



## Public Service Commission

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

DATE: December 9, 1996  
 TO: Tom Williams, Division of Communications  
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *SET ALM APC*  
 RE: Docket No. 961138-TI, Easy Cellular, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 Easy Cellular, Inc. (EZCL) for the ten-month period ending October 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, EZCL has adequate liquidity and ownership equity but reports negative net income.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_ In this matter, EZCL is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it has the backing of its investors and capital support of its stockholders who provide the company with sufficient financial capability.  
 EAG \_\_\_\_\_  
 LEG \_\_\_\_\_ Furthermore, the applicant has received authorization to make a public offering of its stock and plans on issuing that stock in the near future. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.  
 LIN \_\_\_\_\_  
 OPC \_\_\_\_\_  
 RCH \_\_\_\_\_  
 SEC 1 cc: Division of Legal Services  
 Division of Records and Reporting  
 WAS \_\_\_\_\_  
 OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

13372 DEC 17 96

FPSC-RECORDS/REPORTING

DOCKET NO. 961138-TI  
EASY CELLULAR, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE TEN  
MONTHS ENDING  
10/31/96

CURRENT ASSETS	\$54,235
CURRENT LIABILITIES	1,425
CURRENT RATIO	38.06
CASH	50,514
COMMON EQUITY	113,756
TOTAL DEBT	121,314
TOTAL INVESTOR CAPITAL	235,070
COMMON EQUITY RATIO	48%
NET INCOME	(40,644)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure