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AZ CORP COMMISSION
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August 21, 2001

Arizona Corporation Commission
DOCKETED

AUG 22 2001

VIA OVERNIGHT DELIVERY

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-2237

DOCKETED BY 

Re: Global Crest Communications, Inc.- Docket No. T-04024A-01-0461

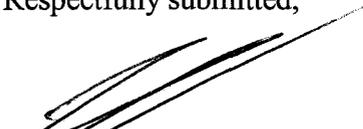
Dear Sir/Madam,

Enclosed please find for filing an original and ten (10) copies of Global Crest Communications, Inc.'s responses to the Commission's request for information in Global Crest Communications, Inc.'s Application for a Certificate of Convenience and Necessity to Provide Resold Interexchange Telecommunication Services in Docket No. T-04024A-01-0461.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J. M. Steinhart
Attorney for Global Crest Communications, Inc.

Cc: Frank Pizzo

Global Crest Communications, Inc. (Global Crest)
Docket No. T-04024A-01-0461
August 21, 2001

1. Please list the states in which you have been approved to offer services similar to those you intend to resell in Arizona.

Colorado, District of Columbia (not regulated), Florida, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Missouri, Montana, New Hampshire, New Jersey, New York, North Carolina Ohio, Oregon, Pennsylvania, Texas, Vermont, Virginia, West Virginia and Wyoming

2. Please provide financial information of the Applicant (Company) as Attachment "D". **(see Attachment D; Profit & Loss Statement and Balance Sheet)**
Please provide us with a copy of your Company's balance sheet in Attachment "D". **(see Attachment D; Profit & Loss Statement and Balance Sheet)**
Please provide us with a copy of your Company's income statement in Attachment "D". **(see Attachment D; Profit & Loss Statement and Balance Sheet)**
Please provide us with a copy of your Company's audit report (if audited) in Attachment "D". N/A
Please provide all related notes to these financial statements for the two most recent years that your Company has been in business in Attachment "D". N/A

3. Please indicate if your Company does not have financial statements for the two most recent years.
If "no", please give the date your Company began operations.

No. Global Crest was formed on August 3, 2000.

4. Please provide retained earnings account information on the balance sheet or on a separate sheet in Attachment "D". **(see Attachment D; Balance Sheet)**
5. Please indicate if your Company is a subsidiary.
If "yes", please provide a copy of your Parent Company's financial statements, in addition to your Company's financial statements, in Attachment "D".

Global Crest Communications, Inc. is not a subsidiary.

6. Please indicate if your Company intends to rely on the financial resources of its Parent Company. **NO**
If "yes", please provide a written statement from the Parent Company attesting that it will provide complete financial backing if your Company experiences a net loss or business failure. The statement should also affirm that it will guarantee repayment of customers' advances, prepayments, or deposits held by your Company if, for some reason, your Company cannot provide service or repay the deposits.

Global Crest Communications, Inc. (Global Crest)
Docket No. T-04024A-01-0461
August 21, 2001

Global Crest will not rely on the financial resources of a Parent Company.

7. Please list the states in which you have applied for authority to offer telecommunication services.
Please indicate the services you applied for in each state.

Global Crest has filed for the authority to provide resold interexchange telecommunications services in the following states: Alabama, Arizona, Colorado, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia and Wyoming.

8. Please list and give a detailed explanation of complaints you have received (if any) regarding telecommunications services offered in other states. **None**
Please state what actions were taken to remedy these complaints and to prevent them from occurring again.
9. Please state the proposed fee that will be charged for returned checks.

\$ 25.00 (As stated in Tariff No. 1, Section 4.6)

10. Please clarify and indicate or reference by page number(s) your Company's deposit policy. (Note: Pursuant to A.A.C. R14-2-503 (B), the amount of a deposit required by the utility shall not exceed 2 times that residential customer's estimated average monthly bill or the average monthly bill for the customer class for that customer which ever is greater. Nonresidential customer deposits shall not exceed 2 ½ times that customer's estimated maximum monthly bill. The term "deposit" refers to all deposits, advance payments, and prepayments).

Global Crest does not require deposits.

11. Please submit copies of affidavits of publications that the Company has, as required, published legal notice of the application in all counties where services will be provided. Make sure you complete and submit the "Sample Proof of Publication" form as instructed in the "Sample Legal Notice" documentation.

Global Crest filed affidavits of publications with the Commission on July 13, 2001 and July 18, 2001.

12. Based on the review of the financial information submitted, Staff has determined that the Applicant lacks sufficient financial resources. Therefore, the applicant must do one of the following:

Global Crest Communications, Inc. (Global Crest)
Docket No. T-04024A-01-0461
August 21, 2001

I. Staff recommends that the Applicant procure a performance bond equal to \$10,000. The minimum bond amount of \$10,000 should be increased if at any time it would be insufficient to cover prepayments or deposits collected from the Applicant's customers. Staff further recommends that proof of the above mentioned performance bond be docketed within 90 days of the effective date of an order in this matter or 30 days prior to the provision of service, whichever comes first. If Applicant is currently providing service, then please docket the performance bond within **71 days** of the date of this letter.

OR

2. The Applicant must file a letter stating that it does not currently, and will not in the future, charge its customers for any prepayments, advances, or deposits. If the Applicant is currently collecting prepayments, advances, or deposits, the Applicant must refund those charges to customers to avoid maintaining the above mentioned performance bond. If in the future, the Applicant desires to charge prepayments, advances, or deposits, it must file information with the Commission that demonstrates the Applicant's financial viability. Staff will review the information and forward its recommendation to the Commission for a Decision.

The Applicant will procure a performance bond equal to \$10,000.

PROFIT AND LOSS STATEMENT

Global Crest Communications, Inc.
2000

	Jan. 2000 to Oct. 2000	Nov. 2000 to Dec. 2000	TOTAL
<u>SALES</u>	\$ 61,500,050	\$ 12,000,000	\$ 73,500,050
<u>COGS</u>			
PURCHASES	\$ 60,000,000	\$ 11,500,000	\$ 71,500,000
SUPPLIES	45,000	9,000	54,000
LABOR	612,000	300,000	912,000
FREIGHT	32,000	4,000	36,000
<u>TOTAL COGS</u>	\$ 60,689,000	\$ 11,813,000	\$ 72,502,000
<u>OPERATING INCOME</u>	\$ 811,050	\$ 187,000	\$ 998,050
<u>EXPENSES</u>			
ADVERTISING	\$ 125,000	\$ 17,000	\$ 142,000
AUTO EXPENSE	17,567	2,000	19,567
BANK CHARGES	1,875	375	2,250
DEPRECIATION	1,375	125	1,500
DUES	12,707	2,000	14,707
LEGAL/ACCT'G.	21,407	4,000	25,407
LICENSES	1,150	100	1,250
OFFICE EXP.	34,022	3,000	37,022
PAYROLL TAXES	39,513	17,500	57,013
POSTAGE	146,957	10,000	156,957
PRINTING	62,126	15,000	77,126
RENT	25,175	16,000	41,175
REPAIRS	6,251	500	6,751
TELEPHONE	69,248	12,000	81,248
<u>NET INCOME</u>	\$ 246,677	\$ 87,400	\$ 334,077

BALANCE SHEET

Global Crest Communications, Inc.
2000

ASSETS

CASH	\$	334,077		
TOTAL ASSETS	\$	334,077	\$	334,077

LIABILITIES

Accounts Payable	\$	125,923		
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EQUITY

Common Stock	\$	15,000		
Retained Earnings		-140,923		
Current Income		334,077		
TOTAL	\$	208,154	\$	334,077