



ALDRICH, PERKINS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

GLEN P. ALDRICH
ANNA B. ANDERSON
FREDERICK H. PERKINS, JR.
WILLIAM L. MULCAHY

AMERICA'S CHOICE COMMUNICATIONS, INC.
21 Wassmer Court
New London, CT 06320

We have compiled the accompanying balance sheet - cash basis of America's Choice Communications, Inc. as of August 31, 1996 and the related statement of revenues and expenses - cash basis of America's Choice Communications, Inc. for the eight month period ended August 31, 1996 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statements of revenues and expenses - cash basis and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Aldrich, Perkins & Company

ALDRICH, PERKINS & COMPANY
September 13, 1996

America's Choice Communications, Inc.
Balance Sheet - Cash Basis
At August 31, 1996

Assets

Assets

Cash - Checking Shawmut
Cash - Checking Citizens

Total Current Assets

Fixed Assets

Equipment & Fixtures
Accumulated Depreciation

Total Fixed Assets

Other Assets

Advances
Deferred Organization Costs
Accumulated Amorization
Officer's Loans
Officer's Loans

Total Other Assets

Total Assets

Liabilities

Liabilities

AMEX Payable
Fed'l W/H Payable
CT W/H Payable

Total Liabilities

Long Term Liabilities

Loan Shawmut Bank

Total Long Term Liabilities

Total Liabilities

Capital

Common Stock
Retained Earnings (Deficit)

Total Capital

Total Liabilities and Capital

See Accountant's Report

America's Choice Communications, Inc.
Statement of Revenue and Expenses - Cash Basis
For the Eight Month Period Ended August 31, 1996

Income

Fee Income

Total Income

Cost of Sales

Telecomm. Carrier Expense
Commissions/Distribution
Telecomm other

Total Cost of Sales

Gross Profit (Loss)

Expenses

Salaries & Wages
Rent Expense
Equipment Rental
Repairs & Maintenance
Taxes - FICA
Taxes - Unemployment
Taxes - Property
Licenses & Permits
Casual Labor
Supplies
Meals & Entertainment
Advertising & Promotion
Amortization Expense
Depreciation Expense
Interest Expense
Travel Expense
Continuing Education
Contributions
Consulting Fees
Lodging
Office Supplies & Expense
Bank Charges
Insurance Liab & Prop
Medical Insurance
Life Insurance
Dues & Subscriptions
Professional Fees
Telephone
Automotive Expense
Utilities

Total Expenses

Operating Income (Loss)

Other Income

See Accountant's Report

America's Choice Communications, Inc.
Statement of Revenue and Expenses - Cash Basis
For the Eight Month Period Ended August 31, 1996

Contract Settlement	[REDACTED]
Total Other Income	[REDACTED]
Other Expenses	[REDACTED]
State Corp. Income Taxes	[REDACTED]
Total Other Expenses	[REDACTED]
Net Income (Loss)	[REDACTED]

See Accountant's Report.

ALDRICH, PERKINS & COMPANY

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AMERICA'S CHOICE COMMUNICATIONS, INC.
21 Wassmer Court
New London, Connecticut 06320

We have compiled the accompanying balance sheet of America's Choice Communications, Inc. at December 31, 1994 and the related statements of income and retained earnings and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental information, and accordingly, do not express an opinion or any other form of assurance on them.

Aldrich, Perkins & Company

ALDRICH, PERKINS & COMPANY
May 26, 1995

AMERICA'S CHOICE COMMUNICATIONS, INC.

Balance Sheet
at December 31, 1994

ASSETS		<u>1994</u>
CURRENT ASSETS		
Cash		\$ [REDACTED]
Accounts receivable		[REDACTED]
Work in progress and unbilled expenses		[REDACTED]
Total Current Assets		\$ [REDACTED]
 OTHER ASSETS		
Deferred organizational costs-net of amortization		[REDACTED]
TOTAL ASSETS		\$ [REDACTED]
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable		[REDACTED]
Provision for commissions payable		[REDACTED]
Accrued corporate income taxes		[REDACTED]
Total Current Liabilities		\$ [REDACTED]
LOAN PAYABLE - officer		[REDACTED]
Total Liabilities		\$ [REDACTED]
STOCKHOLDERS' EQUITY		
Common stock		\$ [REDACTED]
Retained earnings (deficit)		[REDACTED]
Total Stockholders' Equity		\$ [REDACTED]
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$ [REDACTED]

AMERICA'S CHOICE COMMUNICATIONS, INC.
 Statement of Income and Retained Earnings
 For the Year Ended December 31, 1994

	1994
INCOME	
Fees	\$ [REDACTED]
EXPENSES	
Telecommunication expenses	\$ [REDACTED]
Consulting	[REDACTED]
Advertising and promotion	[REDACTED]
Rents	[REDACTED]
Repairs	[REDACTED]
Telephone	[REDACTED]
Dues and subscriptions	[REDACTED]
Travel and entertainment	[REDACTED]
Office expenses	[REDACTED]
Supplies	[REDACTED]
Professional fees	[REDACTED]
Interest	[REDACTED]
Contributions	[REDACTED]
Amortization	[REDACTED]
Bad debts	[REDACTED]
Total Expenses	\$ [REDACTED]
INCOME BEFORE PROVISION FOR INCOME TAXES	\$ [REDACTED]
PROVISION FOR INCOME TAXES	[REDACTED]
NET INCOME	\$ [REDACTED]
RETAINED EARNINGS (Deficit) - Beginning	[REDACTED]
RETAINED EARNINGS (Deficit) - Ending	\$ [REDACTED]

AMERICA'S CHOICE COMMUNICATIONS, INC.

Statement of Cash Flows

For the Year Ended December 31, 1994

1994

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$	[REDACTED]
Non-cash items included in net income:		
Amortization		[REDACTED]
Deferred income tax		[REDACTED]
Net increase in receivables and work in progress		[REDACTED]
Net increase in payables and accruals		[REDACTED]
Net Cash Used By Operating Activities	\$	[REDACTED]

CASH FLOWS FROM FINANCING ACTIVITIES

Loan received from officer	\$	[REDACTED]
Borrowing - related party		[REDACTED]
Repayment - related party		[REDACTED]
Net Cash Provided By Financing Activities	\$	[REDACTED]

NET INCREASE IN CASH	\$	[REDACTED]
CASH BALANCE - Beginning		[REDACTED]
CASH BALANCE - Ending	\$	[REDACTED]

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for:		
Interest	\$	[REDACTED]
Income taxes		[REDACTED]

AMERICA'S CHOICE COMMUNICATIONS, INC.

Notes to Financial Statement

December 31, 1994

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity - The company is a long distance telecommunication provider. The company began on June 1, 1993.

Income - Income is recognized as services are performed. Work in progress represents unbilled telecom services valued at estimated realizable value.

Income Tax - The stockholders have elected to be treated as an "S" corporation for federal tax purposes with the tax year beginning June 1, 1993, whereby the net profits and losses of the company are reported to each individual stockholder. Accordingly, no provision for federal income tax purposes is provided for in the financial statements. State taxes are paid by the corporation.

Amortization - The organization costs are being amortized over five years.

Deferred Tax - The deferred tax is due to timing differences in recognizing income for financial reporting purposes (accrual method) and for reporting state income tax (cash method).

NOTE B: ACCOUNTS RECEIVABLE

Accounts receivable is reflected net of a [REDACTED] allowance.

NOTE C: WORK IN PROGRESS

Work in progress is reflected net of [REDACTED] allowance.

NOTE D: DEFERRED ORGANIZATIONAL COSTS

Deferred organizational costs reflected net of [REDACTED] accumulated amortization.

NOTE E: PROVISION FOR COMMISSIONS PAYABLE

Provision for commissions payable represents an estimate of commissions to be paid based on the collection of accounts receivable and work in progress. Commissions are earned when the bill is paid within 89 days.

NOTE F: INCOME TAXES

Corporate income taxes consist of:

Current state corporate tax	\$
Deferred state corporate tax	\$

NOTE G: RELATED PARTY TRANSACTIONS

Loan payable - officer stockholder - represents advances to the corpor

NOTE H: CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the company to concentration of credit risk with respect to accounts receivable and work in process. Concentration of credit risk with respect to work in process are limited due to the large number of customers comprising the work in process, and the dispersion across different industries and geographical locations.

AMERICA'S CHOICE COMMUNICATIONS, INC.

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ALDRICH, PERKINS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

GLEN P. ALDRICH
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WILLIAM L. MULCAHY

AMERICA'S CHOICE COMMUNICATIONS, INC.
21 Wassmer Court
New London, CT 06320

We have compiled the accompanying statement of revenues and expenses - cash basis of America's Choice Communications, Inc. for the three month period ended March 31, 1995, six month period ended June 30, 1995 and nine month period ended September 30, 1995 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statements of revenues and expenses - cash basis and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Aldrich, Perkins & Company

ALDRICH, PERKINS & COMPANY
December 7, 1995

America's Choice Communications, Inc.
Income Statement (in Dollars)
YTD Actual
1 Period(s) Ending March 31, 1995

Income
 Fee Income

 Total Income

Cost of Sales
 Telecomm. Carrier Expense

 Total Cost of Sales

Gross Profit (Loss)

Expenses
 Salaries & Wages
 Rent Expense
 Equipment Rental
 Taxes - FICA
 Supplies
 Outside Services
 Meals & Entertainment
 Advertising & Promotion
 Amortization Expense
 Interest Expense
 Travel Expense
 Continuing Education
 Consulting Fees
 Lodging
 Office Supplies & Expense
 Bank Charges
 Dues & Subscriptions
 Professional Fees
 Telephone
 Automotive Expense

 Total Expenses

Operating Income (Loss)

Other Income

Other Expenses
 State Corp. Income Taxes

 Total Other Expenses

Net Income (Loss)

[REDACTED]

See Accountant's Report.

America's Choice Communications, Inc.
Income Statement (in Dollars)
YTD Actual
2 Period(s) Ending June 30, 1995

Income

Fee Income

Total Income

Cost of Sales

Telecomm. Carrier Expense

Commissions/Distribution

Telecomm other

Total Cost of Sales

Gross Profit (Loss)

Expenses

Salaries & Wages

Rent Expense

Equipment Rental

Repairs & Maintenance

Taxes - FICA

Taxes - Unemployment

Licenses & Permits

Supplies

Outside Services

Meals & Entertainment

Advertising & Promotion

Amortization Expense

Interest Expense

Travel Expense

Continuing Education

Consulting Fees

Lodging

Office Supplies & Expense

Bank Charges

Dues & Subscriptions

Professional Fees

Telephone

Automotive Expense

Total Expenses

Operating Income (Loss)

Other Income

Other Expenses

State Corp. Income Taxes

Total Other Expenses

Net Income (Loss)

See Accountant's Report.

America's Choice Communications, Inc.
Income Statement (in Dollars)
YTD Actual
3 Period(s) Ending September 30, 1995

Income

Fee Income

Total Income

Cost of Sales

Telecomm. Carrier Expense

Commissions/Distribution

Telecomm other

Total Cost of Sales

Gross Profit (Loss)

Expenses

Salaries & Wages

Rent Expense

Equipment Rental

Repairs & Maintenance

Taxes - FICA

Taxes - Unemployment

Licenses & Permits

Casual Labor

Supplies

Outside Services

Meals & Entertainment

Advertising & Promotion

Amortization Expense

Interest Expense

Travel Expense

Continuing Education

Consulting Fees

Lodging

Office Supplies & Expense

Bank Charges

Insurance Liab & Prop

Dues & Subscriptions

Professional Fees

Telephone

Automotive Expense

Total Expenses

Operating Income (Loss)

Other Income

Other Expenses

State Corp. Income Taxes

Total Other Expenses

Net Income (Loss)

See Accountant's Report.

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.

1994

Department of the Treasury Internal Revenue Service

See separate instructions.

For the calendar year 1994, or tax year beginning 1994, ending 1994

Header section containing: A Date of election as an S corporation (6/01/93), B Business code no. (4825), C Employer identification number (06-1373755), D Date incorporated (6/01/93), E Total assets, and company name: AMERICA'S CHOICE COMMUNICATIONS, INC. 21 WASSMER COURT NEW LONDON, CT 06320.

F Check applicable boxes: (1) Initial return, (2) Final return, (3) Change in address, (4) Amended return. G Check this box if this S corporation is subject to the consolidated audit procedures... H Enter number of shareholders in the corporation at end of the tax year (2).

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with 27 rows and 4 columns (1a, b, c, Bal). Rows include: 1 Gross receipts or sales (58), 2 Cost of goods sold, 3 Gross profit, 4 Net gain (loss), 5 Other income (loss), 6 Total income (loss), 7 Compensation of officers, 8 Salaries and wages, 9 Repairs and maintenance, 10 Bad debts, 11 Rents, 12 Taxes and licenses (SEE STATEMENT 1), 13 Interest, 14 Depreciation, 15 Depletion, 16 Advertising, 17 Pension, profit-sharing, etc., plans, 18 Employee benefit programs, 19 Other deductions (SEE STATEMENT 2), 20 Total deductions, 21 Ordinary income (loss), 22 Tax: a Excess net passive income tax, b Tax from Schedule D, c Add lines 22a and 22b, 23 Payments: a 1994 estimated tax payments, b Tax deposited with Form 7004, c Credit for Federal tax paid on fuels, d Add lines 23a through 23c, 24 Estimated tax penalty, 25 Tax due, 26 Overpayment, 27 Enter amount of line 26 you want: Credited to 1995 estimated tax or Refunded.

Signature and preparer information section. Includes: Please Sign Here (Signature of officer: GLEN P. ALDRICH, CPA, Date: 3/24/95, Title: CEO), Preparer's signature (GLEN P. ALDRICH, CPA), Preparer's social security number (043-40-4959), Firm's name (ALDRICH, PERKINS AND CO.), Firm's address (567 VAUXHALL ST EXT. STE 330 WATERFORD, CT), E.I. No. (06-1239126), ZIP code (06385).

	5	Net gain (loss) under section 1211	8	
	6	Other income (loss) (attach schedule).....	9	
	7	Charitable contributions (see instructions) (attach schedule).....	10	
D	8	Section 179 expense deduction (attach Form 4562).....	11a	
E	9	Deductions related to portfolio income (loss) (see instr.) (itemize).....	11b(1)	
D	10	Other deductions (attach schedule).....	11b(2)	
I N V E S T M E N T	11 a	Interest expense on investment debts.....	12a	
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above..... (2) Investment expenses included on line 9 above.....	12b(1)	
C R E D I T S	12 a	Credit for alcohol used as a fuel (attach Form 6478).....	12b(2)	
	b	Low-income housing credit (see instructions): (1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990..... (2) Other than on line 12b(1) for property placed in service before 1990..... (3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989..... (4) Other than on line 12b(3) for property placed in service after 1989.....	12b(3)	
	c	Qualified rehab. expenditures related to rental real estate act. (attach Form 3468).....	12b(4)	
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions).....	12c	
	e	Credits related to other rental activities (see instructions).....	12d	
	13	Other credits (see instructions).....	12e	
			13	
			14a	
			14b	
			14c	
A D J U S T I C E P R E F E R E N C E I T E M S	14 a	Depreciation adjustment on property placed in service after 1986.....	14d(1)	
	b	Adjusted gain or loss.....	14d(2)	
	c	Depletion (other than oil and gas).....	14e	
	d	(1) Gross income from oil, gas, or geothermal properties..... (2) Deductions allocable to oil, gas, or geothermal properties.....	15c	
	e	Other adjustments and tax preference items (attach schedule).....	15d	
F O R E I G N T A X E S	15 a	Type of income ▶.....	15e	
	b	Name of foreign country or U.S. possession ▶.....	15f	
	c	Total gross income from sources outside the United States (attach schedule).....	15g	
	d	Total applicable deductions and losses (attach schedule).....	16a	
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued.....	17	
	f	Reduction in taxes available for credit (attach schedule).....	18	
	g	Other foreign tax information (attach schedule).....	19	
O T H E R	16 a	Total expenditures to which a section 59(e) election may apply.....	20	
	b	Type of expenditures ▶.....	21	
	17	Tax-exempt interest income.....	22	
	18	Other tax-exempt income.....	23	
	19	Nondeductible expenses.....		
	20	Total property distributions (including cash) other than dividends reported on line 22 below.....		
	21	Other items and amounts required to be reported separately to shareholders (see instructions) (attach schedule).....		
22	Total dividend distributions paid from accumulated earnings and profits.....			
23	Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e and 16a.....			

SEE STATEMENT



Schedule L	Balance Sheets	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach schedule)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule) .ST... 4.				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock				
23	Paid-in or capital surplus				
24	Retained earnings				
25	Less cost of treasury stock				
26	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books		
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):
			a Tax-exempt interest \$
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16a (itemize):		6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16a, not charged against book income this year (itemize):
a	Depreciation \$		a Depreciation \$
b	Travel and entertainment \$		
4	Add lines 1 through 3		Add lines 5 and 6
			Income (loss) Schedule K, line 23; Line 4 less line 7

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (See instructions.)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21		
3	Other additions		
4	Loss from page 1, line 21		
5	Other reductions . . . SEE STATEMENT . 5 .		
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6		

SCHEDULE K-1
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No. 1545-0120

▶ See separate instructions.
For calendar year 1994 or tax year

1994

Department of the Treasury
Internal Revenue Service

beginning , 1994, and ending , 19

Shareholder's identifying number ▶ 043-36-8095

Corporation's identifying number ▶ 06-1373755

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code

ARTHUR F. LAMOUREUX
21 WASSMER COURT
NEW LONDON, CT 06320

AMERICA'S CHOICE COMMUNICATIONS, INC.
21 WASSMER COURT
NEW LONDON, CT 06320

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 52 %
- B Internal Revenue Service Center where corporation filed its return ▶ ANDOVER, MA 05501
- C Tax shelter registration number (see instructions for Schedule K-1) ▶
- D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
INCOME	1 Ordinary income (loss) from trade or business activities	1	
	2 Net income (loss) from rental real estate activities	2	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	Sch. B, Part I, line 1
	b Dividends	4b	Sch. B, Part II, line 5
	c Royalties	4c	Sch. E, Part I, line 4
	d Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f) or (g)
	e Net long-term capital gain (loss)	4e	Sch. D, line 13, col. (f) or (g)
	f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of your return)
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5	See Shareholder's instructions for Schedule K-1 (Form 1120S).	
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of your return)	
DEDUCTIONS	7 Charitable contributions (see instr.) (attach sch.) .. SEE LINE 23	7	A, line 15 or 16
	8 Section 179 expense deduction	8	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
INVESTMENT	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	See Shareholder's instructions for Schedule K-1 (Form 1120S).
(2) Investment expenses included on line 9 above	b(2)		
CREDITS	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989 ..	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	See Shareholder's instructions for Schedule K-1 (Form 1120S).
d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e Credits related to other rental activities (see instrs)	12e		
13 Other credits (see instructions)	13		
ADJUSTMENTS	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251.
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
e Other adjustments and tax preference items (attach schedule)	14e		

For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1994

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
FOREIGN TAXES	15 a	Type of income ▶ _____		Form 1116, Check boxes
	b	Name of foreign country or U.S. possession ▶ _____		
	c	Total gross income from sources outside the United States (attach sch.)	15c	Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	15d	
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	15f	
	g	Other foreign tax information (attach schedule)	15g	Form 1116, Part III See Instr. for Form 1116
OTHER	16 a	Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's instructions for Schedule K-1 (Form 1120S), Form 1040, line 8b
	b	Type of expenditures ▶ _____		
	17	Tax-exempt interest income	17	See Shareholder's instructions for Schedule K-1 (Form 1120S), Form 1040, line 8b
	18	Other tax-exempt income	18	
	19	Nondeductible expenses	19	
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	21	Amount of loan repayments for "Loans From Shareholders"	21	
	22	Recapture of low-income housing credit:		Form 8611, line 8
	a	From section 42(j)(5) partnerships	22a	
	b	Other than on line 22a	22b	
23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):				

LINE 7
CHARITABLE CONTRIBUTIONS

..... \$ [REDACTED]

TOTAL \$ [REDACTED]

=====

SCHEDULE K-1
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No. 1545-0120

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
For calendar year 1994 or tax year
, 1994, and ending , 19

1994

Shareholder's identifying number ▶ 047-42-7306

Corporation's identifying number ▶ 06-1373755

Shareholder's name, address, and ZIP code
MAUREEN M. LAMOUREUX
21 WASSMER COURT
NEW LONDON, CT 06320

Corporation's name, address, and ZIP code
AMERICA'S CHOICE COMMUNICATIONS, INC.
21 WASSMER COURT
NEW LONDON, CT 06320

- A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ 48 %
 B Internal Revenue Service Center where corporation filed its return ▶ ANDOVER, MA 05501
 C Tax shelter registration number (see Instructions for Schedule K-1) ▶
 D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
I N C O M E	1 Ordinary income (loss) from trade or business activities	1	} See Shareholder's instructions for Schedule K-1 (Form 1120S). Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return)
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	
	b Dividends	4b	
	c Royalties	4c	
L O S S	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss)	4e	
	f Other portfolio income (loss) (attach schedule)	4f	
	5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5	
	6 Other income (loss) (attach schedule)	6	
	D E D U C T I O N S	7 Charitable contributions (see instr.) (attach sch.) . . . SEE LINE 23	7
8 Section 179 expense deduction		8	
9 Deductions related to portfolio income (loss) (attach schedule)		9	
10 Other deductions (attach schedule)		10	
I N V E S T M E N T	11a Interest expense on investment debts	11a	} See Shareholder's instructions for Schedule K-1 (Form 1120S). Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	
C R E D I T S	12a Credit for alcohol used as fuel	12a	} See Shareholder's instructions for Schedule K-1 (Form 1120S). Form 6478, line 10 Form 8586, line 5
	b Low-income housing credit:		
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d	
e Credits related to other rental activities (see instrs)	12e		
13 Other credits (see instructions)	13		
A D J U S T M E N T S	14a Depreciation adjustment on property placed in service after 1986	14a	} See Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251.
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties (2) Deductions allocable to oil, gas, or geothermal properties	d(1) d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
FOREIGN TAXES	15 a	Type of income ▶ _____		Form 1116, Check boxes
	b	Name of foreign country or U.S. possession ▶ _____		
	c	Total gross income from sources outside the United States (attach sch.)	15c	Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	15d	
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g	Other foreign tax information (attach schedule)	15g	See Instr. for Form 1116
OTHER	16 a	Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's instructions for Schedule K-1 (Form 1120S), Form 1040, line 8b
	b	Type of expenditures ▶ _____		
	17	Tax-exempt interest income	17	
	18	Other tax-exempt income	18	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	19	Nondeductible expenses	19	
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	Form 8611, line 8
	21	Amount of loan repayments for "Loans From Shareholders"	21	
	22	Recapture of low-income housing credit:		
	a	From section 42(j)(5) partnerships	22a	
	b	Other than on line 22a	22b	

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

**LINE 7
CHARITABLE CONTRIBUTIONS**

..... \$ 

TOTAL \$ 

1994

FEDERAL STATEMENTS

AMERICA'S CHOICE COMMUNICATIONS, INC.

06-1373755

02/10/95

10:38 am

STATEMENT 4
FORM 1120S, SCHEDULE L, LINE 18
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
AMERICAN EXPRESS PAYABLE	\$ [REDACTED]	\$ [REDACTED]
TOTAL	\$ [REDACTED]	[REDACTED]

STATEMENT 5
FORM 1120S, SCHEDULE M-2, LINE 5
OTHER REDUCTIONS

CONTRIBUTIONS	\$ [REDACTED]
DISALLOWED MEALS AND ENTERTAINMENT (50%)	[REDACTED]
TOTAL	\$ [REDACTED]

FOR CALENDAR YEAR 1994 or FISCAL YEAR BEGINNING _____, 1994 AND ▶ ENDING _____, 19 _____

TOTAL ASSETS ▶ [REDACTED]	CORPORATION NAME AMERICA'S CHOICE COMMUNICATIONS, INC.	CT TAX REGISTRATION NUMBER 7658321-000
GROSS RECEIPTS ▶ [REDACTED]	NUMBER AND STREET 21 WASSMER COURT	DATE RECEIVED (For Dept. Use Only)
FED. BUSINESS ACTIVITY CODE: ▶ 4825	CITY OR TOWN NEW LONDON, CT 06320	FEDERAL EMPLOYER I.D. NUMBER 06-1373755
AUDITED BY: <input type="checkbox"/> F <input type="checkbox"/> O	COPY	

CHANGE OF: Mailing Address Closing Month (attach explanation) CHECK ALL BOXES THAT APPLY RETURN STATUS: Initial Return Final Return

IF FINAL RETURN:
 DISSOLVED WITHDRAWN MERGED / REORGANIZED (Enter Survivor's CT Tax Registration Number) _____
 1. State of incorp. CT Date of organization 6/01/93 Date qualified in CT 6/01/93 Date business commenced in CT 6/01/93
 2. Was this company included in a Connecticut Combined Tax Return for any prior year? Yes No

- ATTACH A COMPLETE COPY OF YOUR FEDERAL FORM 1120S INCLUDING SCHEDULES -

COMPUTATION OF NET INCOME

1. Ordinary income (loss) (Federal Form 1120S, Line 21)	▶ 1	[REDACTED]
2. Unallowable deduction for corporation tax (Schedule F, Line 8)	▶ 2	[REDACTED]
3. NET INCOME (Add Lines 1 and 2)	▶ 3	[REDACTED]

SCHEDULE A - COMPUTATION OF TAX ON NET INCOME

1. Net Income (Line 3) (If 100% Connecticut, enter also on Line 3)	▶ 1	[REDACTED]
2. Apportionment fraction (Form CT-1120A, Schedule Q or R) (Carry to six places)	▶ 2	[REDACTED]
3. Connecticut net income (Line 1, or Line 1 multiplied by Line 2)	▶ 3	[REDACTED]
4. Operating loss carryover (Form CT-1120/CT-1120S ATT, Schedule H, Line 6)	▶ 4	[REDACTED]
5. Income subject to tax (Line 3 less Line 4)	▶ 5	[REDACTED]
6. Tax at 11.5% of Line 5	▶ 6	[REDACTED]

SCHEDULE B - COMPUTATION OF ADDITIONAL TAX ON CAPITAL

1. Additional tax base (Schedule D, Col. C, Line 6) (If 100% Connecticut, enter on Line 3)	▶ 1	[REDACTED]
2. Apportionment fraction (Form CT-1120A, Schedule S) (Carry to six places)	▶ 2	[REDACTED]
3. Line 1, or Line 1 multiplied by Line 2	▶ 3	[REDACTED]
4. Number of months covered by this return	▶ 4	[REDACTED]
5. Line 3 multiplied by Line 4, divided by 12	▶ 5	[REDACTED]
6. 3 and 1/10 mills per dollar (.0031) of Line 5. (Maximum tax for Sch. B is \$1,000,000)	▶ 6	[REDACTED]

SCHEDULE C - COMPUTATION OF AMOUNT PAYABLE (MINIMUM TAX \$250)

1. Tax (Largest of Schedule A, Line 6, or Schedule B, Line 6 or \$250)	▶ 1	[REDACTED]	
2. Tax Credits (Form CT-1120/CT-1120S K, Line 24)	▶ 2	[REDACTED]	
3. Balance of tax payable (Line 1 less Line 2, but not less than zero)	▶ 3	[REDACTED]	
4. TAX PAYMENTS	(a) Paid with application for extension, Form CT-1120 EXT	▶ 4a	[REDACTED]
	(b) Paid with estimates, Forms CT-1120ESA, ESB, ESC & ESD	▶ 4b	[REDACTED]
	(c) Overpayment from prior year	▶ 4c	[REDACTED]
5. Balance of tax due (overpaid) (Line 3 less payments on Line 4)	▶ 5	[REDACTED]	
6. Add Penalty ▶ (6a) _____ Interest ▶ (6b) _____ (jc) _____	▶ 6	[REDACTED]	
7. Amount to be credited to 1995 est. tax ▶ (7a) _____ refunded ▶ (7b) _____	▶ 7	[REDACTED]	
8. Balance due with this return (Line 5 plus Line 6)	▶ 8	[REDACTED]	

Make check payable to: Commissioner of Revenue Services
Mail to: Department of Revenue Services, P.O. Box 2974, Hartford CT 06104-2974.

▶ Check if you do not want a booklet sent to you next year. Checking this box does not relieve you of your responsibility to file. However, you will be sent a reminder and mailing label which must be given to your preparer.

CONNECTICUT S CORPORATION
INFORMATION AND COMPOSITE INCOME TAX RETURN

For the calendar year 1994, or other taxable year beginning _____, 1994 and ending _____, 19__

Corporation Name: **AMERICA'S CHOICE COMMUNICATIONS, INC.** Federal Employer I.D. Number: **06-1373755**

Address: **21 WASSMER COURT** P.O. Box _____ Date Received (FOR DEPT USE ONLY) _____

City or Town: **NEW LONDON, CT 06320** State _____ Zip Code _____ Connecticut Tax Registration Number: **7658321-000**

Check here if: Amended Return Final Return Total number of shareholders during year: Resident **2** Nonresident **0**

PART I Schedule A Complete only if the S corporation must file a composite return. (See Instructions)

A	B	C	D	E
NONRESIDENT SHAREHOLDER'S NAME IDENTIFICATION NO.	CT Source Income (Enter amt. from Part V)	TAX (Col. B x 4.5%)	Estimated Tax Paid, If Any	Interest (Form CT-2210)
1.				
2.				
3.				
4.				
5.				
6.				
7. Subtotal from additional schedules (if needed)				
8. Total Connecticut source income (add Column B, Lines 1 - 7)				
9. Total composite return tax liability (add Column C, Lines 1 - 7)				
10. Total estimated tax paid - if any (add Column D, Lines 1 - 7)				
11. Total interest due (add Column E, Lines 1 - 7)				

PART I Schedule B

COMPUTATION OF COMPOSITE RETURN TAX DUE

1. Total Connecticut source income of nonresident individual shareholders included in composite return (From Schedule A, Column B, Line 8)	1	
2. Tax liability (Line 1 multiplied by 4.5%)	2	
3. Payments of estimated tax, if any (From Schedule A, Column D, Line 10)	3	
4. Payment made with extension request	4	
5. Total payments (Add Lines 3 and 4)	5	
6. If Line 5 is more than Line 2, enter amount overpaid (Subtract Line 2 from Line 5)	6	
7. Amount of Line 6 to be applied to 1995 Estimated Tax	7	
8. Amount of Line 6 to be refunded (Subtract Line 7 from Line 6)	8	
9. If Line 2 is greater than Line 5, enter amount of tax owed (Subtract Line 5 from Line 2)	9	
10. If late: Enter Penalty (10% x amount on Line 9 OR if Line 9 is zero, enter \$50)	10	
11. If late: Enter Interest (1 1/4% x number of months late, or fraction thereof x amount on Line 9)	11	
12. Interest for Underpayment of Estimated Tax (Attach Form(s) CT-2210 if applicable)	12	
13. Balance Due with this return (Add Lines 9 through 12)	13	

Make check or money order payable to Commissioner of Revenue Services and mail to:

Department of Revenue Services, P.O. Box 2967, Hartford, CT 06104-2967

not later than the 15th day of the fourth month following the close of the taxable year.

Declaration: I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Signature of Officer	Title	Date	Telephone Number
	Paid Preparer's Signature GLEN P. ALDRICH, CPA	COPY		Federal Employer I.D. Number 06-1239126
	Firm Name and Address ALDRICH, PERKINS AND CO. 567 VAUXHALL ST EXT. STE 330 WATERFORD, CT 06385			CT Sales Tax Registration Number 6569289-000

Check if you used a paid preparer and do not wish forms sent to you next year. Checking this box does not relieve you of your responsibility to file

PART II Income Apportionment (See Instructions) **AMERICA'S CHOICE COMMUNICATIONS, IN 7658321-000**

Complete this Part ONLY
If all of the following apply:

- (A) There are one or more nonresident shareholders;
- (B) The S corporation carries on business both in and outside of Connecticut; and
- (C) Books do not separately reflect income earned in Connecticut.

Items Used as Factors	Column A		Column B	Column C
	Totals Everywhere		Connecticut Only	Decimal Notation
1. Real property owned.....	1			Percent Column B is of Column A
2. Real property rented from others.....	2			
3. Tangible personal property owned or rented.....	3			
4. Property owned or rented (Add Lines 1, 2 and 3).....	4			
5. Employee wages and salaries.....	5			
6. Gross income from sales and services.....	6			
7. Total (Add Column C, Lines 4, 5 and 6).....			7	
8. Apportionment fraction (Divide Line 7 by 3 or actual number of fractions).....			8	

PART III Business Information Attach schedule to the back of this return listing all places, both within and outside of Connecticut, where the S corporation carries on business. **SEE STMT. 1**

PART IV Name and Address of Shareholders

Shareholder #	Name and Address	Federal I.D. Number or S.S. Number	% Stock Ownership	Nonresident	
				Yes	No
▶ # 1	ARTHUR F. LAMOUREUX 21 WASSMER COURT NEW LONDON, CT 06320	▶ 043-36-8095	▶ 52.00000		X
▶ # 2	MAUREEN M. LAMOUREUX 21 WASSMER COURT NEW LONDON, CT 06320	▶ 047-42-7306	▶ 48.00000		X
▶ #		▶	▶		

PART V Computation of Connecticut Source Income of Nonresident Shareholders

Connecticut sourced portion of separately-stated items from federal Schedule K-1 (Form 1120S) (See Instructions)	SHAREHOLDER		
	▶ #	▶ #	▶ #
1. Net Income (Loss) from rental real estate activities.....			
2. Net Income (Loss) from other rental activities.....			
3. Portfolio income.....			
4. Expense deduction for property under IRC Sect. 179.....			
5. Other deductions.....			
6. Net Gain (Loss) under Section 1231 (other than due to casualty or theft).....			
7. Other income (Loss) (Attach Schedule).....			

The S corporation must provide each nonresident shareholder with a schedule of amounts of income derived from or connected with sources within Connecticut for inclusion by the shareholder on the appropriate lines of Schedule CT-SI of Form CT-1040NR/PY.

PART VI Connecticut Modifications To be completed by the S corporation for all shareholders.

	SHAREHOLDER		
	▶ # 1	▶ # 2	▶ #
ADDITIONS - ENTER ALL AMOUNTS AS POSITIVE NUMBERS			
1. Interest on state and local obligations other than Connecticut.....			
2. Exempt-Interest dividends on state and local obligations other than CT.....			
3. Certain deductions relating to income exempt from CT Income Tax.....			
4. Ordinary Loss (See Instructions).....			
5. Other (specify).....			
SUBTRACTIONS - ENTER ALL AMOUNTS AS POSITIVE NUMBERS			
6. Interest on U.S. obligations.....			
7. Dividends from certain mutual funds owning U.S. obligations.....			
8. Certain expenses related to income exempt from federal income tax but subject to Connecticut tax.....			
9. Ordinary Income (See Instructions).....			
10. Other (specify).....			

The S corporation must provide each shareholder with a schedule of amounts of Connecticut modifications for inclusion by the shareholder on Schedule 1 of Form CT-1040, or Form CT-1040NR/PY, whichever applies.

FORM CT-1120/CT-1120S ATT

1994

CORPORATION BUSINESS TAX RETURN ATTACHMENT
SCHEDULES H, I, and J

- REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING THIS FORM -

CORPORATION NAME AMERICA'S CHOICE COMMUNICATIONS, INC.	CT TAX REGISTRATION NUMBER 7658321-000
---	---

SCHEDULE H - CONNECTICUT APPORTIONED OPERATING LOSS CARRYOVER

	AMOUNT
1. Income Year Beginning: 1989	▶ 1
2. Income Year Beginning: 1990	▶ 2
3. Income Year Beginning: 1991	▶ 3
4. Income Year Beginning: 1992	▶ 4
5. Income Year Beginning: 1993	▶ 5
6. TOTAL (Enter on Form CT-1120 or CT-1120S, Schedule A, Line 4)	▶ 6

SCHEDULE I - DIVIDEND DEDUCTION (Form CT-1120 only)

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	AMOUNT	DEDUCTION RATE	BALANCE (A) x (B)	Related Expenses (attach schedule)	Dividend Deduction (C) less (D)
1. Dividend Income included in Computation of Federal Taxable Income, (Form CT-1120, Computation of Net Income, Line 1)	▶				
2. Dividends from domestic corporations less than 20% owned	▶	70%	▶		
3. Dividend Balance (Line 1 less Line 2)		100%	▶		
4. TOTAL DIVIDEND DEDUCTION. Add Column E, Line 2 plus Column E, Line 3. Enter here and on Form CT-1120, Computation of Net Income, Line 5.					

SCHEDULE J - ADDITIONAL TAX BASE FOR BANKS (FORM CT-1120 ONLY)

	COLUMN A	COLUMN B	COLUMN C	COLUMN D
	DATE CREDITED	INTEREST OR DIVIDENDS ACTUALLY CREDITED TO ACCOUNT HOLDERS DURING THE CURRENT INCOME YEAR	INTEREST OR DIVIDENDS DEEMED CREDITED TO ACCOUNT HOLDERS DURING THE CURRENT INCOME YEAR AT 1/8% PER ANNUM	LESSER OF LINE 5, COLUMN B OR COLUMN C
1.				
2.				
3.				
4.				
TOTAL 5.	▶		▶	

NOTE: Banks Enter on Form CT-1120, Schedule B, Line 1 the amount appearing in Column D, Line 5

AMERICA'S CHOICE COMMUNICATIONS, INC.

7658321-000

02/08/95

5:14 pm

STATEMENT 1
FORM CT-1120SI, PART III
BUSINESS INFORMATION

BUSINESS LOCATION	DESCRIPTION	ACTIVITY
GROTON CT	SWITCHLESS RESEL	TELEPHONE LONG DISTANCE

CLIENT ACCINC

ALDRICH, PERKINS AND CO.
567 VAUXHALL ST EXT. STE 330
WATERFORD, CT 06385
(203) 447-2825

February 8, 1995

AMERICA'S CHOICE COMMUNICATIONS, INC.
21 WASSMER COURT
NEW LONDON, CT 06320

Dear Client:

Enclosed is your 1994 Federal S Corporation Income Tax Return. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the Federal return on or before March 15, 1995 to:

INTERNAL REVENUE SERVICE
ANDOVER, MA 05501

Enclosed is your 1994 Connecticut S Corporation Income Tax Return. The original should be signed at the bottom of page two. There is a balance of \$250 payable by April 3, 1995. Mail the Connecticut return on or before April 3, 1995 and make check payable to:

COMMISSIONER OF REVENUE SERVICES
DEPARTMENT OF REVENUE SERVICES
P.O. BOX 2974
HARTFORD, CT 06104-2974

Enclosed is your 1994 Connecticut S Corporation Information and Composite Income Tax Return. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the Connecticut return on or before April 17, 1995 to:

COMMISSIONER OF REVENUE SERVICES
DEPARTMENT OF REVENUE SERVICES
P.O. BOX 2967
HARTFORD, CT 06104-2967

You must distribute a copy of the 1994 Schedule K-1 to each shareholder. Be sure to give each shareholder a copy of the Shareholder's Instructions for Schedule K-1 (Form 1120S).

Please call us if you have any questions.

Sincerely,

Glen P. Aldrich, CPA

Income Tax Return for an S Corporation

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.

1995

Department of the Treasury Internal Revenue Service

See separate instructions.

For the calendar year 1995, or tax year beginning 1995, ending 19

Header section containing: A Date of election as an S corporation (6/01/93), B Business code no. (4825), C Employer identification number (06-1373755), D Date incorporated (6/01/93), E Total assets, F Check applicable boxes, G Check this box if this S corporation is subject to the consolidated audit procedures, H Enter number of shareholders.

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return
G Check this box if this S corporation is subject to the consolidated audit procedures of sections 8241 through 8245 (see instructions before checking this box)
H Enter number of shareholders in the corporation at end of the tax year

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with 27 rows for income and deductions. Rows include: 1 Gross receipts or sales, 2 Cost of goods sold, 3 Gross profit, 4 Net gain (loss), 5 Other income (loss), 6 Total income (loss), 7 Compensation of officers, 8 Salaries and wages, 9 Repairs and maintenance, 10 Bad debts, 11 Rents, 12 Taxes and licenses, 13 Interest, 14 Depreciation, 15 Advertising, 16 Pension, profit-sharing, etc., plans, 17 Employee benefit programs, 18 Other deductions, 19 Total deductions, 20 Ordinary income (loss), 21 Ordinary income (loss) from trade or business activities, 22 Tax: a Excess net passive income tax, b Tax from Schedule D, c Add lines 22a and 22b, 23 Payments: a 1995 estimated tax payments, b Tax deposited with Form 7004, c Credit for Federal tax paid on fuels, d Add lines 23a through 23c, 24 Estimated tax penalty, 25 Tax due, 26 Overpayment, 27 Enter amount of line 25 you want credited to 1995 estimated tax.

Signature and Preparer sections. Includes: Please Sign Here (Signature of officer: William L. Mulcahy, Date: 3/14/96, Title: CEO), Paid Preparer's Use Only (Preparer's signature: William L. Mulcahy, CPA, Date: 3/8/96, Firm's name: ALDRICH, PERKINS AND CO., 567 VAUXHALL ST EXT. STE 330, WATERFORD, CT, EIN: 06-1239126, ZIP: 06385).

Form CT-1120SI
CONNECTICUT S CORPORATION
INFORMATION AND COMPOSITE INCOME TAX RETURN

CT-1120SI
1995

For the calendar year 1995, or other taxable year beginning _____, 1995 and ending _____, 19__

Corporation Name: **AMERICA'S CHOICE COMMUNICATIONS, INC.** Federal Employer I.D. Number: **06-1373755**

Address: **21 WASSMER COURT** P.O. Box: _____ Date Received (FOR DEPT USE ONLY): _____

City or Town: **NEW LONDON, CT** State: **06320** Zip Code: _____ Connecticut Tax Registration Number: **7658321-000**

Check here if: Amended Return Final Return Total number of shareholders during year: Resident **2** Nonresident **0**

PART I Schedule A Complete only if the S corporation must file a composite return. (See Instructions)

A	B	C	D	E
NONRESIDENT SHAREHOLDER'S NAME IDENTIFICATION NO.	CT Source Income (See Instructions)	TAX (Col. B x 4.5%)	Estimated Tax Paid, if Any	Interest (Form CT-2210)
1.				
2.				
3.				
4.				
5.				
6.				
7. Subtotal from additional schedules (if needed)				
8. Total Connecticut source income (Add Column B, Lines 1 - 7)				
9. Total composite return tax liability (Add Column C, Lines 1 - 7)				
10. Total estimated tax paid - if any (Add Column D, Lines 1 - 7)				
11. Total interest due (Add Column E, Lines 1 - 7)				

PART I Schedule B

COMPUTATION OF COMPOSITE RETURN TAX DUE

1. Total Connecticut source income of nonresident individual shareholders included in composite return (From Schedule A, Column B, Line 8)	1	
2. Tax liability: Multiply Line 1 by 4.5% (.045)	2	
3. Payments of estimated tax, if any (From Schedule A, Column D, Line 10)	3	
4. Payment made with extension request	4	
5. Total payments (Add Line 3 and Line 4)	5	
6. If Line 5 is more than Line 2, enter amount overpaid (Subtract Line 2 from Line 5)	6	
7. Amount of Line 6 to be applied to 1996 Estimated Tax	7	
8. Amount of Line 6 to be refunded (Subtract Line 7 from Line 6)	8	
9. If Line 2 is greater than Line 5, enter amount of tax owed (Subtract Line 5 from Line 2)	9	
10. If late: Enter Penalty (10% x amount on Line 9 OR if Line 9 is zero, enter \$50)	10	
11. If late: Enter Interest (1% x number of months late, or fraction thereof x amount on Line 9)	11	
12. Interest for underpayment of estimated tax (Attach Form(s) CT-2210 if applicable)	12	
13. Balance due with this return (Add Lines 9 through 12)	13	

Make check or money order payable to Commissioner of Revenue Services and mail to:

Department of Revenue Services, PO Box 2967, Hartford CT 06104-2967 not later than the 15th day of the fourth month following the close of the taxable year.

Declaration: I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Sign Here: *William L. Mulcahy* Title: **CEO** Date: **3/14/96** Telephone Number: **203-446-2841**

Keep a copy of this return for your records: Paid Preparer's Signature: *William L. Mulcahy* Date: **3/8/96** Federal Employer I.D. Number: **06-1239126**

Firm Name and Address: **ALDRICH, PERKINS AND CO.
567 VAUXHALL ST EXT. STE 330
WATERFORD, CT 06385** CT Sales Tax Registration Number: **6569289-000**

Check if you used a paid preparer and do not wish forms sent to you next year. Checking this box does not relieve you of your responsibility to file.

Schedule A Cost of Goods Sold (See page 14 of the instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	SEE STATEMENT 3
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation) ▶

b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. 9d

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list on page 24 of the instructions and state the corporation's principal: (a) Business activity ▶ SWITCHLESS RESELLING (b) Product or service ▶ LONG DIST. TELECOMM.		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5 At any time during calendar year 1995, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		X
6 Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter. ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 14 of the instructions). ▶ \$		
10 Check this box if the corporation had subchapter C earnings and profits at the close of the tax year (see page 15 of the instructions). ▶ <input type="checkbox"/>		

Designation of Tax Matters Person (See page 15 of the instructions)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return:

Name of designated TMP ▶ ARTHUR F. LAMOUREUX Identifying number of TMP ▶ 043-36-8095

Address of designated TMP ▶ 21 WASSMER COURT
NEW LONDON, CT 06320

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

		(a) Pro rata share items	(b) Total amount	
I N C O M E	1	Ordinary income (loss) from trade or business activities (page 1, line 21).....	1	
	2	Net income (loss) from rental real estate activities (attach Form 8825).....	2	
	3 a	Gross income from other rental activities.....	3a	
		Expenses from other rental activities.....	3b	
	3 c	Net income (loss) from other rental activities. Subtract line 3b from line 3a.....	3c	
	L O S S	4	Portfolio income (loss):	
		a	Interest income.....	4a
		b	Dividend income.....	4b
		c	Royalty income.....	4c
		d	Net short-term capital gain (loss) (attach Schedule D (Form 1120S)).....	4d
e		Net long-term capital gain (loss) (attach Schedule D (Form 1120S)).....	4e	
	f	Other portfolio income (loss) (attach schedule).....	4f	
	5	Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797).....	5	
	6	Other income (loss) (attach schedule).....	6	
D E D	7	Charitable contributions (see instructions) (attach schedule).....	7	
	8	Section 179 expense deduction (attach Form 4562).....	8	
	9	Deductions related to portfolio income (loss) (itemize).....	9	
	10	Other deductions (attach schedule).....	10	
I N V E S T M E N T	11 a	Interest expense on investment debts.....	11a	
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above..... (2) Investment expenses included on line 9 above.....	11b(1) 11b(2)	
C R E D I T S	12 a	Credit for alcohol used as a fuel (attach Form 6478).....	12a	
	b	Low-income housing credit (see page 18 of the instructions):		
		(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990.....	12b(1)	
		(2) Other than on line 12b(1) for property placed in service before 1990.....	12b(2)	
		(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989.....	12b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989.....	12b(4)		
	c	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468).....	12c	
d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities.....	12d		
e	Credits related to other rental activities.....	12e		
13	Other credits.....	13		
A D J U S T I C E T A X E S	P R E F E R E N C E I T E M S	14 a	Depreciation adjustment on property placed in service after 1985.....	14a
		b	Adjusted gain or loss.....	14b
		c	Depletion (other than oil and gas).....	14c
		d	(1) Gross income from oil, gas, or geothermal properties..... (2) Deductions allocable to oil, gas, or geothermal properties.....	14d(1) 14d(2)
		e	Other adjustments and tax preference items (attach schedule).....	14e
F O R E I G N	T A X E S	15 a	Type of income ▶.....	
		b	Name of foreign country or U.S. possession ▶.....	
		c	Total gross income from sources outside the United States (attach schedule).....	15c
		d	Total applicable deductions and losses (attach schedule).....	15d
		e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued.....	15e
		f	Reduction in taxes available for credit (attach schedule).....	15f
		g	Other foreign tax information (attach schedule).....	15g
O T H E R	16	Section 59(e)(2) expenditures: a Type ▶..... b Amount.....	16b	
	17	Tax-exempt interest income.....	17	
	18	Other tax-exempt income.....	18	
	19	Nondeductible expenses.....	19	
	20	Total property distributions (including cash) other than dividends reported on line 22 below.....	20	
	21	Other items and amounts required to be reported separately to shareholders (attach schedule).....		
	22	Total dividend distributions paid from accumulated earnings and profits.....	22	
	23	Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b.....	23	

Schedule L Balance Sheet

Table with columns: Assets, Liabilities and Shareholders' Equity, Beginning of tax year (a, b), End of tax year (c, d). Rows include Cash, Trade notes and accounts receivable, Inventories, U.S. Government obligations, etc.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

Table with 4 columns for reconciliation. Rows include Net income (loss) per books, Income included on Schedule K, Expenses recorded on books, and Add lines 1 through 3.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 22 of the instructions)

Table with 3 columns: (a) Accumulated adjustments account, (b) Other adjustments account, (c) Shareholders' undistributed taxable income previously taxed. Rows include Balance at beginning of tax year, Ordinary income from page 1, etc.

SCHEDULE K-1
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No. 1545-0030

▶ See separate instructions.
For calendar year 1995 or tax year

1995

Department of the Treasury
Internal Revenue Service

beginning , 1995, and ending , 19

Shareholder's identifying number ▶ **043-36-8095**

Corporation's identifying number ▶ **06-1373755**

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code

ARTHUR F. LAMOUREUX
21 WASSMER COURT
NEW LONDON, CT 06320

AMERICA'S CHOICE COMMUNICATIONS, INC.
21 WASSMER COURT
NEW LONDON, CT 06320

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 52 %
- B** Internal Revenue Service Center where corporation filed its return ▶ ANDOVER, MA 05501
- C** Tax shelter registration number (see instructions for Schedule K-1) ▶ _____
- D** Check applicable boxes: (1) Final K-1 (2) Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
INCOME	1	Ordinary income (loss) from trade or business activities	1	See pages 4 and 5 of the Shareholder's instructions for Schedule K-1 (Form 1120S). Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return)
	2	Net income (loss) from rental real estate activities	2	
	3	Net income (loss) from other rental activities	3	
	4	Portfolio income (loss):	4	
	a	Interest	4a	
	b	Dividends	4b	
	c	Royalties	4c	
	d	Net short-term capital gain (loss)	4d	
	e	Net long-term capital gain (loss)	4e	
	f	Other portfolio income (loss) (attach schedule)	4f	
LOSSES	5	Net gain (loss) under section 1231 (other than due to casualty or theft)	5	See Shareholder's instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return)
	6	Other income (loss) (attach schedule)	6	(Enter on applicable line of your return)
	7	Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16
	8	Section 179 expense deduction	8	See page 8 of the Shareholder's instructions for Schedule K-1 (Form 1120S).
9	Deductions related to portfolio income (loss) (attach schedule)	9		
DEDUCTIONS	10	Other deductions (attach schedule)	10	
	11a	Interest expense on investment debts	11a	Form 4952, line 1
INVESTMENT	b(1)	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	b(2)	(2) Investment expenses included on line 9 above	b(2)	
CREDITS	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10
	b	Low-income housing credit:		Form 8586, line 5
	(1)	From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2)	Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3)	From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4)	Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c	Qualified rehabilitation expenditures related to rental real estate activities	12c	See page 7 of the Shareholder's instructions for Schedule K-1 (Form 1120S).
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
e	Credits related to other rental activities	12e		
13	Other credits	13		
ADJUSTMENTS	14a	Depreciation adjustment on property placed in service after 1986	14a	page 7 of the Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251.
	b	Adjusted gain or loss	14b	
	c	Depletion (other than oil and gas)	14c	
	d(1)	(1) Gross income from oil, gas, or geothermal properties	d(1)	
	d(2)	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
e	Other adjustments and tax preference items (attach schedule)	14e		

For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1995

SHAREHOLDER 1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
FOREIGN TAXES	15 a	Type of income ▶ _____		Form 1116, Check boxes
	b	Name of foreign country or U.S. possession ▶ _____		
	c	Total gross income from sources outside the United States (attach sch.)	15c	Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	15d	
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g	Other foreign tax information (attach schedule)	15g	See Instr. for Form 1116
OTHER	16	Section 59(e)(2) expenditures: a Type ▶ _____	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	b	Amount	16b	
	17	Tax-exempt interest income	17	Form 1040, line 8b
	18	Other tax-exempt income	18	
	19	Nondeductible expenses	19	
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	21	Amount of loan repayments for "Loans From Shareholders"	21	
	22	Recapture of low-income housing credit:		Form 8611, line 8
	a	From section 42(j)(5) partnerships	22a	
	b	Other than on line 22a	22b	
23		Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

SCHEDULE K-1
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No. 1545-0130

1995

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
For calendar year 1995 or tax year
beginning , 1995, and ending , 19

Shareholder's identifying number ▶ 047-42-7306

Corporation's identifying number ▶ 06-1373755

Shareholder's name, address, and ZIP code

MAUREEN M. LAMOUREUX
21 WASSMER COURT
NEW LONDON, CT 06320

Corporation's name, address, and ZIP code

AMERICA'S CHOICE COMMUNICATIONS, INC.
21 WASSMER COURT
NEW LONDON, CT 06320

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 48 %
 B Internal Revenue Service Center where corporation filed its return ▶ ANDOVER, MA 05501
 C Tax shelter registration number (see instructions for Schedule K-1) ▶
 D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
I S H O U R E I N C O M E	1 Ordinary income (loss) from trade or business activities	1	See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S). Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return) See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return)
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	
	b Dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss)	4e	
	f Other portfolio income (loss) (attach schedule)	4f	
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5		
6 Other income (loss) (attach schedule)	6		
I N C L U D E D	7 Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16
	8 Section 179 expense deduction	8	See page 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
I N V E S T M E N T	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
I N T E R E S T	12a Credit for alcohol used as fuel	12a	
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
e Credits related to other rental activities	12e		
13 Other credits	13		
A D J U S T M E N T S	14a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251.
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties (2) Deductions allocable to oil, gas, or geothermal properties	d(1) d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1995

SHAREHOLDER 2

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
FOREIGN TAXES	15a	Type of income ▶		Form 1116, Check boxes
	b	Name of foreign country or U.S. possession ▶		
	c	Total gross income from sources outside the United States (attach sch.)	15c	Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	15d	
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g	Other foreign tax information (attach schedule)	15g	See Instr. for Form 1116
OTHER	16	Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S), Form 1040, line 8b
	b	Amount	16b	
	17	Tax-exempt interest income	17	page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	18	Other tax-exempt income	18	
	19	Nondeductible expenses	19	Form 8511, line 8
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21	Amount of loan repayments for "Loans From Shareholders"	21	
	22	Recapture of low-income housing credit:		
	a	From section 42(j)(5) partnerships	22a	
	b	Other than on line 22a	22b	

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

See separate instructions. Attach this form to your return.

AMERICA'S CHOICE COMMUNICATIONS, INC.

Identifying number 06-1373755

Business or activity to which this form relates

FORM 1120S

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)

Form with lines 1-13 for Section 179 election. Includes fields for maximum dollar limitation, total cost, threshold cost, reduction in limitation, and dollar limitation for tax year. Includes a table for property description, cost, and elected cost.

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1995 Tax Year (Don't Incl. Listed Property)

Sections A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 2 of the instructions.

Table with columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction.

Section B - General Depreciation System (GDS) (See page 2 of the instructions.)

Table for Section B with rows for 3-year, 5-year, 7-year, 10-year, 15-year, 20-year property, Residential rental property, and Nonresidential real property.

Section C - Alternative Depreciation System (ADS): (See page 4 of the instructions.)

Table for Section C with rows for Class life 12-year and 40-year.

Part III Other Depreciation (Do Not Include Listed Property.) (See page 4 of the instructions.)

Form with lines 17-19 for Other Depreciation. Includes fields for GDS and ADS deductions, section 168(f)(1) election, and ACRS and other depreciation.

Part IV Summary (See page 4 of the instructions.)

Form with lines 20-22 for Summary. Includes fields for listed property amount, total deductions, and basis attributable to section 263A costs.

Client ACCINC

AMERICA'S CHOICE COMMUNICATIONS, INC.

06-1373755

03/01/96

3:42 pm

STATEMENT 1
FORM 1120S, LINE 12
TAXES AND LICENSES

LICENSES AND PERMITS \$
PAYROLL TAXES
STATE TAX

TOTAL \$



STATEMENT 2
FORM 1120S, LINE 19
OTHER DEDUCTIONS

AMORTIZATION \$
AUTO AND TRUCK EXPENSE
BANK CHARGES
DUES AND SUBSCRIPTIONS
EDUCATION
INSURANCE
LEGAL AND PROFESSIONAL
MEALS AND ENTERTAINMENT EXPENSE
OFFICE EXPENSE
OUTSIDE SERVICES
RENT EQUIPMENT
SUPPLIES
TELEPHONE
TRAVEL

TOTAL \$



STATEMENT 3
FORM 1120S, SCHEDULE A, LINE 5
OTHER COSTS

COMMISSION/DISTRIBUTION EXPENSE \$

TOTAL \$



1995

FEDERAL STATEMENTS

PAGE 2

Client ACCINC

AMERICA'S CHOICE COMMUNICATIONS, INC.

06-1373755

03/01/96

3.42 pm

STATEMENT 4
FORM 1120S, SCHEDULE L, LINE 14
OTHER ASSETS

	BEGINNING	ENDING
ROUNDING	\$ [REDACTED]	[REDACTED]
TOTAL	\$ [REDACTED]	[REDACTED]

STATEMENT 5
FORM 1120S, SCHEDULE L, LINE 18
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
AMERICAN EXPRESS PAYABLE	\$ [REDACTED]	[REDACTED]
PAYROLL TAXES WITHHELD	[REDACTED]	[REDACTED]
TOTAL	\$ [REDACTED]	[REDACTED]

STATEMENT 6
FORM 1120S, SCHEDULE M-2, LINE 5
OTHER REDUCTIONS

DISALLOWED MEALS AND ENTERTAINMENT (50%)	\$ [REDACTED]
TOTAL	\$ [REDACTED]

FOR CALENDAR YEAR 1995 or OTHER FISCAL YEAR BEGINNING _____, 1995 AND ENDING _____, 19

TOTAL ASSETS	CORPORATION NAME	CT TAX REGISTRATION NUMBER
▶ [REDACTED]	AMERICA'S CHOICE COMMUNICATIONS, INC.	7658321-000
GROSS RECEIPTS	NUMBER AND STREET	DATE RECEIVED (for Dept. Use Only)
▶ [REDACTED]	21 WASSMER COURT	
FED. BUSINESS ACTIVITY CODE: ▶ 4825	CITY OR TOWN STATE ZIP CODE	FEDERAL EMPLOYER I.D. NUMBER
AUDITED BY: <input type="checkbox"/> F <input type="checkbox"/> O	NEW LONDON, CT 06320	06-1373755

CHECK ALL BOXES THAT APPLY

CHANGE OF: Mailing Address Closing Month (attach explanation) RETURN STATUS: Initial Return Final Return

IF THIS IS A FINAL RETURN, HAS THE CORPORATION:

▶ DISSOLVED ▶ WITHDRAWN ▶ MERGED / REORGANIZED (Enter Survivor's CT Tax Registration Number)

State of Incorp. CT Date of organization 6/01/93 Date qualified in CT 6/01/93 Date business commenced in CT 6/01/93

Was this company included in a Connecticut Combined Corporation Business Tax Return for any prior year? ▶ Yes ▶ No

- ATTACH A COMPLETE COPY OF YOUR FEDERAL FORM 1120S INCLUDING SCHEDULES -

COMPUTATION OF NET INCOME

1. Federal ordinary income (loss) (Federal Form 1120S, Line 21)	▶ 1	[REDACTED]
2. Unallowable deduction for corporation tax (Schedule F, Line 8)	▶ 2	[REDACTED]
3. NET INCOME (Add Line 1 and Line 2)	▶ 3	[REDACTED]

SCHEDULE A - COMPUTATION OF TAX ON NET INCOME

1. Net Income (Line 3) (If 100% Connecticut, enter also on Schedule A, Line 3)	▶ 1	[REDACTED]
2. Apportionment fraction (Form CT-1120A, Schedule Q or R) (Carry to six places)	▶ 2	[REDACTED]
3. Connecticut net income (Line 1, or Line 1 multiplied by Line 2)	▶ 3	[REDACTED]
4. Operating loss carryover (Form CT-1120/CT-1120S ATT, Schedule H, Line 6)	▶ 4	[REDACTED]
5. Income subject to tax (Subtract Line 4 from Line 3)	▶ 5	[REDACTED]
6. Tax (Multiply Line 5 by 11.25%)	▶ 6	[REDACTED]

SCHEDULE B - COMPUTATION OF ADDITIONAL TAX ON CAPITAL

1. Additional tax base (Schedule D, Column C, Line 6) (If 100% Connecticut, enter on Line 3)	▶ 1	[REDACTED]
2. Apportionment fraction (Form CT-1120A, Schedule S) (Carry to six places)	▶ 2	[REDACTED]
3. Line 1, or Line 1 multiplied by Line 2	▶ 3	[REDACTED]
4. Number of months covered by this return	▶ 4	[REDACTED]
5. Line 3 multiplied by Line 4, divided by 12	▶ 5	[REDACTED]
6. Tax (3 and 1/10 mills per dollar. Multiply Line 5 by .0031) (Maximum tax for Sch. B is \$1,000,000)	▶ 6	[REDACTED]

SCHEDULE C - COMPUTATION OF AMOUNT PAYABLE (MINIMUM TAX \$250)

1. Tax (Largest of Schedule A, Line 6, or Schedule B, Line 6 or \$250)	▶ 1	[REDACTED]
2. Tax Credits (Form CT-1120K, Line 26)	▶ 2	[REDACTED]
3. Balance of tax payable (Subtract Line 2 from Line 1. If zero or less, enter 0)	▶ 3	[REDACTED]
4. TAX PAYMENTS		
(a) Paid with application for extension, Form CT-1120 EXT.	▶ 4a	[REDACTED]
(b) Paid with estimates (Forms CT-1120 ESA, ESB, ESC & ESD)	▶ 4b	[REDACTED]
(c) Overpayment from prior year	▶ 4c	[REDACTED]
5. Balance of tax due (overpaid) (Subtract Line 4 from Line 3)	▶ 5	[REDACTED]
6. Add Penalty ▶ (6a) _____ Interest ▶ (6b) _____ CT-1120S Interest ▶ (6c) _____	▶ 6	[REDACTED]
7. Amount to be credited to 1996 estimated tax ▶ (7a) _____ refunded ▶ (7b) _____	▶ 7	[REDACTED]
8. Balance due with this return (Add Line 5 and Line 6)	▶ 8	[REDACTED]

Make check payable to: Commissioner of Revenue Services
Mail to: Department of Revenue Services, PO Box 2974 Hartford CT 06104-2974.

▶ Check if you do not want a booklet sent to you next year. Checking this box does not relieve you of your responsibility to file. However, you will be sent a reminder and mailing label which must be given to your preparer.

FORM CT-1120/CT-1120S ATT

CORPORATION BUSINESS TAX RETURN ATTACHMENT
SCHEDULES H, I, and J

- REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING THIS FORM -

CORPORATION NAME AMERICA'S CHOICE COMMUNICATIONS, INC.	CT TAX REGISTRATION NUMBER 7658321-000
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SCHEDULE H - CONNECTICUT APPORTIONED OPERATING LOSS CARRYOVER

		AMOUNT
1. Income Year Beginning: 1990	▶ 1	
2. Income Year Beginning: 1991	▶ 2	
3. Income Year Beginning: 1992	▶ 3	
4. Income Year Beginning: 1993	▶ 4	
5. Income Year Beginning: 1994	▶ 5	
6. TOTAL (Enter on Form CT-1120 or CT-1120S, Schedule A, Line 4)	▶ 6	

SCHEDULE I - DIVIDEND DEDUCTION (FORM CT-1120 ONLY)

	COLUMN A AMOUNT	COLUMN B DEDUCTION RATE	COLUMN C BALANCE (A) x (B)	COLUMN D Related Expenses (attach schedule)	COLUMN E Dividend Deduction (C) less (D)
1. Dividend Income Included in Computation of Federal Taxable Income, (Form CT-1120, Computation of Net Income, Line 1)					
2. Dividends from domestic corporations less than 20% owned		70%			
3. Dividend Balance (Subtract Line 2 from Line 1)		100%			
4. TOTAL DIVIDEND DEDUCTION. Add Column E, Line 2 plus Column E, Line 3. Enter here and on Form CT-1120, Computation of Net Income, Line 5.					

SCHEDULE J - ADDITIONAL TAX BASE FOR BANKS (FORM CT-1120 ONLY)

	COLUMN A DATE CREDITED	COLUMN B INTEREST OR DIVIDENDS ACTUALLY CREDITED TO ACCOUNT HOLDERS DURING THE CURRENT INCOME YEAR	COLUMN C INTEREST OR DIVIDENDS DEEMED CREDITED TO ACCOUNT HOLDERS DURING THE CURRENT INCOME YEAR AT 1/8% (.00125) PER ANNUM	COLUMN D LESSER OF LINE 5, COLUMN B OR COLUMN C
1.				
2.				
3.				
4.				
TOTAL 5.				

NOTE: Banks please enter the amount entered in Column D, Line 5 on Form CT 1120, Schedule B, Line 1.

CONNECTICUT S CORPORATION
INFORMATION AND COMPOSITE INCOME TAX RETURN

For the calendar year 1995, or other taxable year beginning 1995 and ending 19

Corporation Name: AMERICA'S CHOICE COMMUNICATIONS, INC. Federal Employer I.D. Number: 06-1373755

Address: 21 WASSMER COURT Date Received (FOR DEPT USE ONLY)

City or Town: NEW LONDON, CT 06320 Connecticut Tax Registration Number: 7658321-000

Check here if: Amended Return Final Return Total number of shareholders during year: Resident 2 Nonresident 0

PART I Schedule A Complete only if the S corporation must file a composite return. (See instructions)

A	B	C	D	E
NONRESIDENT SHAREHOLDER'S NAME IDENTIFICATION NO.	CT Source Income (See instructions)	TAX (Col. B x 4.5%)	Estimated Tax Paid, if Any	Interest (Form CT-2210)
1.				
2.				
3.				
4.				
5.				
6.				
7. Subtotal from additional schedules (if needed)				
8. Total Connecticut source income (Add Column B, Lines 1 - 7)				
9. Total composite return tax liability (Add Column C, Lines 1 - 7)				
10. Total estimated tax paid - if any (Add Column D, Lines 1 - 7)				
11. Total interest due (Add Column E, Lines 1 - 7)				

PART I Schedule B

COMPUTATION OF COMPOSITE RETURN TAX DUE

1. Total Connecticut source income of nonresident individual shareholders included in composite return (From Schedule A, Column B, Line 8)	1	
2. Tax liability: Multiply Line 1 by 4.5% (.045)	2	
3. Payments of estimated tax, if any (From Schedule A, Column D, Line 10)	3	
4. Payment made with extension request	4	
5. Total payments (Add Line 3 and Line 4)	5	
6. If Line 5 is more than Line 2, enter amount overpaid (Subtract Line 2 from Line 5)	6	
7. Amount of Line 6 to be applied to 1996 Estimated Tax	7	
8. Amount of Line 6 to be refunded (Subtract Line 7 from Line 6)	8	
9. If Line 2 is greater than Line 5, enter amount of tax owed (Subtract Line 5 from Line 2)	9	
10. If late: Enter Penalty (10% x amount on Line 9 OR if Line 9 is zero, enter \$50)	10	
11. If late: Enter Interest (1% x number of months late, or fraction thereof x amount on Line 9)	11	
12. Interest for underpayment of estimated tax (Attach Form(s) CT-2210 if applicable)	12	
13. Balance due with this return (Add Lines 9 through 12)	13	

Make check or money order payable to Commissioner of Revenue Services and mail to:

Department of Revenue Services, PO Box 2967, Hartford CT 06104-2967 not later than the 15th day of the fourth month following the close of the taxable year.

Declaration: I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Signature of Officer	Title	Date	Telephone Number
	Paid Preparer's Signature WILLIAM L. MULCAHY, CPA			Federal Employer I.D. Number 06-1239126
	Firm Name and Address ALDRICH, PERKINS AND CO. 567 VAUXHALL ST EXT. STE 330 WATERFORD, CT 06385			CT Sales Tax Registration Number 6569289-000

Check if you used a paid preparer and do not wish forms sent to you next year. Checking this box does not relieve you of your responsibility to file.

PART II Income Apportionment (See Instructions) **AMERICA'S CHOICE COMMUNICATIONS, INC.** 7658321-000

Complete this Part ONLY
If all of the following apply:

- (A) There are one or more nonresident shareholders;
- (B) The S corporation carries on business both in and outside of Connecticut; and
- (C) Books do not separately reflect income earned in Connecticut.

Items Used as Factors	Column A		Column B	Column C
	Totals Everywhere		Connecticut Only	Decimal Notation
1. Real property owned.....	1			Percent Column B is of Column A
2. Real property rented from others.....	2			
3. Tangible personal property owned or rented.....	3			
4. Property owned or rented (Add Lines 1, 2 and 3).....	4			
5. Employee wages and salaries.....	5			
6. Gross income from sales and services.....	6			
7. Total (Add Column C, Lines 4, 5 and 6).....			7	
8. Apportionment fraction (Divide Line 7 by three or actual number of fractions).....			8	

PART III Business Information Attach schedule to the back of this return listing all places, both within and outside of Connecticut, where the S corporation carries on business. SEE STMT. 1

Shareholder #	Shareholders Information (List nonresidents first, residents next)	Federal ID. Number or S.S. Number	% Stock Ownership	Nonresident	
				Yes	No
▶ # 1	ARTHUR F. LAMOUREUX 21 WASSMER COURT NEW LONDON, CT 06320	▶ 043-36-8095	▶ 52.00000		X
▶ # 2	MAUREEN M. LAMOUREUX 21 WASSMER COURT NEW LONDON, CT 06320	▶ 047-42-7306	▶ 48.00000		X
▶ #		▶	▶		

PART V Computation of Connecticut Source Income of Nonresident Shareholders

Connecticut sourced portion of separately-stated items from federal Schedule K-1 (Form 1120S) (See Instructions)	SHAREHOLDER		
	▶ #	▶ #	▶ #
1. Net Income (Loss) from rental real estate activities.....	▶	▶	▶
2. Net Income (Loss) from other rental activities.....	▶	▶	▶
3. Portfolio Income.....	▶	▶	▶
4. Expense deduction for property under IRC Sect. 179.....	▶	▶	▶
5. Other deductions.....	▶	▶	▶
6. Net Gain (Loss) under Section 1231 (other than due to casualty or theft).....	▶	▶	▶
7. Other income (Loss) (Attach Schedule).....	▶	▶	▶

The S corporation must provide each nonresident shareholder with a schedule of amounts of income derived from or connected with sources within Connecticut for inclusion by the shareholder on the appropriate lines of Schedule CT-SI of Form CT-1040NR/PY or Schedule CT-1041FA of Form CT-1041, as the case may be.

PART VI Shareholder's Share of Connecticut Modifications Complete Part VI only if the S Corporation has Connecticut Modifications. (See Instructions)

ADDITIONS - ENTER ALL AMOUNTS AS POSITIVE NUMBERS	SHAREHOLDER		
	▶ # 1	▶ # 2	▶ #
1. Interest on state and local obligations other than Connecticut.....	▶	▶	▶
2. Exempt-interest dividends on state and local obligations other than CT.....	▶	▶	▶
3. Certain deductions relating to income exempt from CT Income Tax.....	▶	▶	▶
4. Ordinary Loss (See Instructions).....	▶	▶	▶
5. Other (specify).....	▶	▶	▶
SUBTRACTIONS - ENTER ALL AMOUNTS AS POSITIVE NUMBERS			
6. Interest on U.S. obligations.....	▶	▶	▶
7. Dividends from certain mutual funds owning U.S. obligations.....	▶	▶	▶
8. Certain expenses related to income exempt from federal income tax but subject to Connecticut tax.....	▶	▶	▶
9. Ordinary Income (See Instructions).....	▶	▶	▶
10. Other (specify).....	▶	▶	▶

The S corporation must provide each shareholder with a schedule of amounts of Connecticut modifications for inclusion by the shareholder on Schedule 1 of Form CT-1040, or Form CT-1040NR/PY, whichever applies.

1995

CONNECTICUT STATEMENTS

Client ACCINC

AMERICA'S CHOICE COMMUNICATIONS, INC.

7658321-000

03/01/96

3:49 pm

STATEMENT 1
FORM CT-1120SI, PART III
BUSINESS INFORMATION

BUSINESS LOCATION

DESCRIPTION

ACTIVITY

GROTON CT

SWITCHLESS RESEL TELEPHONE LONG