



# Public Service Commission

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

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**DATE:** August 16, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL* *ALM*  
**RE:** Docket No. 960638-TI, Paradigm Communications Corporation d/b/a *APC* *GCN*  
Corporation, Financial Analysis for Certificate Application for Intrastate  
Interexchange Telecommunications Service

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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 Paradigm Communications Corporation d/b/a/ GCN Corporation. The company has adequate liquidity but it has inadequate ownership equity and inadequate profitability.

Although the applicant's financial position is marginal, the applicant attests that it has sufficient financial capability to provide interexchange telecommunications service. Based on this, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services  
Division of Records and Reporting

DOCUMENT NUMBER-DATE  
08747 AUG 20 1996  
FPSC-RECORDS/REPORTING

DOCKET NO. 960638-T1  
PARADIGM COMMUNICATIONS CORPORATION D/B/A GCN CORP.  
INTEREXCHANGE CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

	NINE MONTHS ENDING 5/31/95
CURRENT ASSETS	95,267
CURRENT LIABILITIES	16,931
CURRENT RATIO	5.63
CASH	0
COMMON EQUITY	(66,998)
PREFERRED STOCK	0
TOTAL DEBT	216,576
TOTAL INVESTOR CAPITAL	149,578
COMMON EQUITY RATIO	NMF
NET INCOME	(40,352)
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE