

ORIGINAL

State of Florida



Public Service Commission

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

DATE: August 21, 1998
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
RE: Docket No. 980825-TX, Michael Servos, Financial Analysis for Certificate *ALM*
 Application for Alternative Local Exchange Telecommunications Service *HPC*

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 Michael Servos (MiS) for the period ending June 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MiS has adequate liquidity, sufficient net worth and positive net income for the period.

ACK _____ In this matter, MiS is asking for a certificate to provide alternative local exchange
 AFA _____ telecommunications service. For purposes of granting a certificate based on the financial
 APP _____ information provided, the financial capability appears adequate. The applicant attests to its
 CAP _____ financial capability by noting that it has adequate liquid assets to provide and maintain the
 CMU _____ proposed telecommunications service. Based on this showing, the applicant appears to meet the
 CTR _____ financial capability standard of Section 364.337, Florida Statutes

cc: Division of Legal Services
 Division of Records and Reporting (2)

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 1998 AUG 27

DOCKET NO. 980825-17A
MICHAEL SERVOS

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED PERSONAL FINANCIAL STATEMENTS

	AS OF 06/30/98
CURRENT ASSETS	\$13,300
CURRENT LIABILITIES	9,204
CURRENT RATIO	1.45
CASH	10,000
NET WORTH	178,000
TOTAL LIABILITIES	92,000
TOTAL OF ALL LIABILITIES & NET WORTH	270,000
NET WORTH OVER TOTAL ASSETS	66%
ANNUAL PERSONAL INCOME	84,380
NET INCOME OVER NET WORTH	47%

NMF = No Meaningful Figure