



Public Service Commission

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

DATE: May 14, 1999
 TO: Nancy Pruitt, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
 RE: Docket No. 990493-TI, Convergence, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM
OPC
[Handwritten 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 Convergence, Inc. (CI) for the period ending May 6, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CI has adequate liquidity, sufficient common equity, but as a new company has no income to report at the present time.

In this matter, CI 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.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC _____
- WAW _____
- OTH _____

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. Mr. John Dalrymple, owner and sole stockholder pledges up to \$250,000 over the next twelve months to support CI's operations. 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

06424 MAY 20 99

FPSC-RECORDS/REPORTING

DOCKET NO. 990493-T
CONVERGENCE, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 05/06/99

CURRENT ASSETS	\$10,112
CURRENT LIABILITIES	9,888
CURRENT RATIO	1.02
CASH	10,112
COMMON EQUITY	10,112
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	10,112
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure