Conversant Technologies, Inc. Balance Sheet September 30, 2001

ASSETS

CURRENT ASSETS

Legacy Bank - Checking Special-Legacy Bank Accounts Receivable Other Receivables ILD Advances ILD Clearing Account

Total Current Assets

PROPERTY

Furniture & Fixtures
Equipment
Jail Equipment
Jail Phones
Capitalized Installation
Accumulated Depreciation
Total Property

OTHER ASSETS

Deposits
Organization Costs
Accumulated Amortization - Organ. Costs
Total Other Assets

Total Assets



SEE ACCOUNTANT'S COMPILATION REPORT

DOCUMENT NUMBER-DATE

Conversant Technologies, Inc. Balance Sheet September 30, 2001

LIABILITIES

CURRENT LIABILITIES

Accounts Payable
Federal Payroll Taxes Payable
Income Tax Payable
Notes Payable - Current
Total Current Liabilities

LONG TERM LIABILITIES

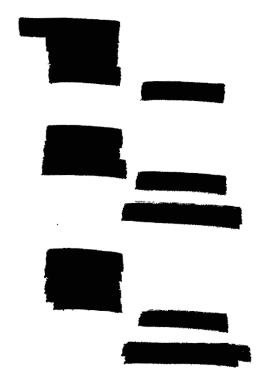
Notes Payable (Net of Current Portion) Capitalized Leases Deferred Interest Total Long Term Liabilities

Total Liabilities

STOCKHOLDER'S EQUITY

Common Stock
Additional Paid-in Capital
Retained Earnings
Treasury Stock
Total Stockholder's Equity

Total Liabilities & Stockholder's Equity



Conversant Technologies, Inc. Statement of Income Current, YTD, and Ratios Current and 9 Periods Ending September 30, 2001

Current Year-To-Date % INCOME Telephone Call Revenue Inmate Direct Payments Administrative Adjustments Total Income COSTS OF SALES Call Validation Expense LEC Charges Billing - Outclearing Fees Billing-Adjustments Billing-Advance Fees Billing-Bad Debts Local Lines-Recurring Long Distance-Dedicated Long Distance-Switched Local Exchange Carriers Frame Relay Equipment Repair - On Site Equipment Support - Remote Call Processing Equipment Inmate Phone Purchase installation Expense-Labor Installation Expense-Mileage Commissions to Jails **Total Costs of Sales GROSS PROFIT (LOSS) EXPENSES** Advertising Accounting Fees Auto Bank Fees Charitable Contributions Commissions & Fees Consultant Fees Contract Labor **Depreciation Expense** Dues & Subscriptions Employee Expense-Admin. Employee Benefit Programs Express & Freight Entertainment Entertainment - Non-deductible **Giffs** Insurance-Auto

SEE ACCOUNTANT'S COMPILATION REPORT

Conversant Technologies, Inc. Statement of Income Current, YTD, and Ratios Current and 9 Periods Ending September 30, 2001

Current Year-To-Date % **OPERATING EXPENSES - Continued** insurance-Liability Interest Loan Origination Fee Legal & Professional Fees Loan Guarantse Life Insurance Minor Equipment Costs Miscellaneous Non-Deductible Fines & Penalties Office Supplies Payroll Taxes Postage Promotional Promotional-Red River Rent - Office Rent - Equipment Repairs Salaries Storage Suspense Taxes - Franchise Taxes - Property Taxes - Sales Telephone Trade Shows, Conferences Travel **Total Expenses OPERATING INCOME (LOSS)** OTHER INCOME Interest Income Total Other Income OTHER EXPENSES INCOME (LOSS) BEFORE INCOME TAX **INCOME TAXES** NET INCOME (LOSS)

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Conversant Technologies, Inc. Statement of Changes in Stockholders' Equity For the Month and Period Ended September 30, 2001

COMMON STOCK

Balance at beginning of year

Par value of shares issued

BALANCE AT END OF YEAR

ADDITIONAL PAID-IN CAPITAL
Balance at beginning of year
Paid in excess of par

BALANCE AT END OF YEAR

RETAINED EARNINGS

Balance at beginning of period/year

Net income for the period

BALANCE AT END OF YEAR

TREASURY STOCK

Balance at beginning of period/year

Stock Repurchase

BALANCE AT END OF YEAR

TOTAL STOCKHOLDERS' EQUITY

CURRENT YEAR TO DATE

SEE ACCOUNTANT'S COMPILATION REPORT