

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

MARCH 7, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (WILLIAMS, STAVANJA)
DIVISION OF AUDITING & FINANCIAL ANALYSIS (JONES) *ALM*
DIVISION OF LEGAL SERVICES (LUGO) *LMB/SLK TP*

RE: DOCKET NO. 960016-TI - APPLICATION FOR CERTIFICATE TO
PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE BY
GILLETTE GLOBAL NETWORK, INC. *ALM*

AGENDA: 3/19/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\960016TI.RCM - PLACE AFTER
GENERIC DEBIT CARD RECOMMENDATION DOCKET
NO. 960254-TI

CASE BACKGROUND

Section 364.337(3), Florida Statutes, (effective July 1, 1995) reads as follows:

(3) The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

STAFF DISCUSSION

ISSUE 1: Should the Commission grant GILLETTE GLOBAL NETWORK, INC. (GGN) a certificate to provide statewide interexchange telecommunications service within the State of Florida as provided by Section 364.337 (3), Florida Statutes?

DOCUMENT NUMBER-DATE

02829 MAR-7%

FPSC-RECORDS/REPORTING

DOCKET NO. 960016-TI
DATE: March 7, 1996

RECOMMENDATION: Yes, GGN should be granted:

Florida Public Service Commission Certificate No. 4416

STAFF ANALYSIS: GGN filed an application with this Commission on January 3, 1996, to offer telecommunications service as a switchless rebiller with prepaid debit card service in Florida.

GGN's exhibit of managerial qualifications reflects satisfactory records in telecommunications sales, marketing and service (pages 3-7). In regard to technical capability, GGN indicates that since GGN will provide switchless rebiller service the company will rely on the network ownership, operation and management of its underlying carrier(s) such as MCI, AT&T, etc.

Further, since GGN will be providing prepaid debit card service in Florida GGN will have to abide by the Commission's decision in the generic debit card recommendation (Docket No. 960254-TI).

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

STAFF ANALYSIS: This docket should be closed if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

Joseph P. Gillette

17th Floor - Trump Tower
725 Fifth Avenue
New York, NY 10022

212-906-0100 (W) 212-666-3311 (H)

Objective

To create and lead a company from its infancy to a successful public offering that delivers excellent returns to shareholders, customers, employees and suppliers alike through the integration, sale and service of cutting edge telecommunications services.

Work experience

Nov. 1994 - Present

Gillette Global Network, Inc. (GCI)

New York, NY

Founder and CEO of GGN, an integrator of telecommunications services for the small to midsize commercial marketplace, with an emphasis on selling competitive local services.

Negotiated contracts for resale of local, long-distance, and billing services.

Built infrastructure and team to support exponential growth through highly motivated regional sales managers and independent sales agents.

Negotiated "free rent" in Trump Tower through 1997; deal is for 5% of GCI stock, which places a value of approximately \$2.5M on GCI today.

1988 - 1994

Executone Information Systems

New York, NY

Sales Manager. Recruited, trained and managed sales efforts for an 8-person sales team responsible for writing \$200,000 of new business monthly. Was on track for Circle of Excellence (C of E) year when I resigned to start GCI.

Account Executive. Consistent top performer (C of E 5 years) in the Company. Recruited and trained (2) C of E performers. Twice Salesperson of the Year; Rookie of the Year.

1986 - 1987

Trinity-Pawling School

Pawling, NY

Teacher/Coach/Dorm master at all-boys prep school.

Taught American Literature to four sections of juniors.

Coached soccer and lacrosse.

Education

1982 - 1986

University of Pennsylvania

Philadelphia, PA

BA in English.

Captain, Ivy League Champion Lacrosse Team.

President, Fraternity of Phi Gamma Delta.

Inducted into Friars Senior Honor Society.

Extracurricular activities

New Amsterdam Lacrosse Club, USCLA.

Vice-President. Player since 1987. Secured corporate sponsorship for 1994 and 1995 seasons.

Penn Club.

Charter Member since Club opening in Spring of 1994.

Rockefeller Center Club.

Junior Executive (under 35) member since beginning of 1995.

New York Knicks Season Ticket Holder.

Since 1992. Club seats.

References

Bob Churchville, reported to for 2 years at Executone.

212-889-9294

Stanley Blau, Vice-Chairman of Executone

212-697-0950

Eric Diton, friend & classmate from UP, Sr. VP Investment Planning at Paine Webber

516-420-6461

Dan Friedman, investor and owner of law practice

212-267-0380

Bruce Sobel, CPA to GCI

212-370-5990

Aegis Frumento, General Counsel to GCI

212-888-8288

Bruce P. Ventriglia
44 Siemens Ave.
Trumbull, CT 06611

- 1994-Present **EXECUTONE Information Systems, Inc.**
Manager, Message Systems Marketing
 Directly responsible for pricing, margin analysis, market trend analysis product forecasting, marketing presentations. Development of product launch materials. Develop system and feature specifications. Control part numbers. Manage product development teams. Supervise Market Product Managers in Project/Team Management functions.
- *1991-1994 **EXECUTONE Information Systems, Inc.**
Market Product Manager
 Directly responsible for marketing presentations, product forecasting, pricing, margin analysis, market trend analysis. Development of Marketing Product Launch materials. System and feature Specifications, part numbers, inventory, project management. Provide technical and marketing support for sales. Chair three product development teams. Have met or exceeded all targets for the relevant period with my primary product growing in excess of 29% per year for each year.
- 1989-1991 **EXECUTONE Information Systems, Inc.**
Regional Product Specialist
 Sales Engineering, Product sales training, marketing presentations, application engineering, sales support, Technical support of sales and operations, new feature specifications. 100% of target for the relevant period.
- 1988-1989 **EXECUTONE Information Systems, Inc.**
Sr. Service Technician
 Installation and repair of telephone equipment. Branch engineering responsibility, field application engineering, special projects, pulling out the major fires.
- 1985-1988 **ISOETEC Communications Inc.**
Product Engineer
 Responsible for test, preliminary documentation, and training for all products under my responsibility. Responsibilities included FCC UL CSA, DCC Environmental, and Power testing of all products. Development of feature specifications, test procedures and CEM Relationships. Interface directly with Software, Hardware and Mechanical Engineering to develop new products. Maintain bug lists. Support Field trial systems, Sales Marketing and Field operations.

Education:

Housatonic Community College 1971-1972
 Connecticut School of Electronics, 1982-1984
 Reliability testing of Microprocessor based systems
 Brule and Kajer Fundamentals of Acoustic Testing
 Digital Equipment Corporation Data Communications

Raul K. Martynek

212 Wyckoff Street
 Brooklyn, New York 11217
 718-852-2585 (H)
 212-834-4600 (W)

**WORK
EXPERIENCE****Chemical Bank, N.A., New York, NY***FX Salesperson*

6/94 - Present

Perform Foreign Exchange sales and trading services targeted at international clients in Latin America and Europe. Solicit and promote a wide range of Foreign Exchange products including Spot, Forward, Forward Rate Agreements, Interest Rate Swaps and Options in order to generate revenues for the bank. Analyze changing market conditions and communicate potential profit opportunities to clients. Monitor and research political and economic developments in Latin America and Europe.

Bank Julius Baer and Company, Limited, New York, NY*Junior Trader*

9/93 - 6/94

Conduct Foreign Exchange business as part of Bank Julius Baer's Night Shift. Execute customer orders in a variety of currencies including USD/JPY, DEM/JPY, USD/CHF, DEM/CHF, GBP/USD and GBP/DEM. Quote two-way prices in currencies for inter-bank players and Bank customers. Provide market advice and information to Bank customers. Prepare and maintain customer Limit Order Book.

Bank Trainee

12/92 - 8/93

Completed various assignments in the Operations area of Bank Julius Baer. Developed, tested and implemented a computerized position keeping system to track and project the Bank's Nostro Balances in foreign currencies. Created a program to automatically identify loan activity in the Bank's portfolio.

EDUCATION**Columbia University School of International and Public Affairs**

Master's Degree of International Affairs - December 1992

Functional Specialization in International Banking and Finance

Columbia University Fellowship Award

State University of New York at Binghamton, Harpur College

Bachelor of Arts in Political Science - May 1988

*Phi Beta Kappa***United States Military Academy, West Point**

Liberal Arts Curriculum - 7/83 - 7/84

Dean's List

**HONORS
& AWARDS**

Binghamton Varsity Soccer 1985 - 87, Captain 1986, 1987

First Team NSCAA All-America Team 1987

Adidas-ISAA Academic All-America Team 1986, 87

First Team All-New York State 1986, 87

Completed successful 5,000 mile transcontinental bicycle journey
 Binghamton, NY - Seattle, WA - San Diego, CA

RENEE M. NOTO

145 West 58th Street, #14M
New York, NY 10019
212-765-5738

work (212) - 750-5841

EXPERIENCE DAVIDSON WEIL ASSOCIATES, NEW YORK, NY

Associate, December 1994 - Present

- Member of a four person team managing a domestic hedge fund
- Daily portfolio and trading responsibilities covering various industries including retail, healthcare and energy
- Research, analyze and value investment opportunities in companies and industries
- Prepare and evaluate financial models, industry analysis and valuation methods

GOLDMAN, SACHS & CO., NEW YORK, NY

Associate, Corporate Finance Department, August 1993 - December 1994
Summer Associate, Financing Areas, 1992

- Member of various corporate finance teams responsible for the solicitation and execution of public equity, debt and hybrid financing as well as financial advisory assignments for middle market and Fortune 500 companies
- Performed extensive quantitative work including valuation analysis, financial modeling, assessment of industry prospects and evaluation of competitive positioning
- Participated in all elements of capital-raising process, including assessment of funding needs, examination of market opportunities, transaction structuring, due diligence, negotiation, documentation, identification of potential investors and marketing to investors

Specific assignments have included:

- Equity, public debt and convertible offerings for various industrial companies
- High yield debt transactions for a shipping company and a paper packaging manufacturer
- Recapitalization for a niche specialty steel manufacturer
- Financial advisory for a major retailer, a diversified industrial company and a medical device maker

FIDELITY MANAGEMENT & RESEARCH, BOSTON, MA

Analyst, 1989 - 1991

- Identified and valued investment opportunities in public companies for Fidelity's equity funds, concentrating in specialty retailers and electric utilities
- Conducted extensive and on-going due diligence with senior managements to evaluate company prospects, strategies and performance
- Evaluated and prepared financial models and in-depth industry and competitive analysis

EDUCATION HARVARD GRADUATE SCHOOL OF BUSINESS ADMINISTRATION, BOSTON, MA

Master of Business Administration, June, 1993

- General management curriculum with emphasis on finance
- Captain of Women's Club ice-hockey team, section athletic representative and tutor of local second grader

DARTMOUTH COLLEGE, HANOVER, NH

Bachelor of Arts Degree, June, 1988

- Double major in Geography and Math
- Graduated Magna Cum Laude, received Rufus Choate distinction (top 5%), 1988
- Recipient of the Geography Department award for outstanding academic work, 1988
- Member of the Varsity ice hockey and soccer teams

PERSONAL

Series 7 registered

Lived in Japan, Italy and Saudi Arabia and travelled extensively
Enjoy scuba diving, golf and horseback riding

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Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: March 7, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *SJT* *ALM*
RE: Docket No. 960016-TI, Gillette Global Network, Inc., Financial Analysis for *APC* *WMS*
Certificate Application for Intrastate Interexchange Telecommunications Service

This is a Revision of AFAD's memo of February 14, 1996.

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

Also Section 364.01 (3) and (4) states that:

(3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.
and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Gillette Global Network, Inc. (GGN) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GGN has adequate liquidity but reports negative common equity and negative net income.

GGN plans to offer debit cards. Considering the company's financial statements are unaudited, staff recommends that the company secure a surety bond. For purposes of granting a certificate under the minimal requirements of the statute, the application appears adequate if the applicant can secure a bond.

cc: Division of Legal Services
Division of Records and Reporting

DOCKET NO. 960016-TI
GILLETTE GLOBAL NETWORK, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$188,259
CURRENT LIABILITIES	125,368
CURRENT RATIO	1.50
CASH	80,040
COMMON EQUITY	(56,269)
TOTAL DEBT	122,636
NET INVESTOR CAPITAL	66,367
COMMON EQUITY RATIO	NMF
NET INCOME (LOSS)	(98,485)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure