



# Public Service Commission

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

**DATE:** June 6, 2000  
**TO:** Tommy Williams, Division of Regulatory Oversight  
**FROM:** Pete Lester, Division of Economic Regulation *PL*  
**RE:** Docket No. 000598-TI, LD Exchange.com, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 LD Exchange.com, Inc. (LDE) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, LDE has inadequate liquidity and insufficient common equity. The company reported a loss for the period.

In this matter, LDE is asking for a certificate to provide IXC 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 minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it intends to fund the provision of service through internally generated cash flow and it has the ability to borrow funds if required. 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

07015 JUN-88

FPSC-RECORDS/REPORTING

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DOCKET NO. 000598-TI  
LD EXCHANGE.COM, INC.  
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>12/31/1999</u>
CURRENT ASSETS	(\$1,179,549)
CURRENT LIABILITIES	3,524,542
CURRENT RATIO	(0.33)
CASH	121,397
COMMON EQUITY	(2,370,821)
TOTAL DEBT	240,380
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	NMF
COMMON EQUITY RATIO	NMF
NET INCOME	(2,636,654)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE