

Paradigm Telecom II, LLC

14850 Woodham Drive, Suite B105,
Houston, Texas 77073

Florida Public Service Commission (FPSC)
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

10 JAN 22 AM 6:51
OFFICE OF IDM

December 11, 2017

Subject: CEO and CFO Signed Affirmations That the Submitted Financial Statements Are True & Correct

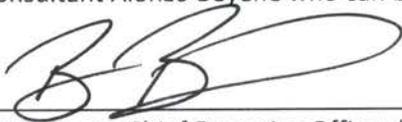
Dear FPSC Staff,

Per the request of the FPSC staff, the attached projected financial statements are hereby submitted to the FPSC to supplement the previously submitted Year to Date August 31, 2017 financial statements. As required by Question# 17(c) of the Florida Competitive Local Exchange Carrier (CLEC) License application, we are hereby affirming as CEO and CFO of Paradigm Telecom II, LLC, that the unaudited financial statements submitted by Paradigm Telecom II, LLC to the FPSC are true and correct.

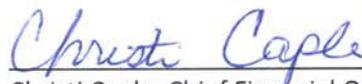
Note that Paradigm Telecom II, LLC is submitting unaudited financial statements since it was formed about a year ago in November 14, 2016. Since the company is a private entity, we felt that audited financial statements are currently not warranted. Especially since the company is in its startup phase.

To preemptively address potential FPSC concerns, Paradigm Telecom II, LLC's expenses exceed income and liabilities exceed equity since it is a startup setting up operations such as purchasing equipment in the capital-intensive telecom industry. The Paradigm Telecom II, LLC submitted financial statements demonstrate that it has the needed financial capacity to successfully operate. Its financial statements show that it has already generated substantial amounts of sales despite its startup status. It also has very liquid assets such as cash and other assets such as accounts receivables. It also has the trust of its vendors as reflected by its accounts payable position that could have only happened since they judged the company to be credit worthy. Post licensing, Paradigm Telecom II, LLC can further grow sales and cash position by signing up carrier customers that first require it to obtain its Florida CLEC license.

For questions about the Florida CLEC filing submitted by Paradigm Telecom II, LLC, please contact our consultant Alonzo Beyene who can be reached at Tel# (786) 505-1862 or at alonzo@iacadvice.com



Brian Beers, Chief Executive Officer (CEO)
Paradigm Telecom II, LLC



Christi Caple, Chief Financial Officer (CFO)
Paradigm Telecom II, LLC

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COMMISSION CLERK
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Notes on Assumptions Used to Create Paradigm Telecom II, LLC's Projected Financial Statements

The attached Calendar Year (CY) 2017, 2018 and 2019 projected income statement, balance sheet and retained earnings statements are hereby submitted to the Florida Public Service Commission (FPSC). Below are notes on the assumptions under which those projected financial statements were prepared.

(I). Assumptions for CY 2017 Projected Financial Statements as of Dec. 31, 2017

Historical financial statements Year to Date (YTD) as of Aug. 31, 2017 were previously submitted to the FPSC and they are hereby resubmitted to the FPSC. Those YTD historical financial statements served as the baseline upon which the projected financial statements as of Dec. 31, 2017 were prepared.

(1). CY 2017 Year End Total Projected Sales Balance

The projected income statement as of Dec. 31, 2017 assumes \$781,928.12 total annual sales. The basis for the assumption is that \$521,285.41 total sales were achieved as of Aug. 31, 2017. August is the 8th month in a year, so dividing \$521,285.41 by 8 = \$65,160.68 average monthly sales. Multiplying \$65,160.68 by 4 for the 4 months left in a year after August = \$260,642.71 projected sales from operations in the final four months of CY 2017. So, \$521,285.41 + \$260,642.71 = \$781,928.12 projected sales expected as of Dec. 31, 2017.

(2). CY 2017 Year End Total Projected Cost of Goods Sold (COGS) Balance

The projected income statement as of Dec. 31, 2017 assumes COGS monthly growth will drop in the final parts of 2017 as the company gets better suppliers and from better cost controls.

(3). CY 2017 Year End Total Operational Expenditures (OPEX) Balance

The projected income statement as of Dec. 31, 2017 assumes OPEX only increases by \$7,000 in the final four months of CY 2017. So, \$7,000 + \$138,944.53 incurred in initial eight months of CY 2017 as of Aug. 31, 2017 = \$145,944.53 OPEX total projected as of Dec. 31, 2017.

(4). CY 2017 Year End Total Cash Balance

The projected balance sheet as of Dec. 31, 2017 assumes \$162,398.22 new cash earned in the final four months of CY 2017. \$162,398.22 = \$260,642.71 sales minus \$91,244.49 COGS minus \$7,000 OPEX that are all expected in the last 4 months of CY 2017. \$162,398.22 + \$16,336.18 YTD Aug. 31, 2017 cash balance = \$178,734.40 total cash balance projected as of Dec. 31, 2017.

(5). CY 2017 Year End Total Accounts Receivable and Liability Balance

The projected balance sheet as of Dec. 31, 2017 assumes no changes in the August 31, 2017 YTD Balance Sheet amounts listed for Accounts Receivable and Liabilities. If needed, the company can tap vendor and other credit, as can be seen on its August 31, 2017 YTD submitted financials.

(II). Assumptions for CY 2018 Projected Financial Statements as of Dec. 31, 2018

(1). CY 2018 Year End Total Projected Sales Balance

The projected income statement as of Dec. 31, 2018 assumes that CY 2018 sales will be significantly larger than CY 2017 sales. The basis for that assumption is that since CY 2017 was the company's initial year of operations. Since CY 2018 will be the second year of operations, it will be able to significantly increase sales by then due to its expected greater market presence.

(2). CY 2018 Year End Total Projected Cost of Goods Sold (COGS) Balance

The projected income statement as of Dec. 31, 2018 assumes that CY 2018 COGS total will be about the same as projected CY 2017 total COGS. That is based on the expectation that the company may be able to limit COGS growth year over year by getting better rates from suppliers and by continuing to improve operational efficiencies.

(3). CY 2018 Year End Total Operational Expenditures (OPEX) Balance

The projected income statement as of Dec. 31, 2018 assumes that CY 2018 OPEX will be 10% higher than projected CY 2017 total OPEX.

(4). CY 2018 Year End Total Cash Balance

The projected balance sheet as of Dec. 31, 2018 assumes that new cash generated in CY 2018 from CY 2018 sales after COGS and OPEX will be \$308,944.10. Also, \$150,000 of the \$153,450 CY 2017 Accounts Receivable balance that is expected to be carried into CY 2018 will be converted into cash in CY 2018. In addition, the CY 2017 projected year end cash balance of \$178,734.40 is also expected to carry over into CY 2018. So, $\$308,944.10 + \$150,000 + \$178,734.40 = \$637,678.50$ projected available cash in CY 2018. From the \$637,678.50 net cash generated in CY 2018, \$415,741.92 is projected to be used to pay down all the CY 2017 liabilities that are expected to be carried over into CY 2018. So, $\$637,678.50 \text{ minus } \$415,741.92 = \$221,936.58$ CY 2018 Year End Projected Cash Balance and \$0 liabilities.

(5). CY 2018 Year End Total Accounts Receivable and Liability Balance

The projected balance sheet as of Dec. 31, 2018 assumes that the company will be able to limit its CY 2018 Year End Accounts Receivable total to \$3,450. That expectation is based on the company being able to maintain a roster of high quality customers to limit the need for large long-term Accounts Receivable balances as well as through strict credit controls. The projection is also based on the expectation that the company may be able to have \$0 liability since it may be able to generate enough net cash to cover operational expenses and other costs. If needed, the company can tap credit as needed, as seen on its August 31, 2017 YTD submitted financials.