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dba Live Wire Phone Company

2004 MAY 14 P 3: 28

RESPONSE TO: STAFF'S FIRST SET OF DATA REQUESTS TO THE J. RICHARD COMPNAYM LLC DBA LIVE WIRE PHONE COMPANY DOCKET NO. T-04257A-04-0335

AZ CORP COMMISSION DOCUMENT CONTROL

1. Our attorney is: Mitch Laird Laird & Associates, PC 1300 E Missouri, Suite C-101 Phoenix, AZ 85014

2. Live Wire currently has 4 employees. - Richard Jones CPA, 2 years consulting telecommunications industry - James Beaver 2 years sales & consulting telecommunications industry - Cynthia Jones - Donna Beaver 4 employees, 4 years combined telecommunications industry

Live Wire advisory board

- Ernie L Recsetar Atty, 18 years broadcast and telecommunications industry - Myrt Hales, Atty, 3 years telecommunications industry - James Dupont, President, Triarch Marketing, LA CLEC, 3 years telecommunications industry - Brian Arlington, Excell Agent Services, Switch & Network Engineer, 15 years telecommunications industry 4 advisors, 39 years combined telecommunications industry

* Also, Live Wire does intend to hire experienced key personnel once we are approved.

3. The J. Richard Company, LLC is the parent company of Live Wire Phone Company. Live Wire Phone Company will rely upon the financial resources of The J. Richard Company, LLC.

4. Live Wire does not have or had any relationship with any of these people listed or any of the companies listed.

Arizona Corporation Commission DOCKETED

MAY 14 2004

DOCKETED BY [Signature]

May 10, 2004

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Dear Sirs:

I am in receipt of your letter dated May 5, 2004 regarding staff's first set of data requests to The J. Richard Company, LLC, dba Live Wire Phone Company (Docket No. T-04257A-04-0335).

The following are answers to your Questions 5 through 8:

5. See correct opinion paragraph of Audited Financial Statement. The correct term used throughout is "Statement of Financial Position."

6. The reason why the total assets indicated on the Statement of Financial does not equal the Asset Value indicated on Schedule B is because of the following:

The request on B-4(3) asks "to provide the net book of all Arizona jurisdictional assets **expected** to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation."

The Statement of Financial Position reflects the assets owned on the day the statement is dated. The Schedule B Numbers reflect assets that Live Wire **expects** to purchase in the next twelve months to be used in their operations.

7. Please see Audit for time frame of Cash Flows.

8. Please see Audit for the Statement of Members' Capital.

Sincerely,

By: 

Gregory R. Esgar, Certified Public Account

The J. Richard Company,

dba

Live Wire Phone Company

Audited Financial Statements

April 29, 2004

The J. Richard Company, dba Live Wire Phone Company

Audited Financial Statements
April 29, 2004

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Gregory R. Esgar, CPA

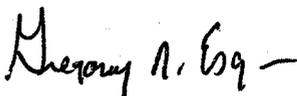
INDEPENDENT AUDITOR'S REPORT

To the Members of
The J. Richard Company, dba Live Wire Phone Company

We have audited the accompanying statement of financial position of The J. Richard Company, dba Live Wire Phone Company, an Arizona Limited Liability Company as of April 29, 2004, and the related statement of Members' Capital for the one month then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The J. Richard Company, dba Live Wire Phone Company, as of April 29, 2004, and for the one month then ended in conformity with accounting principles generally accepted in the United States of America.



April 30, 2004
Phoenix, Arizona

The J. Richard Company, dba Live Wire Phone Company

Statement of Financial Position

April 29, 2004

Assets

Cash	\$20,000.00
Start Up Costs	<u>3,500.00</u>
Total Assets	<u>\$23,500.00</u>

Liabilities and Equity

Equity	
Member's Capital	\$23,500.00
Total Liabilities and Equity	<u>\$23,500.00</u>

See accompanying notes to Financial Statements

The J. Richard Company, dba Live Wire Phone Company

Statement of Cash Flows

For the period January 1, 2004 through April 23, 2004

Cash Flow from investing activities

Member contributions	<u>\$20,000.00</u>
Net cash provided by investing activities	<u>20,000.00</u>
Net change in cash and cash equivalents	\$20,000.00
Cash and cash equivalents beginning of period	<u>-0-</u>
Cash and cash equivalents, end of period	<u>\$20,000.00</u>

See accompanying notes to Financial Statements

The J. Richard Company, dba Live Wire Phone Company

Statement of Members' Capital

April 29, 2004

Balance January 1, 2004	\$	0
Capital Contributions	\$	<u>23,500.00</u>
Balance April 29, 2004	\$	<u>23,500.00</u>

See accompanying notes to Financial Statements

The J. Richard Company, dba Live Wire Phone Company

(1) Organization operations and summary of significant accounting policies

The J. Richard Company, dba Live Wire Phone Company, is an Arizona Limited Liability Company that was established in 2004. The purpose of the company is to provide residential and/or business phone services for a profit as a "Competitive Local Exchange Carrier" (CLEC) in Maricopa County, Arizona.

The significant accounting policies followed by the J. Richard Company dba Live Wire Phone Company are summarized below:

Financial statements – The financial statements follows the accrual basis of accounting.

Cash and cash equivalents – Cash includes cash and at times, cash equivalents, which consist of highly liquid financial instruments purchased with an original maturity of less than three months.