



Public Service Commission

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

DATE: July 1, 1997
 TO: Kelly Biegalski, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 970455-TI, Hello Card, Inc., Financial Analysis for Certificate
 Application for Intrastate Interexchange Telecommunications Service *MC*

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 financial statements of Hello Card, Inc. (Hello) for the 12 month period ending March 31, 1997. The statements were from an accountant's compilation. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Hello has adequate liquidity and profitability, but it reports negative common equity.

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In this matter, Hello 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has a successful track record in the provision of debit card service, it has low capital needs as a reseller, and it can obtain funding should the need arise. Based on this statement, 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

06642 JUL -25

FPSC RECORDS/REPORTING

DOCKET NO. 970455-TI
HELLO CARD, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

12 MONTHS ENDING
MARCH 31, 1997

CURRENT ASSETS	6,389,966
CURRENT LIABILITIES	5,977,939
CURRENT RATIO	1.07
CASH	355,913
COMMON EQUITY	(12,424,379)
TOTAL DEBT	13,275,700
COMMON EQUITY RATIO	NMF
NET INCOME	85,266
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE