRI system [located at 3100 Godwin Boulevard] ... in December 2013, when the VoIP solution was installed" and "thus there [was] no justification to issue credits ... [even though] it looks like the customer ported they did not disconnect in a timely manner." *See* Exhibit 15 & Exhibit 62.

75. Farmers Bank's affirmative actions of continual payment of certain expenses and amounts as invoiced by Verizon were in response to Verizon's misrepresentations, omissions of material facts or its failure to address Farmers Bank's inquiries. *See generally* Exhibit 55, Exhibit 56, Exhibit 57, Exhibit 58, Exhibit 59, Exhibit 60 & Exhibit 61.

F. Verizon's (Continuous Second) Failure to Provide Proposed VoIP Solution at 3100 Godwin Blvd Resulting in High Risk Security & 911 Issues & Verizon's Willful Unresponsiveness & Purposeful Delay

76. Verizon continued to have issues through May 2014 with porting DID numbers into the VoIP network at 3100 Godwin Boulevard, which resulted in incorrect numbers being displayed and communicated to 911 dispatch. *See* Exhibit 63 & Exhibit 64.

77. For each scheduled porting of numbers that failed, Farmers Bank incurred additional costs invoiced by BCS for its associated work in amounts of $656.25 and $281.25 during May and June 2014. *See* Exhibit 65, Exhibit 66, Exhibit 67 & Exhibit 68.

78. When Verizon eventually ported some DID numbers, the same issues continued with misidentified branch locations being relayed to 911 dispatch after testing in June 2014. *See* Exhibit 69.

79. Farmers Bank responded to Verizon's indifference, unresponsiveness and repeated failures:

> *...requesting the courtesy of some sort of response regarding the issue. Even if you do not have a solution to the problem, please show a little professionalism and respond in some manner so that we know you are attending to the issue. It is extremely frustrating, not to mention time consuming and costly for our IT Director, our CFO and our CEO to spend time calling your group just to receive acknowledgment of some sort ... these issues are causing security concerns and as a Bank this is unacceptable.*

See Exhibit 70.

80. Farmers Bank continued inquiring about resolution of 911 issues to Verizon and as of July 2014 Verizon was still working "on getting an updated design so [Verizon] can place the order needed to fix the caller id." *See* Exhibit 71 & Exhibit 72.

81. The 911 issues remained unresolved through the summer, fall and winter months, as did the apathetic conduct of Verizon in addressing the issues. *See* Exhibit 73, Exhibit 74, Exhibit 75, Exhibit 76 & Exhibit 77.

82. Police were dispatched to the wrong Farmers Bank branch location on February 11, 2015. *See* Exhibit 78.

83. Farmers Bank inquired from Verizon "[if] there [was] any resolution in sight in 2015 or 2016. This is a security matter and I fail to see why it is not a priority with [Verizon]." *See* Exhibit 79.

84. Farmers Bank emphasized to Verizon that the 911 issue "is extremely important to us as it puts our employees and customers in danger. It also creates concern from our local law enforcement and security vendor." *See* Exhibit 80.

85. Farmers Bank requested the contact information for the next level above Verizon Sales Manager's supervisor if Verizon Sales Manager's supervisor was not expediting the matter. *See* Exhibit 79.

86. Farmers Bank performed bank wide 911 testing on February 27 and March 2, 2015, which resulted in 911 dispatch's receipt of incorrect numbers and addresses for a majority of Farmers Bank branch locations. *See* Exhibit 81, Exhibit 82, Exhibit 83 & Exhibit 84.

87. Farmers Bank again communicated its frustration, disappointment and loss of confidence in Verizon and demanded "some kind of response on this issue today [March 3, 2015]." *See* Exhibit 85.

88. Verizon communicated that it "didn't do any migration for this site" and again placed a VoIP migration order that was subsequently identified as a testing for "activation." *See* Exhibit 86. Verizon then requested the "correct Physical address for New Location [3100 Godwin Boulevard]." *Id.*

89. Verizon's response "provid[ed] no real value [for Farmers Bank] except to reiterate that the whole process was unsuccessful." *Id.*

90. Even after being provided the very same information by Farmers Bank back in June of 2014, Verizon again requested clarification from Farmers Bank on "what was the specific problem with 911" in March 2015. *Id.*

91. Farmers Bank's inquires surrounding the incorrect relay of bank branch location information to 911 dispatch included "nine people from Verizon [ ] and not one person [was] able to even explain correctly what [was] happening, much less correct the issue." *Id.*

92. Farmers Bank again performed bank wide 911 testing on March 25 and obtained the same incorrect results with bank branch addresses being wrongly identified to 911 dispatch. *See* Exhibit 87.

93. Verizon communicated that it finished activation for the remaining three sites, including 3100 Godwin Boulevard on April 28, 2015 but concerns and issues remained regarding porting or migrating some DID for these sites; however, Verizon assured Farmers Bank that correction of bank branch location addresses associated with the 911 issue would "take effect within 24-48 hours after [a]ctivation, so maximum would be tomorrow [April 30, 2015]." *See* Exhibit 88.

94. Farmers Bank again performed bank wide 911 testing on April 30 and obtained the same incorrect results with bank branch addresses being wrongly identified to 911 dispatch. *See* Exhibit 89.

95. Throughout February, March and April 2015, Farmers Bank incurred additional costs invoiced by BCS for its site visit and labor associated with the subsequent "real" migration and continuing 911 issues in amounts of $321.50, $343.75 and $705.38. *See* Exhibit 90, Exhibit 91 & Exhibit 92.

96. Verizon informed Farmers Bank "that this order (VoIP IP Integrated Access) is now complete in [Verizon's] system" on May 18, 2015. *See* Exhibit 93.

97. Farmers Bank again performed bank wide 911 testing in late June and obtained the same incorrect address results being relayed to 911 dispatch, in addition to 911 dispatch getting a busy tone when calling back to one branch location. *See* Exhibit 94.

98. Farmers Bank again incurred additional costs invoiced by BCS for its assistance in the bank wide 911 testing with dispatch in amounts of $331.41, $331.41, $393.91 and $941.40. *See* Exhibit 95, Exhibit 96, Exhibit 97 & Exhibit 98.

99. Issues and concerns associated with 911 dispatch remain unresolved as of the date of this Complaint and Farmers Bank has incurred additional costs invoiced by BCS in amounts of $343.75, $187.50 and $218.75. *See* Exhibit 99, Exhibit 100, Exhibit 101 & Exhibit 102.

G. Verizon's Blatant Untruthfulness & Unlawful Conduct Resulting in Farmers Bank's Loss of Phone Services for Four Consecutive Days

100. The fourth Client Executive – Verizon Enterprise Solutions ("Verizon Client Executive") was assigned to Farmers Bank on June 12, 2015. *See* Exhibit 103.

101. Farmers Bank experienced a loss of service for all phone communications provided by Verizon on July 6, 2015, which loss continued through July 9, 2015 without explanation or resolution. *See generally* Exhibit 104 through Exhibit 121.

102. Verizon Client Executive communicated to Farmers Bank that a Verizon technician was onsite and was able to verify that the POTS lines for 3100 Godwin Boulevard were active, as well as the "PRI and VoIP system" provided by Verizon on July 8, 2015. *See* Exhibit 104; *cf.* Exhibit 62 (noting customer submitted disconnect of PRI in June).

103. Verizon Client Executive provided subsequent differing and finally apologetic updates because "[Farmers Bank's] experience with [Verizon] has been challenging, and [ ] am genuinely embarrassed at the way Verizon has handled this. It is not befitting a 120 billion dollar organization." *See* Exhibit 105 & Exhibit 106.

104. Farmers Bank communicated to Verizon that it "wanted to see results and the problem solved. Phone access is critical to our business." *See* Exhibit 107.

105. Famers Bank communicated its disbelief that "a company the size of Verizon not being able to solve and fix this in a timely manner. What is worse is the 911 dilemma has been going on for over 8 months. That is a security issue and it has been given no priority as [Farmers Bank] could tell.... You let [Farmers Bank] have a robbery and law enforcement [go] to the wrong location and Farmers Bank is going to look to Verizon for a lot of answers that will be very uncomfortable." *Id.*

106. During its loss of phone communication services, Farmers Bank received an automated status notification that "this site has been blocked by collections" on July 8. *See* Exhibit 108.

107. Farmers Bank had not ordered any new or additional services through Verizon in the preceding months; nor had it received outstanding bills or notifications for disconnection of services from Verizon on any accounts prior to Verizon blocking its phone communication services on July 6, 2015.

108. Verizon Client Executive could not readily find any Farmers Bank accounts with amounts owed or past due and was "shocked at the way Verizon has structured the account ... [and] inten[ded] to verify which services [were] still active, and then create a sustainable, reliable, easy to manage solution to move forward [noting] this is what should've been done in the first place." *See* Exhibit 109.

109. Verizon Client Executive "isolated the problem to an [allegedly] overdue account for the Godwin address" associated with "1 VoIP line [in yet] another layered account ... with [Farmers Bank's] VoIP lines ... spread over 3-4 accounts, [with] only one account visible ...,

[stating that] its asinine to have to pay 3-4 bills when you can just be paying one." *See* Exhibit 109 & Exhibit 110.

110. Verizon Client Executive additionally attached "the most recent bill [that] could [be found]." *See* Exhibit 110 & Exhibit 111.

111. The Verizon invoice states that the "[i]nvoice is due and payable before 7/31/2015." *See* Exhibit 111.

112. Farmers Bank paid the disputed invoices totaling to $5,270.15, as suggested by Verizon Client Executive and after being without service for four business days on July 9, 2015. *See* Exhibit 109, Exhibit 111, Exhibit 112, Exhibit 113, Exhibit 114, Exhibit 115, Exhibit 116 & Exhibit 117.

113. The paid disputed invoice amounts were associated with Verizon's (continuous second) failure to provide the proposed VoIP Solution at 3100 Godwin Blvd. *See* Exhibit 109, Exhibit 111, Exhibit 112, Exhibit 113, Exhibit 114, Exhibit 115, Exhibit 116 & Exhibit 117.

114. Phone services were restored on July 10 and Farmers Bank received invoices for the alleged unpaid amounts of $301.24, $174.44, $174.44 and $4,600.03, with each statement postmarked July 6, 2015 from zip code 27704. *See* Exhibit 113, Exhibit 114, Exhibit 115, Exhibit 116 & Exhibit 117.

115. Verizon never notified Farmers Bank of its intent to block Farmers Bank's phone communications services nor did Verizon notify Farmers Bank that alleged outstanding amounts were owed prior to blocking the service rather Verizon suggested Farmers Bank had "lost" the invoices for three months in a row. *See* Exhibit 118.

116. "[A]fter Farmers Bank wired [Verizon] the [alleged] amount owed, Verizon mailed all three [sic] bills to the same address and [Farmers Bank] received them." *Id.*

117. Farmers Bank stated that "[a]s critical as phone service is to our customers [Farmers Bank] would never be that irresponsible [to lose phone bills]. The more logical conclusion is that billing was not handled correctly by Verizon and someone is trying to cover up their mistakes." *Id.*

H. Farmers Bank Continues to Suffer Losses Resulting from Verizon's (Continuous Second) Failure to Provide Proposed VoIP Solution at 3100 Godwin Blvd & Verizon's Abusive Billing Practices

118. The extended interruption of phone service to Farmers Bank resulted in loss of business, loss of man power with Farmers Bank communicating with Verizon for support and resolution and handling inquiries and complaints from its customers and contributed to significant reputational damage, which losses Verizon acknowledged. *See* Exhibit 118, Exhibit 119, Exhibit 120 & Exhibit 121.

119. "If [Farmers Bank] had not experienced this, [Farmers Bank] would never have believed Verizon could be so inept in [its] policies and procedures, so cowardly in [its] explanations, so poor in [its] level of service, and so indifferent in seeing something brought to resolution, particularly in light of the fault being totally that of Verizon." *See* Exhibit 118.

120. Verizon Client Executive continued to seek reimbursement and compensation to Farmers Bank for the "4 days of downtime" and "to address the loss of business/issues [Farmers Bank has] had with [Verizon's] previous solution." *See* Exhibit 119, Exhibit 120 & Exhibit 125.

121. Verizon's proposed resolution to the "5 days for the outages on the affected service" was an approved credit amount of "$56.50 pre-tax." *See* Exhibit 121.

122. The credit calculation for the 5 day outage associated with Farmers Bank main phone line service was "based on Verizon SLA Guide for Internet Dedicated Service." *Id.*

123. In August 2015, Farmers Bank demanded, at minimum, eight months credit, return within forty-five days of the $14,000.00 advanced to Verizon over eighteen months ago for Verizon to begin implementation of the interim RCF system, an accounting of unnecessary and unutilized services for which Farmers Bank was charged and paid with these amounts being refunded, financial consideration of $35,000.00 for the week that Farmers Bank was without phone service and final and conclusive resolution of the continued failures associated with 911 dispatch causing impending security risks. *See* Exhibit 118.

124. "With no resolution to date, it appears that Verizon is hoping [Farmers Bank] will forget about the matter and I can assure you that will not happen. We at Farmers Bank find these practices and procedures unacceptable." *Id.*

125. In September 2015, Farmers Bank reiterated its demand:

> *[Farmers Bank] is out $14,000 because we had to pay for a work around because Verizon could not get the 911 issue resolved. It is still not resolved and well after a year we have not been reimbursed, having been promised it in writing. Our account was reconfigured very poorly, costing us more per month for who knows how long. I expect Verizon knows. [Verizon] shut our phones down for a week again because of [Verizon's] proven ineptness in not sending the bills. And now to correct [Verizon's] screw ups [Farmers Bank] had to sign a new contract for an additional $18,000 annually so [Verizon] can get it right.*

See Exhibit 122.

126. Verizon has not provided rather refuses to issue any reimbursement or provide compensation to Farmers Bank to address its unjustified disconnection of services for four business days, amounts paid to Verizon as a result of Verizon's misleading, deceptive and inconspicuous invoices and charges incurred and paid by Farmers Bank as a result of Verizon's continued failure to propose and implement phone systems and services that can be utilized by the bank.

I. Verizon's (Third) Proposed Independent VoIP System Solution Resulting From Verizon's (Second) Failure of Proposed VoIP Solution at 3100 Godwin Blvd

127. Verizon Client Executive continued to work towards sorting through the "convoluted" accounts associated with Farmers Bank, to provide a solution to remaining outstanding issues and problems associated with the configurations of Farmers Bank accounts and services being provided (of lack thereof) and "to make sure people I trust are managing this [Verizon] order." *See* Exhibit 119 & Exhibit 120 & Exhibit 123.

128. Verizon Client Executive confirmed the inadequacies of Verizon's account structuring for Farmers Bank, identified issues with Verizon's convoluted systematic attempt to provide services (*albeit* unsuccessful) noting that calls originating from 3100 Godwin Boulevard in Suffolk are partly being routed through a foreign network, most likely a Verizon MPLS and further that "[t]he layout of this system is susceptible to quality of service issues at several points." *See* Exhibit 124.

129. Verizon Client Executive then suggested yet another proposed solution providing for Verizon internet going to each office branch location; the "new" proposed solution incurred additional and separate costs for CPE installation and labor ("Independent VoIP System Solution"). *Id.*

130. On September 15, 2015, Verizon provided Farmers Bank a Master Service Order Form to the U.S. Services Agreement ("Master Service Order") for consideration, proposing resolution to the remaining 911 dispatch issues and for reconfiguration by placing independent phone systems at each Farmers Bank location.

131. The Master Service Order required Farmers Bank pay an additional $18,000.00 annually guaranteed for three years. The Master Service Order included an October 9, 2015 expiration date. *See* Exhibit 118.

132. On September 28, 2015, Verizon Client Executive stated that disbursement of a check addressing the RCF issue had been approved and further that Farmers Bank "should see the check in [its] hands within 2 weeks." *See* Exhibit 125.

133. The proclamation of approval of the RCF reimbursement is immediately followed by Verizon Client Executive imploring Farmers Bank to move forward with the proposed Independent VoIP System Solution to avoid "compromis[ing his] compensation and any promotional consideration .... [since he'd] been working for almost 6 months towards a promotion [ ] and one inconsistent month is enough to ruin [his] chances." *Id.*

134. The Master Service Order provides for VoIP services to be established, separately and independently, at six different locations, with each location being a physical address of a Farmers Bank branch location. However, the overall contemplated services as provided for in the Master Service Order require activation of all six locations before Farmers Bank can actually receive any benefit or utilize the contemplated phone system and services.

135. The proposed Independent VoIP System Solution remains unimplemented; Farmers Bank continues to pay and has paid approximately $1200.00 per month for the Windsor ISDN PRI since Verizon's (first) failure to provide ISDN PRI Services at 3100 Godwin Blvd in June . *See* Exhibit 4, Exhibit 5, Exhibit 6 & Exhibit 7.

J. Farmers Bank Continues to Suffer Losses Resulting From Verizon's (Third) Failure to Provide Proposed Independent VoIP System Solution, (Second) Failure to Provide Proposed VoIP Solution at 3100 Godwin Blvd & (First) Failure to Provide ISDN PRI Services at 3100 Godwin Blvd & Its Associated Conduct

136. Verizon's continued inadequacies in providing competent phone services to Farmers Bank cause repetitive and immeasurable harms, including without exception exposing Farmers Bank to customer loss, precluding accessibility of Farmers Bank customers to financial account information and creating immense public safety concerns.

137. Verizon's unacceptable conduct and unlawful behavior towards Farmers Bank comes with significant financial expenditures to the bank and extraordinary time consumption of the individuals employed with Farmers Bank, whose efforts have been involuntarily diverted from serving its customers throughout the local communities of Southeastern Virginia to exhaustingly dealing with Verizon.

138. Farmers Bank Controller expended at minimum 4 hours on Verizon issues resulting in a time-to-value loss of $159.64 for Farmers Bank. *See* Exhibit 126.

139. Farmers Bank Executive Assistant and Project Manager expended at minimum 714 hours on Verizon issues resulting in a time-to-value loss of $16,714.74 for Farmers Bank. *See* Exhibit 127.

140. Farmers Bank Vice President and IT Manger expended at minimum 407 hours on Verizon issues resulting in a time-to-value loss of $17,415.53 for Farmers Bank. *See* Exhibit 128.

141. Farmers Bank former Senior Vice President and Chief Operating Officer expended at minimum 51 hours on Verizon issues resulting in a time-to-value loss of $3,744.93 for Farmers Bank. *See* Exhibit 129.

142. Farmers Bank Executive Vice President and Chief Financial Officer expended at minimum 12 hours on Verizon issues resulting in a time-to-value loss of $773.04 for Farmers Bank. *See* Exhibit 130.

143. Farmers Bank Senior Vice President and Chief Operations Officer/Director of Loan Operations expended at minimum 10 hours on Verizon issues resulting in a time-to-value loss of $593.80 for Farmers Bank. *See* Exhibit 131.

144. Farmers Bank Chief Executive Officer and Chairman of the Board expended at minimum 27 hours on Verizon issues resulting in a time-to-value loss of $3,154.41 for Farmers Bank. *See* Exhibit 132.

145. Because Verizon has yet to provide a properly working network system for Farmers Bank and resolution to pending 911 concerns, Farmers Bank continues to have to devote its manpower and time in dealing with Verizon's inadequacies. *See* Exhibit 99.

K. Farmers Bank Continues to Suffer Losses Resulting From Verizon's Inconspicuous Billing & Intentional Charging of Amounts for Unutilized & Defective Services

146. On October 23, 2015, Farmers Bank received an invoice from Verizon that contains an unidentified "Corporate ID" and "Bill Payer ID" and includes a "Statement Summary" with a total amount due of $7,642.55 for "current monthly recurring charges, current non-recurring charges and taxes and surcharges." *See* Exhibit 133.

147. The invoice includes no account information with the limited description of "distributed misc and equipment charges – annual underutilization charge – 9/30/2015 9/30/2015." *Id.*

148. Despite Farmers Bank's dispute of this invoice and the alleged amount owed, Verizon continues to issue monthly invoices to Farmers Bank that include late payment penalties and fees but contain no further detail for the associated services being billed (invoices, collectively, "underutilization invoices"). *See* Exhibit 135 & Exhibit 136.

149. As of the date of this Complaint, Farmers Bank continues to place inquiries with Verizon for an accounting and updated status concerning the alleged $7,216.47 underutilization invoice without response from Verizon, except daily automated calls for collection and

continued monthly invoices accruing late payment fees and taxes. *See* Exhibit 134, Exhibit 135 & Exhibit 136.

150. After multiple attempts by Verizon to thwart repayment, Farmers Bank received a "Credit Balance Refund" of $15,708.66 in November 2015 presumably for repayment of RCF amounts advanced by Farmers Bank to Verizon twenty-one months prior. *See* Exhibit 137.

151. Farmers Bank provided Verizon copies of its correspondence and complaints lodged with the Virginia State Corporation Commission on October 27, 2015 without response. *See* Exhibit 138, Exhibit 139, Exhibit 140, Exhibit 141 & Exhibit 142.

152. Based on the foregoing, Farmers Bank, in good faith and on multiple occasions, attempted to discuss potential resolution of these disputes and invited a response from Verizon within a reasonable period of time but to no avail. 47 C.F.R. § 1.721.

153. In accordance with 47 U.S.C. § 207, Farmers Bank has not filed suit in any court on the basis of the causes of action stated in this Complaint.

154. In accordance with 47 C.F.R. §§ 1.721 and 1.1106, Farmers Bank remitted a filing fee in the amount of $450.00, via express mail to the Federal Communications Commission, Enforcement Bureau, P.O. Box 979094, St. Louis MO 63197-9000 on June 24, 2016. *See* Exhibit 143.

155. An information designation is included with this Complaint pursuant to 47 C.F.R. § 1.721. *See* Exhibit 144.

156. A completed Formal Complaint Intake Form is included with this Complaint pursuant to 47 C.F.R. § 1.721. *See* Exhibit 145.

157. Farmers Bank suffers without relief for the mishandling of its accounts, the irreconcilable billings, the insufficiencies of Verizon to employ skilled and competent personnel and to provide the services it communicated that it could and would provide to Farmers Bank.

COUNT I – VIOLATION OF COMMUNICATIONS ACT 47 U.S.C. § 201(b)

158. Farmers Bank incorporates by reference and repeats the allegation contained in each of the paragraphs above as if fully set forth herein.

159. Section 201(b) of the Communications Act requires that "[a]ll charges, practices, classifications, and regulations for and in connection with such communication service, shall be just and reasonable, and any such charge, practice, classification, or regulation that is unjust or unreasonable is declared to be unlawful." 47 U.S.C. § 201(b).

160. "[A] carrier that knows or should know that calls are not being completed to certain areas, and that engages in acts (or omissions) that allow or effectively allow these conditions to persist [can be held] liable for a violation of section 201 of the [Communications] Act.'" *In the Matter of Verizon*, 30 F.C.C. Rcd. 245, 250 (2015)[2] (quoting *In the Matter of Developing an Unified Intercarrier Comp. Regime, Declaratory Ruling*, 27 FCC Rcd. 1351, 1355 (2012) ("*Rural Call Completion Declaratory Ruling*")); *see also id.* at 258 (noting "Verizon's obligation [including its employees and agents] to comply with the *Rural Call Completion Order* or any other FCC Rules or orders").

161. Statutory liability is imposed because "it is unjust and unreasonable practice … for a carrier that knows or should know that it is providing degraded services to certain areas to

[2] *In the Matter of Verizon*, the Commission specifically provided that "[n]othing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to Section 208 of the Act against Verizon or its affiliates for alleged violations of the Act, or for any other type of alleged misconduct, *regardless of when such misconduct took place*." *Id.* at 258 (emphasis added).

fail to correct the problem or to fail to ensure that intermediate providers, least-cost routers, or other entities action for or employed by the carrier are performing adequately." *Rural Call Completion Declaratory Ruling*, 27 FCC Rcd. at 1355-56.

162. "This is particularly the case when the problems are brought to the carrier's attention by customers and the carrier nevertheless fails to take corrective action that is within its power." *Id.* at 1356.

163. Farmers Bank consistently informed Verizon and Verizon is well-aware of its degraded services in these rural areas, its continued lack of effort to address and correct the issues experienced by Farmers Bank and furthermore its repetitive failure to ensure the proposed intermediate "solutions" are viable and capable of utilization.

164. Irrespective of this knowledge, Verizon continued its practice of billing and collecting charges for either unauthorized or unutilized services or increased associated expenses imposed on Farmers Bank and necessitated by Verizon.

165. Verizon's repeated conduct in providing degraded services to Farmers Bank and willfully permitting these conditions to persist while simultaneously imposing associated charges for such on Farmers Bank are unjust and unreasonable practices in violation of Section 201 of the Communications Act.

166. As a result of Verizon's unjust and unreasonable practices Farmers Bank suffered damage and continues to suffer damages as a result of Verizon's violations in amount to be determined but no less than $162,515.46.

167. Verizon is liable to Farmers Bank for damages and attorneys' fees pursuant to Section 206, which provides that should "any common carrier do, or cause or permit to be done, any act, matter or thing prohibited or declared to be unlawful … such common carrier shall be

liable to the person or persons injured thereby for the full amount of damages sustained in consequence of any such violation of the provisions of this chapter, together with reasonable counsel or attorney's fees." 47 U.S.C. § 206.

168. As a result of Verizon's violation of the Communications Act, Farmers Bank suffered damages, and pursuant to Section 207 is entitled to recover by "either mak[ing] complaint to the Commission as herein after provided for, or [ ] bring suit for the recovery of damages for which such common carrier may be liable under the provisions of this chapter." 47 U.S.C § 207.

169. Because Verizon's conduct constitutes violations of Section 201(b) Farmer Bank is entitled to recover the full amount of damages, together with reasonable attorneys' fees pursuant to Sections 206 and 207 of the Communications Act.

COUNT II – VIOLATION OF COMMUNICATIONS ACT 47 U.S.C. § 201(b)

170. Farmers Bank incorporates by reference and repeats the allegation contained in each of the paragraphs above as if fully set forth herein.

171. Section 201(b) of the Communications Act requires that "[a]ll charges, practices, classifications, and regulations for and in connection with such communication service, shall be just and reasonable, and any such charge, practice, classification, or regulation that is unjust or unreasonable is declared to be unlawful." 47 U.S.C. § 201(b).

172. Providing false and misleading information that deceives or misleads customers is an unjust and unreasonable practice that separately violates Section 201(b) of the Communications Act. *Rural Call Completion Declaratory Ruling*, 27 FCC Rcd. at 1357.

173. "[T]o inform a caller that a number is not reachable or is out of service when the number is, in fact, reachable and in service … is deceptive and misleading …, and therefore

unjust and unreasonable under Section 201(b)." *Id.*; *see also In the Matter of Bus. Disc. Plan, Inc. Apparent Liability for Forfeiture*, 14 FCC Rcd. 340, 355 (1998).

174. Verizon's pre-recorded message that "the number [ ] reached is no longer in service or has been disconnected at this time" relayed to individuals when calling Farmers Bank was deceptive and misleading.

175. Verizon's transmittal of the deceptive and misleading information was unjust and unreasonable in violation of Section 201(b) of the Act.

176. Farmers Bank experienced harmful consequences when its customers and other individuals heard the pre-recorded message and reasonably concluded that Farmers Bank is no longer in operation, which resulted, *inter alia*, in a loss of business revenue and time-to-value loss to Farmers Bank in dealing with correction of the issue and customers' inquiries and complaints.

177. As a result of Verizon's unjust and unreasonable practice Farmers Bank suffered damage and continues to suffer damages as a result of Verizon's violations in amount to be determined but no less than $162,515.46.

178. Because Verizon's conduct constitutes violations of Section 201(b) Farmer Bank is entitled to recover the full amount of damages, together with reasonable attorneys' fees pursuant to Sections 206 and 207 of the Communications Act.

COUNT III – VIOLATION OF COMMUNICATIONS ACT 47 U.S.C. § 201(b)

179. Farmers Bank incorporates by reference and repeats the allegation contained in each of the paragraphs above as if fully set forth herein.

180. Section 201(b) of the Communications Act requires that "[a]ll charges, practices, classifications, and regulations for and in connection with such communication service, shall be

just and reasonable, and any such charge, practice, classification, or regulation that is unjust or unreasonable is declared to be unlawful." 47 U.S.C. § 201(b).

181. "Rural call completion problems have significant and immediate public interest ramifications. They cause rural businesses to lose customers, … and create the potential for dangerous delays in public safety communications." *In the Matter of Verizon*, 30 F.C.C. Rcd. at 245.

182. "The delivery of accurate information for any person who dials 911 or seeks assistance via 10-digit emergency and non-emergency numbers is fundamental to ensuring that the correct identifying information is transmitted with those calls." *In the Matter of Rules & Regulations Implementing the Truth in Caller Id Act of 2009*, 26 F.C.C. Rcd. 9114, 9127 (2011); *see also* 47 C.R.F. § 64.706 ("providers of operator services …shall ensure immediate connection of the call to the appropriate emergency service …[and reporting] of the originating location of the call"); 47 C.R.F. § 64.706 ("provider of operator services shall …not bill for a call that does not reflect the location of the origination of the call").

183. Verizon provided operator services as a common carrier under 47 C.R.F. § 64.708 and for which services Verizon charged to Farmers Bank.

184. Phantom phone calls placed to emergency responders, busy tones received by 911 dispatch and misidentification of bank branch locations transmitted to emergency service providers on more than ten occasions with 911 issues remaining uncorrected by Verizon resulting, *inter alia*, in heightened public safety concerns experienced by Farmers Bank.

185. The aforementioned conduct by Verizon is unjust and unreasonable and therefore unlawful pursuant to Section 201(b) of the Communications Act.

186. As a result of Verizon's unlawful conduct and practices Farmers Bank suffered damage and continues to suffer damages as a result of Verizon's violations in amount to be determined but no less than $162,515.46.

187. Moreover, Verizon's unlawful practices of willful and substantial delay in correcting such volatile issues impacting public safety, placing Farmers Bank employees at risk and exposing Farmers Bank to tremendous liability, coupled together with Verizon's failure to inform Farmers Bank of delays and to provide realistic time estimates, along with its failure to make any significant efforts to solve the 911 issues, evinces a conscious disregard of the rights of others and demand that punitive damages be imposed.

188. Because Verizon's conduct constitutes violations of Section 201(b) Farmer Bank is entitled to recover the full amount of damages, together with reasonable attorneys' fees pursuant to Sections 206 and 207 of the Communications Act.

COUNT IV – VIOLATION OF COMMUNICATIONS ACT 47 U.S.C. § 201(b)

189. Farmers Bank incorporates by reference and repeats the allegation contained in each of the paragraphs above as if fully set forth herein.

190. Section 201(b) of the Communications Act requires that "[a]ll charges, practices, classifications, and regulations for and in connection with such communication service, shall be just and reasonable, and any such charge, practice, classification, or regulation that is unjust or unreasonable is declared to be unlawful." 47 U.S.C. § 201(b).

191. "There is no question of the power of a telephone company, both at common law and under the Communications Act, to adopt reasonable regulations respecting the conduct of its business and the terms upon which it furnishes service." *Harry Katz & Bertha B. Katz v. Am.*

Tel. & Tel. Co. & the Chesapeake & Potomac Tel. Co., 16 F.C.C. 421, 425 (1951) (citations omitted).

192. But "[t]o permit the discontinuance of such a service by the telephone company upon ... information that the telephone is being used for an unlawful purpose without first giving the customer an opportunity to be heard ... appears to be unjust and unreasonable." *Id.* at 427 (concurring opinion).

193. To be sure if discontinuance without notice because of illegal activity *may* be considered unjust, discontinuance of such services by a telephone company upon alleged outstanding amounts owed without first giving the customer an opportunity to be heard or pay such amounts *must* be unjust and unreasonable and therefore unlawful pursuant to Section 201(b) of the Communications Act.

194. Verizon's intentional blocking of services for alleged outstanding amounts owed without warning or notification to Farmers Bank and resulting in a loss of service for all phone communications on July 6, 2015 and continuing through July 9, 2015 was unlawful in violation of Section 201(b).

195. Farmers Bank's loss of phone communication services for four consecutive business days resulted in, *inter alia*, substantial loss of business revenue, significant reputational damage and extraordinary time-to-value loss to Farmers Bank in communicating with Verizon regarding resolution and in notifying its customers and handling complaints.

196. As a result of Verizon's unlawful conduct and practices Farmers Bank suffered damage and continues to suffer damages as a result of Verizon's violations in amount to be determined but no less than $162,515.46.

197. Moreover, Verizon's unlawful practices of willfully blocking Farmers Bank's phone communications services without notice and a notable four day delay in reinstating service, together with after-the-fact postmarked production of allegedly outstanding billing invoices by Verizon, evince a conscious disregard of the rights of others and demand that punitive damages be imposed.

198. Because Verizon's conduct constitutes violations of Section 201(b) Farmer Bank is entitled to recover the full amount of damages, together with reasonable attorneys' fees pursuant to Sections 206 and 207 of the Communications Act.

COUNT V – VIOLATION OF TRUTH-IN-BILLING

199. Farmers Bank incorporates by reference and repeats the allegation contained in each of the paragraphs above as if fully set forth herein.

200. Congress enacted Truth-in-Billing Requirements to reduce telecommunications fraud by setting billing invoice standards for telecommunications service, to aid customers in understanding their telecommunications bills and to provide them with the tools they need to make informed choices in the market for telecommunications service. 47 C.F.R. § 64.2400(a).

201. With two exceptions not applicable in this instance, the Rules govern telecommunications common carriers and their invoices containing charges for intrastate or interstate services. 47 C.F.R. § 64.2400(b).

202. The FCC's Truth-in-Billing Requirements mandate that descriptions provided on phone invoices must be clear and specific so customers can accurately determine the services billed correspond to services requested and received and the costs associated with the services correspond with the customer's understanding of the price of those services. 47 C.F.R. § 64.2401.

203. A failure to comply with the Truth-in-Billing Requirements is an unjust and unreasonable practice in violation of Section 201(b) of the Communications Act. *In the Matter of Consumer Info. & Disclosure Truth-in-Billing & Billing Format Ip-Enabled Servs.*, 24 F.C.C. Rcd. 11380, 11384 (2009).

204. "To use a service plan well, [consumers] need accurate and transparent billing statements, clear usage information and accurate disclosures about changes in fees or terms of service during the relevant period." *Id.* at 11389.

205. Whether willful or recklessly negligent, Verizon neither has nor does accurately disclosure to Farmers Bank changes in service and usage. Nothing about Verizon's billing statements is transparent.

206. Whether willful or recklessly negligent, Verizon's insufficient descriptions and inconsistent explanations fail to enable Farmers Bank to reasonably understand billing invoices issued by Verizon and the allegedly associated charges contained therein.

207. Verizon's practice of issuing invoices inclusive of deceptive, misleading information or unauthorized or unidentifiable charges to Farmers Bank is unjust.

208. It is impossible for Farmers Bank to reasonably identify the service and/or services for which it is being charged when Verizon cannot even determine the applicability of the charges appearing on its own customer's invoices; thereby violating Truth-in-Billing Requirements, 47 C.F.R. § 64.2400 *et seq.*, and § 201(b) of the Communications Act.

209. As a result of Verizon's failure to comply with Truth-in-Billing Requirements and Rules, Farmers Bank suffered damage and continues to suffer damages as a result of Verizon's violations in amount to be determined but no less than $162,515.46.

210. Moreover, Verizon's unlawful practices of willful disregard and substantial delay in identifying, correcting or providing an accounting of amounts being charged on its billing invoices to Farmers Bank evince a conscious disregard of the rights of others and demand that punitive damages be imposed.

211. Because Verizon's conduct constitutes violations of Section 201(b) Farmer Bank is entitled to recover the full amount of damages, together with reasonable attorneys' fees pursuant to Sections 206 and 207 of the Communications Act.

COUNT VI – VIOLATION OF COMMUNICATIONS ACT 47 U.S.C. § 202

212. Farmers ~~Bank incorporates by reference and repeats the allegation contained in~~ each of the paragraphs above as if fully set forth herein.

213. Under Section 202 of the Communications Act it is unlawful for a carrier to discriminate in providing telephone services.

214. Section 202(a) states that "[i]t shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges, practices, classifications, regulations, facilities or services for or in connection with like communication service, directly or indirectly, by any means or device, … or to subject any particular person, class of person, or locality to any undue or unreasonable prejudice or disadvantage." 47 U.S.C. § 202(a).

215. Each telecommunications carrier has the duty to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers and not to install network features, functions or capabilities that do not comply with the guidelines and standards established pursuant to Section 256 of the Communications Act. *In the Matter of Developing an Unified Intercarrier Comp. Regime Establishing Just & Reasonable Rates for Local Exch. Carriers*, 27 F.C.C. Rcd. 1351, 1359 (2012) (internal quotation marks and citation omitted).

216. Such standards promote nondiscriminatory accessibility of users to public telecommunications networks used to provide telecommunications service and ensure the ability of users and information providers to seamlessly and transparently transmit and receive information between and across telecommunications networks. *Id.* (*citing* 47 U.S.C. § 256); *see also In the Matter of Connect Am. Fund A Nat'l Broadband Plan for Our Future Establishing Just & Reasonable Rates for Local Exch. Carriers High-Cost Universal Serv. Support Developing an Unified Intercarrier Comp. Regime Fed.-State Joint Bd. on Universal Serv. Lifeline & Link-Up Universal Serv. Reform – Mobility Fund*, 26 F.C.C. Rcd. 17663, 17684 (2011) (*quoting* 47 U.S.C. § 151) ("Congress created [the] Commission in 1934 for the purpose of making 'available … to all the people of the United States … a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges.'").

217. Unsound routing practices are contrary to the universal service principal of access in rural and high cost areas as set for in Section 254(b)(3) and adoption or perpetuation of such routing that results in lower quality service to rural or high-cost localities than like services to urban or lower cost localities (including other lower cost rural area) constitute unreasonable discrimination in practices, facilities and services in violation of Section 202 of the Communications Act. *In the Matter of Verizon*, 30 FCC Rcd. at 249.

218. Such is in contravention of "ensur[ing] that all Americans in rural and nonrural areas receive the benefits of interconnection." *In the Matter of Rural Call Completion*, 28 F.C.C. Rcd. 16154, 16170 (2013).

219. Verizon's unsound routing practices and failure to provide and maintain a communications network that offers reliable and resilient service to Farmers Bank branches

located throughout the rural communities of Isle of Wight County, Southampton County and Suffolk constitutes unreasonable discrimination in violation of Section 202(a) of the Communications Act.

220. Verizon's requirements that Farmers Bank make advanced payments and pay for charges resulting from unutilized or unnecessary services, to subsidize for Verizon's lack of capacity to provide its offered and contracted services, inability to configure workable telephone network systems and further delays caused by its own unresponsiveness and inattentiveness, unjustly subjected Farmers Bank to undue prejudice and disadvantage in violation of Section 202.

221. As a result of Verizon's unlawful conduct and practices Farmers Bank suffered damage and continues to suffer damages as a result of Verizon's violations in amount to be determined but no less than $162,515.46.

222. Because Verizon's conduct is discriminatory and unlawful thereby violating Section 202 Farmer Bank is entitled to recover the full amount of damages, together with reasonable attorneys' fees pursuant to Sections 206 and 207 of the Communications Act.

COUNT VII – DECLARATORY RELIEF

223. Farmers Bank incorporates by reference and repeats the allegation contained in each of the paragraphs above as if fully set forth herein.

224. An actual controversy has arisen and now exists between Farmers Bank and Verizon concerning their respective rights and duties in that Farmers Bank contends that Verizon is engaging in, and continues to engage in, the improper practice of imposing charges on its telephone bills to Farmers Bank without taking adequate steps to ensure the charges are authorized, lawful and proper and do not violate the Communications Act.

225. Farmers Bank has informed Verizon that it disputes the underutilization invoices and will withhold payment of all amounts billed to Farmers Bank associated with these charges.

226. Verizon has not agreed to adjust or rescind the underutilization invoices but continues to charge Farmers Bank with accrued interest and penalties.

227. A declaration is necessary and appropriate at this time, under the circumstances presented, in order that the parties to this action may ascertain their respective rights and duties with respect to the conduct and practices of Verizon alleged herein, including without out exception, further collections actions associated with the alleged underutilization charges.

228. Pursuant to 5 U.S.C. § 554(e) and 47 C.F.R. § 1.2, Farmers Bank respectfully requests the Commission issue a declaratory ruling that Farmers Bank is not responsible for paying any portion of the underutilization invoices and further that Verizon is not entitled to continue its collection efforts for these amounts.

COUNT VIII – ACCOUNTING

229. Farmers Bank incorporates by reference and repeats the allegation contained in each of the paragraphs above as if fully set forth herein.

230. Verizon has attempted to provide services to Farmers Bank since April 29, 2013.

231. For the period of time during which Verizon received money and now continues to receive money from Farmers Bank for invoices submitted by Verizon for charged services, Verizon has a duty to account for all charges invoiced, proper application of monies and to account for its receipt.

232. Because Farmers Bank cannot determine which amounts are associated with what services allegedly provided and charged by Verizon, Farmers Bank seeks an accounting of all

amounts received by Verizon from Farmers Bank as payments on invoices and for all amounts properly or not properly owed for certain services.

233. Farmers Bank demands an accounting be required from Verizon to stop and redress the ongoing damage to Farmers Bank as a result of Verizon's violations of the Communications Act.

REQUEST FOR RELIEF

WHEREFORE, complainant Farmers Bank, Windsor, Virginia, by counsel, respectfully requests that the Federal Communications Commission: (i) grant judgment in favor of Farmers Bank, Windsor, Virginia against defendants Verizon Business Network Services Inc. and MCI Communications Services, Inc. d/b/a Verizon Business Services, jointly and severally, for damages incurred by Farmers Bank, Windsor, Virginia in amount to be determined after an accounting is completed by Verizon Business Network Services Inc. and MCI Communications Services, Inc. d/b/a Verizon Business Services, but no less than $162,515.46, together with pre-judgment and post-judgment interest and associated costs; (ii) award punitive damages to Farmers Bank, Windsor, Virginia against defendants Verizon Business Network Services Inc. and MCI Communications Services, Inc. d/b/a Verizon Business Services, jointly and severally, in an amount of $250,000.00; (iii) grant Farmers Bank, Windsor, Virginia declaratory relief as set forth above; (iv) order an accounting from defendants Verizon Business Network Services Inc. and MCI Communications Services, Inc. d/b/a Verizon Business Services as set forth above; (v) award Farmers Bank, Windsor Virginia its reasonable attorneys' fees pursuant to 47 U.S.C. § 206; and (vi) award such other and further relief that the Commission deems just and equitable.

Respectfully submitted,

FARMERS BANK, WINDSOR, VIRGINIA

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(757) 499-8800 (Telephone)

CERTIFICATE OF SERVICE

I hereby certify that a true copy of Farmers Bank, Windsor, Virginia's Formal Complaint was personally served by private process server on this 24th day of June, 2016 to:

MCI Communications Services, Inc.
c/o: Registered Agent
CT Corporation System
4701 Cox Road, Suite 285
Glen Allen, VA 23060

Verizon Business Network Service Inc.
c/o: ~~Registered Agent~~
CT Corporation System
4701 Cox Road, Suite 285
Glen Allen, VA 23060

Verizon Digital Media Services Inc.
c/o: Registered Agent
CT Corporation System
4701 Cox Road, Suite 285
Glen Allen, VA 23060

Kelley C. Holland (VSB No. 79627)