

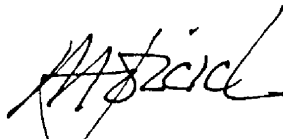
In re: Direct Net Telecommunications, LLC
Bulletin No. 1
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Also attached hereto, creditors will find a form Proof of Claim with which creditors can file their claim with this office. Creditors should be aware that pursuant to California law¹, the last date to return the form to this office is June 10, 2001. To ensure your participation in any distribution of funds generated to unsecured creditors from the liquidation of the company, you **must** return the proof of claim by that date.

A further report on the Assignee's administration of the debtor's assets and the claims solicitation process will follow in approximately 60 days. Creditors are requested to advance their files accordingly, pending that report.

Very truly yours,
ADJUSTMENT BUREAU

By:



Michael L. Joncich
Estates Manager
Direct Dial: (818) 972-5315

¹ California Code of Civil Procedure §1802

STATEMENT OF CONDITION
AS OF DECEMBER 6, 2000

ASSETS

Cash in Bank		1,343,864
Accounts Receivable	642,700	
Less Reserve for Doubtful	<u>(402,700)</u>	
Net Total		240,000
Physical Assets - Est. Liquidation Value		
Furniture, Fixtures & Equipment		<u>155,000</u>
TOTAL ASSETS		<u><u>1,738,864</u></u>

LIABILITIES

Accounts Payable - Estimated	21,459,000
Equipment & Real Estate Lease Deficiency	?
Customer Deposits - Estimated	122,000
Note Payable	<u>289,000</u>
TOTAL LIABILITIES	<u><u>21,870,000</u></u>

C: Paula Isler
R+R



DirectNet Telecommunications Inc.
4400 MacArthur Blvd Suite 410
Newport Beach California 92660
Tel 949 474 1001
Fax 949 474 1078
www.directnet.com

December 8, 2000

To: All creditors of DirectNet Telecommunications LLC.

Re: Liquidation of DirectNet Telecommunications LLC.

Dear Creditors,

This letter is to inform you that the Managers of DirectNet Telecommunications, a Limited Liability Company have recently decided to make a general assignment of the remaining estate, under California law, for the benefit of creditors. This assignment was effective December 6, 2000, and has been made to The Credit Managers Association of Southern California (CMA).

It is anticipated that this change in status will result in a continuation of an orderly process which was started under the direction of Brent Kugman and Associates and will result in a fair and equitable settlement of the remaining estate. As of December 6, 2000 CMA is the legally responsible manager of the remaining assets and all future correspondence should be directed to CMA . Attached is a letter from CMA which provides initial information regarding the process they will be following.

I want to thank all creditors for the cooperation and patience that we have experienced during the past three months.

Yours truly,

Daniel S. Gee
President and CEO

California
Czech Republic
Hawaii
New Jersey
New York
Russia
United Kingdom

C: Paula Isk
R+R

PROOF OF CLAIM

Case No. 33880

To: CMA Business Credit Services
PO Box 7740
Burbank, California 91510-7740

Re: Direct Net Telecommunications LLC

The undersigned is a creditor of the above subject debtor(s) and I/we hereby file my/our claim below as follows:

As evidence of my/our claim, an itemized statement of my/our account and/or a copy of a promissory note is hereto attached.

THE AMOUNT OF MY/OUR CLAIM IS \$ _____

Dated: _____

COMPANY NAME _____

BY _____ TITLE _____

ADDRESS _____

PHONE NO. _____ FAX# _____ E-MAIL _____

NOTE: Interest is applicable only to the date of December 6, 2000, and then only in the event a written agreement exists between you and the debtor providing for payment of interest.

PLEASE COMPLETE THIS FORM, ATTACH AN ITEMIZED STATEMENT OF YOUR ACCOUNT THEREON, AND RETURN AT ONCE TO:

ADJUSTMENT BUREAU
Attn: Michael L. Joncich
CMA Business Credit Services
PO Box 7740, Burbank, California 91510-7740

c: Paula Isler
R+R