



# Public Service Commission

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

**DATE:** July 16, 1999  
**TO:** Tommy Williams, Division of Communications  
**FROM:** Eva P. Samaan, Division of Auditing and Financial Analysis *ed*  
**RE:** Docket No. 990896-TI, Lionhart of Miami, Inc. d/b/a Astral Communications, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Lionhart of Miami d/b/a Astral Communications (AC) for the period ending May 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, AC has minimal common equity, but adequate liquidity and reported a positive net income for the period.

In this matter, AC 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 marginal.

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CCF \_\_\_\_\_
- CCR \_\_\_\_\_
- CCS \_\_\_\_\_
- CCV \_\_\_\_\_
- CCW \_\_\_\_\_
- CCX \_\_\_\_\_
- CCY \_\_\_\_\_
- CCZ \_\_\_\_\_
- OFC \_\_\_\_\_
- RRR \_\_\_\_\_
- SEC   I
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service.

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FPSC-RECORDS/REPORTING

Ram Kumar Singh, the President of AC, has available \$80,000 through a line of credit with Ocean Bank of Miami to support his company if necessary. 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)

DOCKET NO. 990896-  
LIONHART OF MIAMI, INC. d/b/a ASTRAL COMMUNICATIONS

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 05/31/99

|                        |         |
|------------------------|---------|
| CURRENT ASSETS         | \$9,622 |
| CURRENT LIABILITIES    | 9,312   |
| CURRENT RATIO          | 1.03    |
| CASH                   | 0       |
| COMMON EQUITY          | 31,650  |
| LONG-TERM DEBT         | 360,000 |
| TOTAL INVESTOR CAPITAL | 391,650 |
| COMMON EQUITY RATIO    | 8%      |
| NET INCOME             | 1,199   |
| RETURN ON EQUITY       | 4%      |

NMF = No Meaningful Figure