



Public Service Commission

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

DATE: January 12, 2000
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 991676-TX, Twenty Eight Red, Inc. d/b/a Cash America, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 personal financial statements of James L. Smith, owner and President of Twenty Eight Red, Inc. d/b/a Cash America (TER) for the period ending October 23, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TER has adequate liquidity, sufficient common equity and net income for the period.

In this matter, TER 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 company has an available line of credit in the amount of sixty-five thousand dollars. 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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FPSC-RECORDS/REPORTING

DOCKET NO. 991676-1 λ
TWENTY EIGHT RED, INC. d/b/a CASH AMERICA

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM THE UNAUDITED PERSONAL FINANCIAL STATEMENTS OF JAMES L
. SMITH, PRESIDENT OF TWENTY EIGHT RED, INC.

	AS OF 10/23/1999
CURRENT ASSETS	\$51,870
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	20,000
COMMON EQUITY	81,415
TOTAL DEBT	138,727
TOTAL INVESTOR CAPITAL	220,142
COMMON EQUITY RATIO	37%
NET INCOME	40,000
RETURN ON EQUITY	49%

NMF = No Meaningful Figure