



# Public Service Commission

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

**DATE:** June 27, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. **970757-TX**, Quintelco, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ARC*

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 audited consolidated financial statements of Quintel Entertainment, Inc., parent corporation of Quintelco, Inc. (QTO) for the period ending December 31, 1996. As the attached schedule shows, QTO has adequate liquidity, sufficient common equity and produced a positive net income for the period.

In this matter, QTO is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the parent corporation will support it's subsidiary if additional capital is needed. Based on this showing, 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

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FPSC-RECORDS/REPORTING

DOCKET NO. : 970757-X  
QUINTELCO, INC.

ALTERNATIVE LOCAL EXCHANGE  
FINANCIAL ANALYSIS

FROM AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF  
QUINTEL ENTERTAINMENT, INC.

	AS OF 12/31/96
CURRENT ASSETS	\$56,718,056
CURRENT LIABILITIES	31,275,864
CURRENT RATIO	1.81
CASH	14,140,987
COMMON EQUITY	47,734,933
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	47,734,933
COMMON EQUITY RATIO	100%
NET INCOME	12,174,430
RETURN ON EQUITY	26%

NMF = No Meaningful Figure

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6/26/97 CORPORATE DETAIL RECORD SCREEN 10:10 AM  
 NUM: F97000002748 ST:DE ACTIVE/FOREIGN PROF FLD: 05/23/1997  
 NAME : QUINTELCO, INC.  
 PRINCIPAL: 1 BLUE HILL PLAZA  
 ADDRESS PEARL RIVER, NY 10965  
 RA NAME : CORPORATION SERVICE COMPANY  
 RA ADDR : 1201 HAYS STREET  
 TALLAHASSEE, FL 32301-2525 US  
 ANN REP : \* NONE FILED \*

6/26/97 OFFICER/DIRECTOR DETAIL SCREEN 10:10 AM  
 CORP NUMBER: F97000002748 CORP NAME: QUINTELCO, INC.  
 TITLE: CD NAME: SCHWARTZ, JEFFREY L  
 1 BLUE HILL PLAZA  
 PEARL RIVER, NY  
 TITLE: PD NAME: GREENWALD, CLAUDIA  
 1 BLUE HILL PLAZA  
 PEARL RIVER, NY  
 TITLE: VSD NAME: STOLLMAN, ANDREW  
 1 BLUE HILL PLAZA  
 PEARL RIVER, NY  
 TITLE: T NAME: HARVEY, DANIEL  
 1 BLUE HILL PLAZA  
 PEARL RIVER, NY  
 TITLE: VD NAME: HIRSCH, CLAUDIA N  
 1 BLUE HILL PLAZA  
 PEARL RIVER, NY  
 TITLE: D NAME: MILLER, MICHAEL G  
 1 BLUE HILL PLAZA  
 PEARL RIVER, NY  
 PEARL RIVER, NY