

ORIGINAL

Snell & Wilmer
L.L.P.
LAW OFFICES

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Phoenix, Arizona 85004-2202
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Jeffrey W. Crockett (602) 382-6234
Internet: jcrockett@swlaw.com

May 23, 2000
Via FedEx

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

000628-TX
000629-TI

Re: *OnePoint Services, L.L.C./New Applications for Certification*

Ladies and Gentlemen:

Enclosed for filing on behalf of my client, OnePoint Services, L.L.C., are an original and six copies of the following applications:

1. *Application for Authority to Provide Interexchange Telecommunications Service between Points Within the State of Florida; and 06384-00*
2. *Application for Authority to Provide Alternative Local Exchange Service within the State of Florida. 06383-00*

I have also enclosed an extra copy of each application, and I kindly request that you date-stamp each copy and return it to me for my files. In addition, I have enclosed our firm's check in the amount of \$500 to cover the application filing fee for both applications.

If you have any questions, please contact me at the direct line listed above.

Very truly yours,

SNELL & WILMER

Jeff Crockett
Jeffrey W. Crockett

This claim of confidentiality was filed by or on behalf of a "telco" for Confidential DN 06384-00. The document is in locked storage pending advice on handling. To access the material, your name must be on the CASR. If undocketed, your division director must obtain written EXD/Tech permission before you can access it.

CONF - TX
DOCUMENT NUMBER - DATE
06386 MAY 24 8
FPSC-RECORDS/REPORTING

JWC:gdb
Enclosures

cc: Dick Kolb, Vice President, Regulatory Affairs (with enclosures)

MAIL ROOM

15 6 W 47 W
KODISHA TO BOWEN
JTP ALB

CONF ALEC
DOCUMENT NUMBER - DATE

06384 MAY 24 8

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:
AKM

Crocketj\PHX\837863.1

ORIGINAL

** FLORIDA PUBLIC SERVICE COMMISSION **

000628-TX

DIVISION OF TELECOMMUNICATIONS
BUREAU OF CERTIFICATION AND SERVICE EVALUATION

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

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

**Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770**

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Telecommunications
Bureau of Certification and Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600**

DOCUMENT NUMBER-DATE

06383 MAY 24 8

FPSC-RECORDS/REPORTING

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

Original certificate (new company).

Approval of transfer of existing certificate:

Example, a certificated company purchases an existing certificated company and desires to retain the authority of both certificates.

Approval of assignment of existing certificate:

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 of transfer of control:

Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

OnePoint Services, L.L.C.

3. Name under which applicant will do business (fictitious name, etc.):

R.C.P. Services

4. Official mailing address (including street name & number, post office box, city, state, zip code):

OnePoint Services, L.L.C.

Two Conway Park

150 Field Drive, Suite No. 300

Lake Forest, Illinois 60045

5. Florida address (including street name & number, post office box, city, state, zip code):

6. Structure of organization:

- () Individual () Corporation
() Foreign Corporation () Foreign Partnership
() General Partnership () Limited Partnership
(xx) Other Foreign Limited Liability Company

7. **If individual**, provide: Not Applicable

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

8. **If incorporated in Florida**, provide proof of authority to operate in Florida:

Not Applicable

(a) **The Florida Secretary of State corporate registration number:**

9. **If foreign corporation**, provide proof of authority to operate in Florida:

(a) **The Florida Secretary of State corporate registration number:**

See Attachment 1

10. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) **The Florida Secretary of State fictitious name registration number:**

See Attachment 2

11. **If a limited liability partnership**, provide proof of registration to operate in Florida:
Not Applicable

(a) The Florida Secretary of State registration number:

12. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.
Not Applicable

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

13. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.
Not Applicable

(a) The Florida registration number: _____

14. Provide **F.E.I. Number**(if applicable): 36-4313695

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

No

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

No

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Jeffrey W. Crockett, Esq.

Title: SNELL & WILMER

Address: One Arizona Center, 400 East Van Buren

City/State/Zip: Phoenix, Arizona 85004-2202

Telephone No.: (602) 382-6234 **Fax No.:** (602) 382-6070

Internet E-Mail Address: jcrockett@swlaw.com

Internet Website Address: www.swlaw.com

(b) Official point of contact for the ongoing operations of the company:

Name: James Silva

Title: General Manager

Address: 300 West Osborn, Suite No. 101

City/State/Zip: Phoenix, Arizona 85013

Telephone No.: (602) 234-9877 **Fax No.:** (602) 234-8809

Internet E-Mail Address: james@debit-cards.com

Internet Website Address: www.debit-cards.com

(c) **Complaints/Inquiries from customers:**

Name: Rocky Valdez

Title: Manager of Customer Services

Address: 300 West Osborn, Suite No. 101

City/State/Zip: Phoenix, Arizona 85013

Telephone No.: (602) 234-9877 **Fax No.:** (602) 234-8809

Internet E-Mail Address: _____

Internet Website Address: www.debit-cards.com

17. **List the states in which the applicant:**

(a) **has operated as an alternative local exchange company.**

See Attachment 3

(b) **has applications pending to be certificated as an alternative local exchange company.**

See Attachment 3

(c) **is certificated to operate as an alternative local exchange company.**

See Attachment 3

(d) **has been denied authority to operate as an alternative local exchange company and the circumstances involved.**

Not Applicable

-
-
- (e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

Not Applicable

- (f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

Not Applicable

18. Submit the following:

- A. Financial capability. See Attachment 4

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer **affirming that the financial statements are true and correct** and should include:

1. the balance sheet:
2. income statement: and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
 2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
 3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.
- B. **Managerial capability:** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.
See Attachment 5
- C. **Technical capability:** give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.
See Attachment 5

**** APPLICANT ACKNOWLEDGMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

<u>Timothy Ostrawski</u>		<u>3/5/00</u>
Signature		Date
<u>Chief Financial Officer</u>		<u>(847) 582-8800</u>
Title		847-874-3744 Telephone No.
Address:	<u>OnePoint Services, L.L.C.</u>	<u>(847) 582-8801</u>
	<u>Two Conway Park</u>	Fax No.
	<u>150 Field Drive</u>	
	<u>Suite 300</u>	
<u>Lake Forest, Illinois 60045</u>		

ATTACHMENTS:

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT

**** APPENDIX A ****

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

NOT APPLICABLE

I, (Name) _____,

(Title) _____ of (Name of Company)

and current holder of Florida Public Service Commission Certificate Number # _____

_____, have reviewed this application and join in the petitioner's request for a:

- () sale
- () transfer
- () assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Signature _____ Date _____

Title _____ Telephone No. _____

Address: _____ Fax No. _____

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request. NOT APPLICABLE

1. POP: Addresses where located, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

2. SWITCHES: Address where located, by type of switch, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

3. TRANSMISSION FACILITIES: POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

<u>POP-to-POP</u>	<u>OWNERSHIP</u>
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____

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 company 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, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

<u>Timothy J. Ostrowski</u>		<u>3/5/00</u>
Signature		Date
<u>Chief Financial Officer</u>		<u>(847) 582-8800</u>
Title		847-374-8744 Telephone No.
Address:	<u>OnePoint Services, L.L.C.</u>	<u>(847) 582-8801</u>
	<u>Two Conway Park</u>	Fax No.
	<u>150 Field Drive</u>	
	<u>Suite 300</u>	
<u>Lake Forest, Illinois 60045</u>		

ATTACHMENT 1

State of Florida



Department of State

I certify from the records of this office that ONEPOINT SERVICES, L.L.C., is a Delaware limited liability company authorized to transact business in the State of Florida, qualified on April 18, 2000.

The document number of this limited liability company is M0000000769.

I further certify that said limited liability company has paid all fees due this office through December 31, 2000, and its status is active.

I further certify that said limited liability company 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
Twentieth day of April, 2000



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

RECEIVED

APR 25 2000

SNELL & WILMER

April 20, 2000

SNELL & WILMER
1 ARIZONA CENTER
PHOENIX, AZ 85004-2202

Qualification documents for ONEPOINT SERVICES, L.L.C. were filed on April 18, 2000, and assigned document number M00000000769. Please refer to this number whenever corresponding with this office.

Your limited liability company is now qualified and authorized to transact business in Florida as of the file date. In accordance with section 608.406(2), F.S., the name of this limited liability company is filed with the Department of State for public notice only and is granted without regard to any other name recorded with the Division of Corporations.

The certification you requested is enclosed.

A limited liability company annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the limited liability company address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration and Qualification Section.

Michael Mays
Document Specialist
Division of Corporations

Letter Number: 200A00021709

ATTACHMENT 2

FICTITIOUS NAME

OnePoint Services, L.L.C., has filed its Application for Registration of Fictitious Name with the State of Florida Department of State, but has not yet received its fictitious name registration number. A copy of OnePoint's Application for Registration of Fictitious Name is attached hereto, and the registration number will be filed as a supplement to this application once it is received.

APPLICATION FOR REGISTRATION OF FICTITIOUS NAME

Note: Acknowledgements/certificates will be sent to the address in Section 1 only.

Section 1

1. R.C.P. Services
Fictitious Name to be Registered

2. Two Conway Park, 150 Field Dr., #300
Mailing Address of Business

Lake Forest IL 60045
City State Zip Code

3. Florida County of principal place of business: _____

4. FEI Number: _____

This space for office use only

Section 2

A. Owner(s) of Fictitious Name If Individual(s): (Use an attachment if necessary):

1. _____ 2. _____
Last First M.I. Last First M.I.

Address Address

City State Zip Code City State Zip Code

SS# _____ - _____ - _____ (optional) SS# _____ - _____ - _____ (optional)

B. Owner(s) of Fictitious Name If other than individuals(s): (Use attachment if necessary):

1. OnePoint Services, L.L.C. 2. _____
Entity Name Entity Name

Two Conway Park, 150 Field Dr., #300
Address Address

Lake Forest IL 60045
City State Zip Code City State Zip Code

Florida Registration Number _____ Florida Registration Number _____
FEI Number: _____ FEI Number: 36-4313695
 Applied for Not Applicable Applied for Not Applicable

Section 3

I (we) the undersigned, being the sole (all the) party(ies) owning interest in the above fictitious name, certify that the information indicated on this form is true and accurate. In accordance with Section 865.09, F.S., I (we) further certify that the fictitious name shown in Section 1 of this form has been advertised at least once in a newspaper as defined in chapter 50, Florida Statutes, in the county where the applicant's principal place of business is located. I (we) understand that the signature(s) below shall have the same legal effect as if made under oath. (At Least One Signature Required)

Grigoriy Ostrovskiy 4/6/00
Signature of Owner Date
Phone Number: 847-582-8901 Signature of Owner Date
Phone Number: _____

Section 4

FOR CANCELLATION COMPLETE SECTION 4 ONLY:
FOR FICTITIOUS NAME OR OWNERSHIP CHANGE COMPLETE SECTIONS 1 THROUGH 4:

I (we) the undersigned, hereby cancel the fictitious name _____
_____, which was registered on _____ and was assigned registration number _____

Signature of Owner Date Signature of Owner Date

Mark the applicable boxes Certificate of Status - \$10 Certified Copy - \$30
Filing Fee: \$50

ATTACHMENT 3

STATUS OF PROVIDING TELECOMMUNICATIONS SERVICES IN OTHER STATES

OnePoint Services, L.L.C., does not currently provide alternative local exchange service in any state. However, in addition to this application, the company has applied for authority to provide competitive local exchange services as a reseller in Arizona, Louisiana and New Mexico. In addition, OnePoint Services has obtained a Certificate of Convenience and Necessity to operate as a switchless reseller of interLATA and intraLATA telecommunications services in the State of California pursuant to the California Public Utilities Commission's Opinion Decision No. 00-05-003 issued May 1, 2000. OnePoint Services has also applied for authority to provide prepaid long-distance calling card service as a reseller and resold in-bound 800 service in Arizona, Louisiana and New Mexico.

ATTACHMENT 4

FINANCIAL INFORMATION

(A) Financial Statements. OnePoint Services was formed less than one year ago, and therefore, does not have a full-year balance sheet, income statement or audited financial information. However, attached is a true and correct copy of a bank statement from Lake Forest Bank & Trust Company, verified by OnePoint's Chief Financial Officer, evidencing OnePoint's certificate of deposit no. 1830 in the amount of \$1,303,702.20 as of February 28, 2000. Thus, although a relatively new company, OnePoint possesses reasonably liquid and available financial resources to provide continuous telecommunications services in the State of Florida. Also attached hereto is a copy of OnePoint Services' pro forma financial statements for the years 1999 to 2004. In addition to the certificate of deposit, OnePoint Services has access to additional financing and capital as may be required through its majority member, OnePoint Communications Corp. Consolidated audited financial statements for OnePoint Communications Corp. for the years ended December 31, 1999, and December 31, 1998, are attached hereto.

(B) Experienced Management. In addition to its financial wherewithal, OnePoint Services has put together an experienced team of telecommunications personnel to operate the company. OnePoint Services shares certain of its top management and key personnel with its majority member, OnePoint Communications Corp. OnePoint Communications Corp. was formed in January 1997 as a combination of two well-established companies: Mid-Atlantic Cable, a Washington D.C.-based private cable television company, and TelcomPlus, a national telecommunications service provider. In June 1998, OnePoint Communications Corp. acquired the multi dwelling unit (also known as MDU), operations of Preferred Entertainment Cable in Chicago and became the largest private cable operator in the City of Chicago. Today, OnePoint

Communications Corp. is a premier provider of local and long distance telephone service, cable and direct broadcast satellite television, and high speed Internet access for MDU residents. In addition to its headquarters in the Chicago area, OnePoint Communications Corp. or its affiliates have corporate offices in Washington D.C., Atlanta, Denver and Phoenix, as well as a customer care center in Maryland.

ATTACHMENT 5

TECHNICAL COMPETENCY

OnePoint Services, L.L.C., has significant and recognized technical ability to provide the telecommunications services described in this application. Attached hereto is a brief description of the telecommunications experience of the corporate officers and key personnel of OnePoint Services.

Albin (Al) Moschner**President and CEO, OnePoint Services, L.L.C.**

Prior to forming OnePoint Services, L.L.C., Mr. Moschner served as president and CEO of MilleCom, Inc., a start-up telecommunications company. Prior to this, Mr. Moschner served as vice-chairman of Diba, a Silicon Valley based start-up software company, after joining the company in 1996 as a principal and director. Previously, Mr. Moschner was president and CEO of Zenith Electronics after serving as its senior vice-president of operations since 1991. He also served on Zenith's Board of Directors since April 1992. Before Zenith, he was COO for Tricord Systems, Inc., a Minnesota-based start-up computer company, and a COO at ETA Systems, the supercomputer subsidiary of Control Data Corporation. Mr. Moschner's career began in 1974 as an engineer at IBM and then in various key technical and senior management positions for 14 years, most recently as acting general manager of IBM's Rochester, Minnesota location. Currently serving as a director of Polaroid Corporation Pella Corporation, Wintrust Financial Corporation and Vision Solutions, Mr. Moschner holds an MS in electrical engineering from Syracuse University and a BE in electrical engineering from The City College of New York.

Timothy J. Ostrowski**Chief Financial Officer, OnePoint Services, L.L.C.**

Prior to joining OnePoint Services, L.L.C., Mr. Ostrowski served as chief financial officer of MilleCom, Inc., a start-up telecommunications company. Prior to this, Mr. Ostrowski was a principal for MKW Consulting, which advises on financial systems/productivity improvements in the utilities industry. Prior to MKW, he was vice president, supply management for Zenith Electronics in 1995 managing the corporation's logistic systems. Before moving to operations, Mr. Ostrowski served as controller for Zenith's \$1 billion consumer electronics division from 1992 to 1994. He also served as chief financial officer at Fisher Hamilton Scientific. Mr. Ostrowski holds an MBA in marketing and a BS in finance from Northern Illinois University. He also serves on the Board of Trustees and Operations Committee of Alexian Brothers Medical Center.

Management

Both Mr. Oscar Aguiar and Mr. James Silva share the management of RCP Communications, Inc. Both jointly delegate the operational responsibilities and provide leadership, direction and motivation to the company's employees. Mr. Aguiar is the company's Chief Executive Officer, and Mr. Silva is the President. Both also comprise the Board of Directors.

Oscar Aguiar

Mr. Oscar Aguiar was recruited to the U.S. Navy in 1987 as an Operational Specialist. His computer system expertise and uncommon technical abilities were utilized by the Navy in his assignment to the Navy's classified Computerized Radar Tracking Systems for Counter Warfare Operations. This position encompassed operational responsibilities that included Anti-warfare, Combat Navigation, Guided Defense Weaponry and Combat Room Operations.

Mr. Aguiar's skills, leadership, and operational knowledge were utilized on a global basis including 6 months at the Navy's Mediterranean Strategic Operations. Mr. Aguiar was also assigned to the Computer Training Division, where his skills in mainframe computer routines and database management were further utilized. Mr. Aguiar received an honorable Discharge in 1989 when he decided to pursue a professional career in computerization sales and management.

In 1990, Oscar joined the management team of Compuclassics, Inc., an international computer software and hardware firm. Mr. Aguiar managed production, purchasing, and inventory control while also playing a substantial role in the company's research and development activities, which included testing and approving new software applications. Oscar developed a computerized inventory management and cost control system that yielded the company 15% savings in the cost of goods sold.

Oscar's knowledge of the company's products, his in-depth computer skills, and his ability to effectively communicate, led to his participation in Compuclassic's International Sales and Marketing Operations where he excelled.

During the period between 1991 and 1993, Oscar concurrently directed mainframe operations for ITT Hartford Insurance, Inc., in Beverly Hills, California. This demanding System Administrator's position included managing the company's 50 user Wang V7 mainframe system as well as implementing substantial system upgrades and modifications. Oscar designed and administered a comprehensive statistical analysis and financial reporting system that was utilized by management in making key corporate decisions.

In 1994 Oscar joined forces with Demosource, Inc., a computerized telephony integrator located in Northridge, California. Oscar realized the enormous growth potential in the computerization of the telecom industry as a result of industry

deregulation, and joined Demosource to capitalize on this opportunity. Demosource later moved to Scottsdale Arizona and Oscar relocated in Phoenix to continue with Demosource.

During his tenure at Demosource, Oscar met James A. Silva who also worked there. Together, Oscar and James realized they could not fulfill their long-range financial objectives at Demosource, so they ultimately left Demosource and formed FLUX TELCOM as partners in December of 1995. Their joint accomplishments are described at the end of this section.

Mr. Aguiar continued his education in business management and computer technology by attending Pierce Community College in California, Valley Forge College in California and in Arizona, attended Scottsdale Community College and Paradise Valley Community College.

James A. Silva

Mr. Silva first experienced his love for computer in 1988 when he enrolled in some introductory programming classes while he was attending Valley Community College in Southern California. He found programming and computer operations fascinating, and soon advanced his knowledge far beyond what the college could offer. James gained employment at Wicks Furniture as a warehouseman while attending college to provide a modest but adequate income. Wick's management soon realized the abilities James possessed and promoted him to the merchandising department with a healthy 20% raise in pay.

With his thirst for responsibility and meticulous attention for detail, James was promoted to a management position and given the responsibility of inventory tracking and pricing over \$1 million of furniture that sprawled over 175,000 square feet. This enabled James to become so proficient at computerized inventory management and pricing systems that the company promoted him once again, but as the Manager of Inventory Systems. This position included another 200,000 square foot warehouse, 25 branches, and included inventory tracking and analysis, vendor shipment tracking, and inventory turnover reports.

This 50-year-old company had a difficult time keeping sales personnel, and when the sales department was short, which became quite frequent, they called on James to help. It seemed natural as he was pleasant, bright, and knew where every piece of inventory was in the company. James soon rose to the ranks of the top 10 salesmen in the corporation, and the company notified James they wanted him to stay in Sales and they would find a replacement to fill his inventory management position. This didn't suit James, so he accepted a position with Demosource, Inc., a computerized telephony systems integrator and developer.

Although the new position was in the Sales department, it promised rapid advancement to a management position. James loved this job and the challenge it

afforded. He became more of a system integrator/designer than a salesman as his understanding of computers was superior, but he soon became the most productive member of the sales team.

In December of 1994, Demosource moved to Arizona. The company relocated James and advanced him to Sales Manager. He was in full charge of a sales team producing \$3 million per year. As the technology advanced, the company's product development department did not, thus frustrating James as the company could not keep up with the intense growth of the industry. James and Oscar Aguiar worked closely together at Demosource, and in December of 1995, decided to invest their entire savings into a joint venture to capitalize on providing the products and services the industry really needed.

Oscar and James Formed Flux Telecom

James and Oscar both began advertising voice mail and IVR (interactive voice response) products they rapidly developed in order to provide enough revenue to fund the design and development of the debit card platform. After exhausting their resources, the new Point 2 Point debit card platform was ready to market. Advertising was launched in several trade journals and within a month or two; they became swamped with inquiries. They also set up their own call center and sold prepaid cards using their own platform. Success was immediately forthcoming, as prospective platform customers saw the system in action and actually generating healthy business, and platforms were sold on the spot.

In July of 1996, the company name was changed to Oasis Communications. Oasis was one of a few companies in the U.S., to offer both a platform and prepaid phone cards. Sales continued to climb and additional employees were added to maintain a high quality of operational efficiency as well as customer service. Research and development efforts did not stop either as Oscar and James continued to add never heard of before features to the Point 2 Point platform, making it the product with the greatest amount of features in the market.

There was no name association with Oasis, so the company name was changed once again. This time the name was associated with the company's products and services; Rates, Cards and Platforms – or, RCP, for short. At this time the company's lawyer and accountant advised Oscar and James to incorporate, so the partnership became an S Corp. in July 1997.

RCP rapidly developed an excellent network of distributors and sales in 1997 exceeded \$1 million and became known to the industry a one-stop source for prepaid wholesalers. On July 1, 1998, RCP transitioned into a C Corp. Oscar and James focused on growth and as local and nation-wide distribution grew with an expanded product line and high quality customer service, the combined S Corp. and C Corp. 1998 sales exploded to \$12.8 million. Continued and projections are to finish 1999 with sales in excess of \$17 million. Many national accounts for phone cards were also developed such as Mail Boxes, Etc., Dollar Stores, Lance Burton, Diebold, Greyhound, Mobil Oil, Shell

Oil and many more. RCP is also hosts other prepaid card companies platforms in its collocation operation, making RCP a major provider of prepaid time with sales exceeding 25 million minutes per month.

Oscar and James have an excellent working relationship and great mutual respect for each other, which has been responsible for their rapid success. They have compiled a highly energized and motivated management team that provides the necessary back office support required for ultra-growth organizations like RCP. RCP is poised for massive growth and Oscar and James are confident the management team is ready to grow RCP into a \$100 million company by 2002. Oscar and James' knowledge of the many different segments of the industry, coupled with their ability to introduce and successfully market products to the industry, has made RCP a thriving company.