



Public Service Commission

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DATE: August 20, 1997
TO: Tom Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. **971011-TS**, Executive Business Center, Inc., Financial Analysis for Certificate Application for Shared Tenant Service

ALM
APC

Section 364.339 (2), Florida Statutes, requires the following:

The commission shall grant certificates to telecommunications companies upon showings that the applicants have sufficient technical, financial, and managerial capabilities to provide shared tenant services.

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 Executive Business Center, Inc. (EBC) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, EBC reports positive net income for the period, but has minimum liquidity and negative common equity.

ACK _____
 AFA _____
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 EG _____

In this matter, EBC is asking for a certificate to provide Shared Tenant service. For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it is establishing a \$300,000 open line of credit with Merrill Lynch. In addition, as a result of its good credit rating the Company has the ability to obtain additional financing through traditional commercial lending institutions. The applicant can also rely upon the financial support of the parent company if 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 (2) ✓

DOCUMENT NUMBER - DATE

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POSTMASTER: RETURN TO REPORTING

DOCKET NO. : 971011-
EXECUTIVE BUSINESS CENTER, INC

SHARE TENANT SERVICES
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$61,309
CURRENT LIABILITIES	281,097
CURRENT RATIO	0.22
CASH	46,579
COMMON EQUITY	(291,471)
TOTAL DEBT	116,713
TOTAL INVESTOR CAPITAL	(174,758)
COMMON EQUITY RATIO	NMF
NET INCOME	7,317
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure