



Public Service Commission

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

DATE: March 23, 1998
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 980239-TX, First Touch, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM
APC
[Handwritten initials]

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 financial statements of First Touch, Inc. (FTI) for the twelve month period ending December 31, 1997, and a one month period ending January 31, 1998. In addition, staff has analyzed the unaudited bank statement of FTI for a one month period ending January 31, 1998. FTI reported their financial statements on a cash basis. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, FTI has negative common equity, but reported a positive net income. Staff determined the company's liquidity by using the January bank statement. All credits were divided by all debits reported in January's bank statement. FTI shows marginal liquidity. In this matter, FTI is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears marginal.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIR _____
- OPR _____
- ROJ _____
- SEL _____
- WHL _____
- GTH _____

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 the company will increase available capital from continuing operations. In addition, FTI is able to obtain additional financing through traditional commercial lending institutions. 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

03729 MAR 31 88

STARTING

DOCKET NO. 980239-TX
FIRST TOUCH, INC.

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

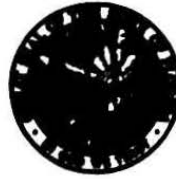
FROM UNAUDITED FINANCIAL STATEMENTS REPORTED ON A CASH BASIS

	AS OF 12/31/97 (12 Months)	AS OF 01/31/98 (1 Month)	BANK STATEMENT AS OF 01/31/98
CURRENT ASSETS PER B/S	(\$4,910)	(\$4,091)	
CURRENT L'ABILITIES PER B/S	10,311	14,277	
CASH	271	0	2,242
COMMON EQUITY	(12,352)	(13,586)	
TOTAL DEBT	0	0	
TOTAL INVESTOR CAPITAL	(12,352)	(13,586)	
COMMON EQUITY RATIO	NMF	NMF	
NET INCOME	31,331	1,003	
<u>RETURN ON EQUITY</u>	<u>NMF</u>	<u>NMF</u>	
TOTAL JANUARY CREDITS			42,774
TOTAL JANUARY DEBITS			40,920
CURRENT RATIO			1.05

NMF = No Meaningful Figure

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

February 13, 1998

Darwin Urane, Manager
First Touch, Inc.
5340 Norwood Avenue
Jacksonville, Florida 32208

Re: Docket No. 980239-TX

Dear Mr. Urane:

This will acknowledge receipt of an application for certificate to provide alternative local exchange telecommunications service by First Touch, Inc., which was filed in this office on February 12, 1998 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make notes as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission

APPLICATION FORM

DATE

DEPOSIT

5. **A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.**

5340 Norwood Ave

Jacksonville Florida 32208

- B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.**

5340 Norwood Ave

Jacksonville Florida 32208

6. **Structure of organization: Check appropriate box(s)**

<input type="checkbox"/> Individual	<input type="checkbox"/> Corporation
<input type="checkbox"/> Foreign Corporation	<input type="checkbox"/> Foreign Partnership
<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Joint Venture	<input checked="" type="checkbox"/> Other, Please explain <u>S-INC.</u>

7. **If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.**

Michael Jackson President

5340 Norwood Ave

Jacksonville Fla Florida 32208