



Public Service Commission

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

DATE: October 8, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 991289-TX, MVX.COM Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Handwritten initials: ALM, PL, if, and other marks.

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 unaudited financial statements of MVX.COM Communications, Inc. (MVX) for the period ending June 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MVX has a low level of liquidity and common equity. The company reported a positive net income for the period.

In this matter, MVX is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears marginal.

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 by noting that it is a reseller with a low level of capital investment. The company intends to fund the provision of service through internally generated cash flow. 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)

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DOCKET NO. 991289-1  
MVX.COM COMMUNICATIONS, INC.  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>06/30/1999</u>
CURRENT ASSETS	\$784,030
CURRENT LIABILITIES	1,876,183
CURRENT RATIO	0.42
CASH	174,076
COMMON EQUITY	145,810
TOTAL DEBT	341,677
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	487,487
COMMON EQUITY RATIO	30%
NET INCOME	145,810
RETURN ON EQUITY	100%

STATE OF FLORIDA

Commissioners:  
JOE GARCIA, CHAIRMAN  
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SUSAN F. CLARK  
JULIA L. JOHNSON  
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING  
BLANCA S. BAYÓ  
DIRECTOR  
(850) 413-6770

**Public Service Commission**

September 9, 1999

Anthony Cooke, Director of Government Affairs  
Lance J.M. Steinhart, Attorney AT Law  
6455 East Johns Crossing, Suite 285  
Duluth, Georgia 30097

Re: Docket No. 991289-TX

Dear Mr. Steinhart:

This will acknowledge receipt of an application for certificate to provide alternative local exchange telecommunications service by MVX.COM Communications, Inc., which was filed with this office on September 2, 1999 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make notes as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting  
Florida Public Service Commission