

LAW OFFICES  
MESSER, CAPARELLO, MADSEN, GOLDMAN & METZ  
A PROFESSIONAL ASSOCIATION

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TALLAHASSEE, FLORIDA 32302-1876  
TELEPHONE (904) 222-0720  
TELECOPIERS (904) 224-4359 (904) 425-1942  
June 13, 1996

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
Room 110, Easley Building  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

**BY HAND DELIVERY**

960729-TX

Dear Ms. Bayo:

Enclosed for filing on behalf of Cypress Telecommunications Corporation are an original and six copies of the Application for Authority to Provide Local Telecommunications Service Statewide together with attachments thereto, and a check in the amount of \$250.00 for the filing fee.

Also enclosed is the original and ten copies of a Request for Confidential Treatment of Information attached to the application. The exhibit which is considered confidential, is in a separate envelope attached to the Motion and a redacted copy is attached to the application.

Please indicate receipt of this document by stamping the enclosed two extra copies of this letter.

Your attention to this filing is appreciated.

Sincerely,

*Norman H. Horton, Jr.*  
Norman H. Horton, Jr.

NHH/alb  
Enclosures

cc: Ms. Beverly Turner

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check

*Coy*  
DOCUMENT NUMBER-DATE

06430 JUN 13 1996

FPSC-RECORDS/REPORTING

*Request*  
DOCUMENT NUMBER-DATE

06429 JUN 13 1996

FPSC-RECORDS/REPORTING

*App*  
DOCUMENT NUMBER-DATE

06428 JUN 13 1996

FPSC-RECORDS/REPORTING

M E M O R A N D U M

June 13, 1996

TO:       \_\_\_ DIVISION OF APPEALS  
          \_\_\_ DIVISION OF AUDITING AND FINANCIAL ANALYSIS  
          XX DIVISION OF COMMUNICATIONS  
          \_\_\_ DIVISION OF ELECTRIC AND GAS  
          \_\_\_ DIVISION OF RESEARCH  
          \_\_\_ DIVISION OF WATER AND WASTEWATER  
          \_\_\_ DIVISION OF LEGAL SERVICES

FROM:     DIVISION OF RECORDS AND REPORTING (WILLIAMS)

RE:       CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO: 06430-96

DESCRIPTION: Financial information

SOURCE: CYPRESS TELECOMMUNICATION CORPORATION

DOCKET NO.: 960729-TX

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

-----  
Please read each of the following and check if applicable.

\_\_\_ The document(s) is (are), in fact, what the utility asserts it (them) to be.

FLORIDA PUBLIC SERVICE COMMISSION  
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

APPLICATION FORM  
for

AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE  
WITHIN THE STATE OF FLORIDA

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INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
  2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
  3. Use a separate sheet for each answer which will not fit the allotted space.
  4. If you have questions about completing the form, contact:  

Florida Public Service Commission  
Division of Communications, Certification & Compliance Section  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866  
(904) 413-6600
  5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.
-

1. This is an application for (check one):

Original authority (new company)

Approval of transfer (to another certificated company)  
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate (to a noncertificated company)  
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

Approval for transfer of control (to another certificated company)  
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant:

Cypress Telecommunications Corporation

3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

11811 North Freeway, Suite 800  
Houston, TX 77060 (713) 591-3000

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

N/A

C. Physical address of alternative local exchange service in Florida including street name, number, post office box, city, zip code and phone number.

N/A

4. Structure of organization:

- |  |  |
|--|--|
| <input type="checkbox"/> Individual          | <input type="checkbox"/> Corporation                 |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership         |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership         |
| <input type="checkbox"/> Joint Venture       | <input type="checkbox"/> Other, Please explain _____ |

5. If incorporated, please provide proof from the Florida Secretary of State that the application has authority to operate in Florida.

Corporate charter number: F94000001391 (Certificate Attached)

6. Name under which the applicant will do business (d/b/a):

N/A

7. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number: N/A

8. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

N/A

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

No

10. Please provide the name, title, address, telephone number, Internet address, facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Ongoing:	Application:
Ms. Beverly Turner	Norman H. Horton, Jr.
Cypress Telecommunications Corp.	Messer, Caparello, Madsen,
11811 North Freeway, Suite 800	Goldman & Metz
Houston, TX 77060	215 S. Monroe St., Suite 701
(713)591-3000 - FAX (713)591-3029	Tallahassee, FL 32302-1942
	(904) 222-0720 - FAX (904)224-4359

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

Texas

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

No

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

No

14. Please indicate how a customer can file a service complaint with your company.

Customers can call 800-324-6123 toll free 24 hours a day or contact the company by letter.

15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability. See Attachment 1

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements, including:

1. the balance sheet
2. Income statement
3. statement of retained earnings for the most recent 3 years.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. **Managerial capability.** See Attachment 2

C. **Technical capability.** See Attachment 3

# State of Florida



## Department of State

I certify from the records of this office that CYPRESS TELECOMMUNICATIONS CORPORATION, is a corporation organized under the laws of Texas, authorized to transact business in the State of Florida, qualified on March 18, 1994.

The document number of this corporation is F94000001391.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1996, that its most recent annual report was filed on April 10, 1996, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capitol, this the  
Fifth day of June, 1996



CR2EO22 (2-95)

*Sandra B. Northam*

Sandra B. Northam  
Secretary of State



**ATTACHMENT 1**

**FINANCIAL CAPABILITY**

FINANCIAL INFORMATION

Cypress Telecommunications Corporation requests that its financial information be afforded confidential treatment and has filed a Motion for Confidential Treatment pursuant to §364.183 F.S. and Rule 25-22.006 F.A.C. A redacted version of the financial information is attached hereto and an unedited version is attached to the motion.

CYPRESS TELECOMMUNICATIONS CORPORATION  
BALANCE SHEET  
DECEMBER 31, 1995

ASSETS  
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CURRENT ASSETS

103 CASH  
106 A/R TRADE  
130 PREPAID EXPENSES

-----  
TOTAL CURRENT ASSETS

FIXED ASSETS

14001 FIXED ASSETS  
146 ACCUM. DEPRECIATION

-----  
TOTAL FIXED ASSETS

OTHER ASSETS

16080 DEPOSITS  
16084 OTHER ASSETS

-----  
TOTAL OTHER ASSETS

-----  
TOTAL ASSETS

-----

CYPRESS TELECOMMUNICATIONS CORPORATION  
BALANCE SHEET  
DECEMBER 31, 1995

LIABILITIES AND STOCKHOLDERS EQUITY  
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CURRENT LIABILITIES

203 NOTE PAYABLE  
20420 ACCOUNTS PAYABLE  
20452 DUE TO  
20456 DUE TO  
20460 DUE TO  
205 ACCRUED EXPENSES

-----  
TOTAL CURRENT LIABILITIES

STOCKHOLDERS EQUITY

310 COMMON STOCK  
330 PAID-IN-CAPITAL  
340 RETAINED EARNING(DEFICIT)  
350 CURRENT EARNINGS  
360 LESS TREASURY STOCK

-----  
TOTAL STOCKHOLDERS EQUITY

-----  
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY  
=====

**ATTACHMENT 2**

**MANAGERIAL CAPABILITY**

**CYPRESS TELECOMMUNICATIONS CORPORATION  
MANAGEMENT BIOGRAPHIES**

**ROGER L. SCOTT - President**

Mr. Scott has served as President of Cytel since February, 1986. He graduated from the University of Kentucky with a B.S. in Economics and Marketing, and also earned an MBA from Butler University in Indianapolis, Indiana with final courses completed at U.S.C. Roger has been working in telecommunications for 12 years. Prior to forming Cytel, he owned several businesses including a trucking dealership, and aircraft dealership, and a leasing firm.

**IVAN D. DeHART II - Director of Marketing**

Mr. DeHart serves as Director of Marketing for Cytel. In addition to his telecommunications expertise, his 27 year management career in communications includes extensive experience in all aspects of broadcast and print media. Mr. DeHart has received numerous Addy Awards in recognition of his advertising and marketing abilities. He is responsible for Cytel's market research and product development as well as all sales and customer service functions.

**C. LEE GILLIA - Controller**

Mr. Gillia is a CPA with over 20 years experience in accounting. He is responsible for Cytel's accounting and financial reporting systems, cash flow management, financial analysis, and the development and implementation of internal accounting and management controls. He holds a Bachelor of Business Administration degree from the University of Notre Dome, and a Bachelor of Science degree in Mechanical Engineering from Memphis State University.

**DONALD L. AMBROSE - Director of Operations**

Mr. Ambrose's background spans more than 25 years with AT&T in the design, engineering, manufacturing, sales, distribution, and installation of telecommunications products, domestic and international. He has managed operations and installation of over 1200 major projects within the United states, and is credited with the invention and development of 108 telecommunication and eletro-mechanical products used within the industry. Mr. Ambrose is a member of the Telephone Pioneers of America and the IEE. He holds a First Class FCC License, and a Journeyman Level ISCET in Digital Integrated Circuitry. He has also served as an off-hour plan systems, and fiber optic systems engineer with several colleges. Mr. Ambrose has a B.S. in Electrical Engineering as well as attending the Radio Engineering Institute, the University of Nebraska at Omaha, and Southwestern University.

**KEITH RUSSELL - Manager of Network operation**

Mr. Russell graduated from the Florida Institute of Technology in 1984 with a Bachelor of Science in Electrical Engineering. He worked in telecommunications before and during college, and has seventeen years experience in the telecommunications industry. Keith has worked for the International Telephone and Telegraph Company as a computer programmer, and has worked for Stromberg Carson (producer of Cytel's telephone switch) as a computer programmer helping to develop the programs that run telephone switches that perform all the switching operations for telecommunications organizations. He has also worked as a technical consultant, assisting telephone company engineers and technical personnel with telephone switching problems.

**WES WADE - Director of MIS**

Mr. Wade is responsible for the maintenance of the Cytel network and program maintenance and development. He has sixteen years of computer technical and software experience, and writes computer programs using several different languages.

**CHRIS SHIELDS - Customer Service and Collections Manager**

Ms. Shields' twenty years customer service experience, five years experience in the telecommunications industry, includes responsibility for collections as well as customer relations. Chris provides leadership and development to Cytel's customer service representatives thus insuring the best service possible.

**ATTACHMENT 3**

**TECHNICAL CAPABILITY**



## CYTEL TECHNOLOGY

All technology to install and operate RMTS systems is currently available and no research and development is required at this time. The systems use existing off-the-shelf hardware and software available from a variety of suppliers throughout the U.S.

The telephone switching equipment is state-of-the-art, fully digital, ISDN (Integrated Services Digital Network) compatible, and will accommodate both fiber optic and copper networks. Current hardware capabilities for RMTS is well advanced compared to local telcos' in-place equipment (mostly analog) and will readily support technology advances well into the future. Switching equipment is remotely addressable via modem/software, and is PC based.

## AFFIDAVIT

By my signature below, I the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange service in the State of Florida. I have read the foregoing and declare that to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders. Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

Official:

Rayel Scott  
Signature

6/13/96

Date

Title:

President

(713) 591-3000

Telephone Number

Address:

11811 North Freeway

Suite 800

Houston, Texas 77060

**CYPRESS TELECOMMUNICATIONS CORPORATION**

**ALTERNATIVE LOCAL EXCHANGE COMPANY**

**PRICE LIST**

A price list will be provided upon completion of necessary arrangements with Local Exchange Company's and prior to provision of SVC.