

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**

APRIL 18, 1996

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

FROM: DIVISION OF COMMUNICATIONS (WILLIAMS, KING) *W*  
DIVISION OF AUDITING & FINANCIAL ANALYSIS (LESTER) *RLT*  
DIVISION OF LEGAL SERVICES (LUGO) *set H* *W*

RE: DOCKET NO. 960294-TI - APPLICATION FOR CERTIFICATE TO  
PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE BY  
BUSINESS OPTIONS, INC.

AGENDA: 04/30/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\960294TI.RCM

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**CASE BACKGROUND**

Section 364.337(3), Florida Statutes, 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 BUSINESS OPTIONS, INC. (BOI) 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

04442 APR 18 96

FPSC-RECORDS/REPORTING

DOCKET NO. 960294-TI  
DATE: April 18, 1996

**RECOMMENDATION:** Yes, BOI should be granted:

Florida Public Service Commission Certificate No. 4458

**STAFF ANALYSIS:** BOI filed an application with this Commission on March 6, 1996, to offer telecommunications service as a switchless rebiller in Florida.

BOI's exhibit of managerial qualifications (page 3) reflects a satisfactory record in telecommunications sales, marketing and service. In regard to technical capability, BOI indicates in its application that it will be a switchless rebiller (page 4) and will rely on the network ownership, operation and management of its underlying carrier(s) such as MCI, AT&T, etc. The Division of Auditing and Financial Analysis reviewed BOI's financial statement to determine the company's financial viability (pages 5-6). Based on the information provided by BOI, the financial capability of the company appears adequate.

**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.

## Managerial Capability

Kurtis Kintzel, CEO of Business Options, Inc., has a broad based background in the financial, insurance, and distribution industries. Mr. Kintzel owned and directed a long distance sales agency that marketed for other long distance resellers. He has also served as CEO of a financial services company and as Vice President of one of California's largest insurance brokers. Mr. Kintzel is a graduate of Indiana University with a degree in business finance.

Joseph Juarez is Chief Operating Officer and Corporate Secretary/Treasure of Business Options, Inc. Mr. Juarez gained a considerable amount of experience in the long distance industry at L.D. Services as an Account Executive and progressed into management positions in Customer Service and Provisioning. Mr. Juarez is a graduate of Purdue University with a degree in Marketing and Public Relations.

Mike D. Yip is the Information Systems Director for Business Options, Inc. Mr. Yip has had vast experience managing complete data processing needs of various companies before joining Business Options, Inc. Mr. Yip started as a programmer for the school district and has progressed through a series of challenging positions to where he is today. He had found his niche with telecommunications industry for the last five years while being involved with the computer industry for the last eleven years. Mr. Yip graduated from California State University, Fullerton with a degree in Computer Science and is currently pursuing a Masters degree in Information Systems from DePaul University in Chicago.

## **ATTACHMENT J**

### **TECHNICAL CAPABILITY**

Business Options, Inc. is a switchless reseller. All switching and transport is provided by the Florida certified underlying carrier.



# Public Service Commission

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**DATE:** April 17, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL*  
**RE:** Docket No. 960294-TI, Business Options, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*  
*my 19-2*

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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 Business Options, Inc. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity, ownership equity, and profitability.

For certification purposes, the application appears adequate.

cc: Division of Legal Services  
Division of Records and Reporting

DOCKET NO. 960294-TI  
BUSINESS OPTIONS, INC  
INTEREXCHANGE CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	TWELVE MONTHS ENDING <u>12/31/95</u>
CURRENT ASSETS	182,012
CURRENT LIABILITIES	15,661
CURRENT RATIO	11.62
CASH	58,171
COMMON EQUITY	180,817
TOTAL DEBT	0
NET INVESTOR CAPITAL	180,817
COMMON EQUITY RATIO	100%
NET INCOME	269,019
RETURN ON EQUITY	149%