



Public Service Commission

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

DATE: August 20, 1998
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 980940-TI, Alliance Group Services, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *mmg*

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 balance sheet of Alliance Group Services, Inc. (AGS) for the six month period ending May 27, 1998. This is a newly formed company and does not have a relevant income statement at this time. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, AGS has adequate liquidity and sufficient common equity.

ACK _____ In this matter, AGS is asking for a certificate to provide IXC service. For purposes of granting
 AFA _____ a certificate based on the financial information provided, the financial capability appears
 APP _____ adequate. The applicant attests to its financial capability to provide and maintain the proposed
 CAF _____ telecommunications service by noting that its principal investors will support AGS with \$25,000
 CMU _____ in additional capital, if needed. Based on this showing, the applicant appears to meet the
 CTR _____ financial capability standard of Section 364.337, Florida Statutes.

EAG _____ cc: Division of Legal Services
 LEG _____ Division of Records and Reporting (2) ✓

LIN _____
 OPC _____
 RCH _____
 SEC 1
 WAS _____
 OT-4 _____

DOCUMENT NUMBER-DATE
 09030 AUG 21 98
 REG-RECORDS/REPORTING

DOCKET NO. 980940-11
ALLIANCE GROUP SERVICES, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 05/27/98
CURRENT ASSETS	\$294,443
CURRENT LIABILITIES	24,992
CURRENT RATIO	11.78
CASH	284,443
COMMON EQUITY	269,451
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	269,451
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure