

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

ORIGINAL

01 DEC 11 AM 10:43

COMMISSION
CLERK

December 11, 2001

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Florida Public Service Commission
Division of the Commission Clerk
and Administrative Services
1540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

011636-TI

Re: Application for IXC certificate by University Club Communications, L.L.C.

Dear Ms. Bayo:

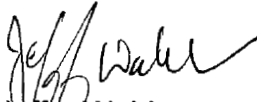
Enclosed for filing are: (1) the original and six (6) copies of University Club Communications, L.L.C.'s application for an IXC certificate and (2) a check in the amount of \$250.00.

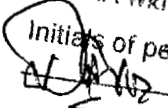
I have discussed this application with Jackie Gilchrist and am enclosing her a copy of this letter and the application.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,


J. Jeffrey Wahlen

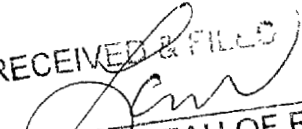
Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.
Initials of person who forwarded check:


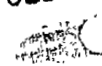
JJW/jh

Enclosures

cc: Ms. Jackie Gilchrist, (H/D) (w/application)
Mr. Tom Allen, (H/D) (w/application)

h:\data\jjw\bc\ltr.bayo-ixc.121101.doc

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
15425 DEC 11 6
FPSC-COMMISSION CLERK


011636-TI

ICX Application

This package contains:

1. Application
2. Company Personnel
3. Financial Information
4. Tariff

DOCUMENT NUMBER-DATE

15425 DEC 11 6

FPSC-COMMISSION CLERK

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

Application form for Authority to Provide
Interexchange Telecommunications Service
Between Points Within the State of Florida

Instructions

This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 21).

Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.

Use a separate sheet for each answer which will not fit the allotted space.

Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

Note: No filing fee is required for an assignment or transfer of an existing certificate to another company.

If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

APPLICATION

1. This is an application for (check one):

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. **Name of company:** University Club Communications, L.L.C. (UCC, LLC)

3. **Name under which the applicant will do business (fictitious name, etc.):**
Same

4. **Official mailing address (including street name & number, post office box, city, state, zip code):**

University Club Communications, L.L.C
831 North Monroe Street
Tallahassee, FL 32303

5. **Florida address (including street name & number, post office box, city, state, zip code):** same

6. Select type of business your company will be conducting (check all that apply):

Facilities-based carrier – company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida

Operator Service Provider – company provides or plans to provide alternative operator services to IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

Reseller – company has or has plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

Switchless Rebiller - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.

Multi-Location Discount Aggregator – company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers resold service by enrolling unaffiliated customers.

Prepaid Debit Card Provider – any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

7. Structure of organization:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input checked="" type="checkbox"/> Other (Limited Liability Company) | |

8. If individual, provide:

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

9. If incorporated in Florida, provide proof of authority to operate in Florida:

(a) **The Florida Secretary of State corporate registration number:**

10. If foreign corporation, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State corporate registration number:

11. If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) The Florida Secretary of State fictitious name registration number:

12. If a limited liability partnership, provide proof of registration to operate in Florida:

(a) The Florida Secretary of State registration number:

L00000009034; University Club Communication, is a Florida Limited Liability Company with two Members, Business Communications, Inc. and University Club Development, a Florida Corporation.

13. If a partnership, provide name, title and address of all partners and a copy of the partnership agreement.

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

14. If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number: _____

15. Provide F.E.I. Number(if applicable): _____

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?
 Yes () No

(b) If not, who will bill for your services?

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

(c) How is this information provided?

17. Who will receive the bills for your service?

- | | |
|---|---|
| <input checked="" type="checkbox"/> Residential Customers | <input type="checkbox"/> Business Customers |
| <input type="checkbox"/> PATs Providers | <input type="checkbox"/> PATs station end-users |
| <input type="checkbox"/> Hotels & motels (Hotel & motel guests | |
| <input type="checkbox"/> Universities | <input type="checkbox"/> Universities dormitory residents |
| <input type="checkbox"/> Other: (specify) _____ | |

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Tom Allen
Title: Managing Member
Address: 831 North Monroe Street
City/State/Zip: Tallahassee, Florida 32303
Telephone No.: 850-205-8500
Fax No.: 850-205-8508
Internet E-Mail Address: tallen@bcifl.com
Internet Website Address: www.bcifl.com

(b) Official point of contact for the ongoing operations of the company:

Name: Thomas W. Allen
Title: Managing Member
Address: 831 North Monroe Street
City/State/Zip: Tallahassee, Florida 32303
Telephone No.: 850-205-8500
Fax No.: 850-205-8508
Internet E-Mail Address: tallen@bcifl.com
Internet Website Address: www.bcifl.com

(c) Complaints/Inquiries from customers:

Name: Tom Allen

Title: Managing Member

Address: 831 North Monroe Street

City/State/Zip: Tallahassee, Florida 32303

Telephone No.: 850-205-8500

Fax No.: 850-205-8508

Internet E-Mail Address: tallen@bcifl.com

Internet Website Address: www.bcifl.com

19. List the states in which the applicant:

(a) has operated as an alternative local exchange company. n/a

(b) has applications pending to be certificated as an alternative local exchange company. n/a

(c) is certificated to operate as an alternative local exchange company. n/a

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved. n/a

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved. n/a

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved. n/a

20. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.
Provide explanation.

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

From time to time, LLC Members, have insignificant holdings in Publicly Traded Telephony-related Corporations doing business in Florida. Members Allen and Smith have own Business Communications, Inc. an interconnect company who also holds a ALEC Certificate.

21. The applicant will provide the following Interexchange services (check all that apply):

a. _____ **MTS with distance sensitive per minute rates**

_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

b. _____ **MTS with route specific rates per minute**

_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

c. **MTS with statewide flat rates per minute (i.e. not distance sensitive)**

_____ Method of access is FGA
_____ Method of access is FGB
 _____ Method of access is FGD
_____ Method of access is 800

d. _____ **MTS for pay telephone service providers**

e. _____ **Block-of-time calling plan (Reach Out Florida, Ring America, etc.).**

f. _____ **800 service (toll free)**

g. _____ **WATS type service (bulk or volume discount)**

_____ Method of access is via dedicated facilities

_____ Method of access is via switched facilities

h. _____ **Private line services (Channel Services)**

(For ex. 1.544 mbs., DS-3, etc.)

i. _____ **Travel service**

_____ Method of access if 950

_____ Method of access if 800

j. _____ **900 service**

k. **Operator Services**

_____ Available to presubscribed customers

Available to non presubscribed customers (for example, to patrons of hotels, students in universities, patients in hospitals).

_____ Available to inmates

l. **Services included are:**

_____ Station assistance

_____ Person-to-person assistance

Directory assistance

_____ Operator verify and attempt

_____ Conference calling

22. Submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

23. Submit the following:

A. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

(See attached Employee Information Spreadsheet)

Tom Allen, President –

March 98 – Present

Business Communications, Inc.,

FORM PSC/CMU 8 (11/95)

9

Required by Commission Rule Nos. 25-24.805,
25-24.810, and 25-24.815

President: Managed all operations and every aspect of business. Doubled revenue of company during tenure. Created affiliate/subsidiary telecom related businesses (NetworX!, PageNet of Tallahassee).

1981 -1998 During this timeframe Mr. Allen managed over \$70 million in contracts for hazardous waste construction contracts, site investigations, development and implementation of monitoring schemes.

1994 - 1998 Levine Fricke, Inc.,
Principal Hydrologist

1992 - 1994 RUST Remedial Services, Inc.,
Regional Business Manager

1988 - 1992 Chemical Waste Management, Inc.,
Area Business Development Manager

1985 - 1988 Woodward-Clyde Consultants,
Project Hydrogeologist

1983 - 1985 Northwest Florida Water Management District,
Assistant Hydrogeologist

1981 - 1983 Department of Natural Resources,
Geological Research Assistant

Education: Florida State University: M.S. Geology, 1987
Florida State University: B.S. Geology, 1982

Certifications: Low Voltage Telecommunications Contractor
Georgia, LT304987

Professional Geologist
Florida, No.124, Inactive in several other states

Pollutant Storage Contractor
Florida, No. PCC048417 (inactive)

General Contractor
Florida, No. CGC054425

Publications: Mr. Allen is credited on 7 hydrogeology related publications.

Frances Klisiewicz, CFO -

May 99 - Present Business Communications, Inc., Tallahassee, Fl

Controller: Telecommunications and Service supplier to Commercial and Residential clients. Duties encompass Financial Statements, Budget analysis, Accounts Payable, Accounts Receivable, Human Resources and Administrative Operations management.

Aug. 97 - May 99 **Lewis Property Investors, Inc.**, Miami, FL
Controller: - Residential Real Estate Operations and Management for both the Developer and General Contractor in construction of condominiums and detached homes on Ocean Reef in Key Largo, Florida. Construction project sales values in excess of \$22 million, plus two Commercial Shopping Centers. Duties include Financial Statements, Partners Reports, Budgeting, Analysis, Bank Draw Requisitions, General Contractors AIA preparation, Accounts Receivable, Accounts Payable, Tenant Lease Billings. Supervision of administrative staff and coordination of on-site personnel. Installation of new Budgetrac accounting software, enabling Project Cost accounting, Financial Reporting on both Cash and Accrual basis. Board Member and Treasurer on two Developer controlled Condominium Associations. Served as Signatory and Officer on multiple corporate entities.

Nov. 94 - Dec. 97 **FGK Corporation**, Homestead, FL
President / Owner
Established Accounting and Tax Preparation service for Individuals and Small Businesses. Provide clients with Software assistance, Financial Statements, Reconciliations, Payroll and Reporting requirements.

Feb. 95 - Aug. 97 **Window Professionals**, Homestead, FL
Accountant
Assisted the Company's goal to secure Bank and SBA loans for relocation to Jupiter, Fl. Research and installation of new in-house accounting software. Duties included Contract Sales, Accounts Receivable, Budget Projections and Analysis, Financial Statements, Cash Flow Analysis, Payroll, Customer Service, Draw Requests, Notice to Owners, Liens and Waivers. Extensive spreadsheet design.

NOV. 85 - JUNE 94 BERL ENTITIES

Oct. 90 - June 94 **Eyotel Optics, Inc.**, Miami, FL
Vice President / Director of Operations / Controller
Began National Wholesale Distribution of eyeglass frames, sunglasses and related products. Imported European product for distribution in the US, Canada, Mexico and South American markets. Developed and administered Financial Management. In charge of the Daily Operations, Quality Control, Customer Service Operations, Computerized Order Fulfillment and Sales functions, provided Sales Representatives with client/product Sales Data and Commission Reports.

Management of Human Resources, Administrative Operations, Accounting Department, Warehouse Shipping, Receiving and Inventory Control, Monthly Reconciliation, Financial Statements, Cash Management, Budget Forecast and Analysis, Banking, Foreign Exchange purchases and product valuations, Insurance and Business relations, management in-house multi-user PC systems. Utilized "Systematic" software for perpetual inventory, sales and financial accounting information.

Aug. 89 - Oct. 90 **Concept Optics International, Inc.**, Miami, FL

Director of Operations / Controller

This position was primarily the same as with Eyetel Optics, noted above.

Nov. 85 - Oct. 90 **Berl Management Corp.**, Miami, FL

Controller

Commercial and Residential Property Management, Construction and Sales of single family homes, town homes and condominiums. Financial Statements for 27 entities, Joint Venture Partnerships, Netherlands Antilles entities and Florida Corporations. Seller's Agent at closing, Developers Board Representative on the Association's Board of Directors. Extensive knowledge of Florida State Statute 718, governing Condominium Associations. Duties included Management of Office Personnel and Maintenance Staff, Banking Relations, and Signatory on 30+ business accounts. Financial Statements, Budgeting Forecasts and Sales Analysis. Partnership litigation support for attorneys and outside C.P.A. firm in lengthy and successful effort.

May 81 - Nov. 85 **B.J.F. Development, Inc.**, Miami, FL

Jun. 85 - Nov. 85

May 81 - June 85

Assistant Controller

Senior In-Charge Accountant

Real Estate Developer, Conversion operation of existing Apartment Rental property and Condominium Management. Duties as Assistant Controller included involvement in feasibility studies for new property acquisition. Set up of accounting requirements between On-Site Personnel, Computer Service Bureaus, Regional and Home Office. Scheduling of departmental deadlines and coordination of reports to executive management and lenders. Annual Budget Projections and Analysis. Banking relations, Signatory of numerous accounts, Financial Audit assistance, Developers' Representative on various Association Boards of Directors, as well as on staff personnel changes and reviews.

Education:

Kennedy Western University - current student in the Masters program

College for Financial Planning 1/87-89

Tax Preparation for Individuals 8/95-11/95

Tax Preparation for Corporations 8/96-11/96

Miami-Dade Community College 83-84 Accounting

Computer Skills: Windows 98, 95, 3.1 and Windows NT MS Word, Word Perfect 6.1, Excel, Quattro Pro, Lotus, Systematic Accounting Software, Quick Books Pro, Check Book Solutions, MyInvoice, MS Works, Tax Cut, Turbo Tax, Peachtree, PC Anywhere. Budgetrac, MRI and CMS Software for Real Estate and Construction Accounting.

Chuck Mims, CTO –

MANAGERIAL EMPLOYMENT HISTORY:

February 1989 to Present: Business Communications Incorporated

Operations Manager (Jan. 1999 to Present; Installation Manager 1994-1999)

Duties: Supervising all installation projects, managing and updating information regarding customers' maintenance and warranty applications, responsible for assuring customers' satisfaction with end product, assisting salespersons in presentations to customers, conducting training classes for customers on new telephone/voice mail systems, attending sales meetings as well as managers meetings, coordinating activities with Service Manager, coordinating ordering necessary supplies with Inventory Manager, coding and preparing for billing all new installation work orders, responsible for solving on-going problems that technicians are unable to resolve, researching current technology and acquiring certification of same, coordinating with leading manufacturers on technicians' certification training courses, responsible for negotiating best prices for various technology, providing limited support on computer network within office, as well as continuing duties listed below.

Tech Services Supervisor/Coordinator (Jan. 1993 to Jan.1994)

Duties: Supervised company technicians, coordinated daily activities of technicians, performed yearly evaluation of technicians, implemented and conducted monthly technician training classes, conducted job quotes and estimates, coordinated technician on-call schedule, scheduled and coordinated technician leave times, and continued duties listed below.

Chapin Frazee, Director of Business Development –

- Current –**Chief Operating Officer, NetworX!**, – Coordinating all aspects of Information Technology Consultancy including client acquisition, management of production staff, accounts receivable, and business planning.

- Current -**Director of Business Development, BCI.** (as needed) - Strategizing, planning, and implementing new business opportunities and special projects.
- 1999-2000 **General Manager, PageNet of Tallahassee** - managed all aspects of wireless-data sales and service operation.
- 1996-1999 **Marketing Director, Illuminative Multimedia, Incorporated** - developed marketing plan, generated sales and sector defining contracts.

Education -Hamden-Sydney College: B.A. ,1992

B. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

One of the Members of the LLC, BCI currently employs a full time staff of over 12 fully trained and skilled, on-call service technicians. Below are highlighted the qualifications of some of the key staff.

Chuck Mims, CTO -

Technical Employment/Education -

**May 1985 to February 1989: Hinkles & McCoy
Tallahassee, FL**

Technician

Duties: Provided customer service, troubleshooting, programming and installation of telephone systems and communication of service trouble to local telephone company. Attended certification courses as requested.

CERTIFICATIONS:

<u>Comdial</u>	
FXS/FXT	(March 1999)
QuickQue ACD	(Jan. 1999)
DXP	(June 1994)
<u>Samsung</u>	
Prostar DCS	(Jan. 1995)
Prostar 56/120	(May 1993)
Prostar 816	(Feb. 1991)
<u>Intertel</u>	
IMX 2460	(Feb. 1990)

EDUCATION: MicroSoft Certified System Engineer Courses

(Sept. 1998-Jan. 1999)

Attended Networking Essentials, Supporting Windows '95, Administering Windows NT, and Windows NT 4.0 Server

Management Seminar (April 1997)
Florida State University

Tallahassee, FL

Tallahassee Community College

(Sept. 1989-Dec. 1989)

Tallahassee, FL
Finite Mathematics
Sociology

Jefferson County High School

(May 1985)

Monticello, FL
Received High School Diploma

Scott Avery, Service Manager –

- Georgia Low Voltage License
- DXP Certified
- DXP Plus Certified
- EXT certified EXS certified
- Key voice Voicemail Certified
- Leviton Cat 5 Certified
- 12 years Telecommunication Experience

Mark George, Lead Technician –

- Experience in most every aspect of the telephone industry from construction to repair, including buried, aerial, and underground cabling
- Extensive experience in troubleshooting the outside plant and structured cabling of both business and residential sites
- Certification in the following areas:
 - cable fault location
 - basic telephony
 - pole climbing
 - work zone safety (DOT approved)
 - Smith driving course
 - Dynatel 965 loop analysis
 - Dynatel 573/573a earth fault locations
 - Raychem heat shrink splice closures
 - 3m better buried splice closures
 - preformed splice closures
 - 3M Module splice
 - Basic and Advanced Splicing

Cameron Trickey, Help Desk

Certifications include:

- Samsung/Prostar
- 8/16 KSU

- DCS Products
- 56/120 KSU
- Starmail
- Comdial FX/DXP
- Lucent Legend

C. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer **affirming that the financial statements are true and correct** and should include:

1. the balance sheet:
2. income statement: and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

(See Attached Financials)

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
5. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

Thomas W. Allen
Print Name


Signature

Managing Member
Title

12/5/01
Date

850-205-8500
Telephone No.

850-205-8508
Fax No.

Address:

**University Club Communications, L.L.C.
831 North Monroe Street
Tallahasee, FL 32303**

THIS PAGE MUST BE COMPLETED AND SIGNED

THIS PAGE MUST BE COMPLETED AND SIGNED

Customer Deposits and Advance Payments

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be provided in one of the following ways (applicant, please check one):

- () The applicant will not collect deposits nor will it collect payments for service more than one month in advance.

- () The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.
(The bond must accompany the application.)

UTILITY OFFICIAL:

Thomas W. Allen
Print Name

Signature

President
Title

Date

850-205-8500
Telephone No.

850-205-8508
Fax No.

Address:

**University Club Communications, ~~K~~J.C.
831 North Monroe Street
Tallahassee, FL 32303**

THIS PAGE MUST BE COMPLETED AND SIGNED


AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Thomas W. Allen
Print Name


Signature

Managing Memeber

Title _____

Date *12/5/01*

850-205-8500
Telephone No.

850-205-8508
Fax No.

Address:

**University Club Communications, L.L.C.
831 North Monroe Street
Tallahasee, FL 32303**

CURRENT FLORIDA INTRASTATE SERVICES

Applicant **has** (√) or **has not** () previously provided intrastate telecommunications in Florida.

If the answer is has, fully describe the following:

- a) What services have been provided and when did these services begin? Business Communications, Inc. d.b.a University Club Communications has held a certificate and offered residential service. It has been determined that it would be more appropriate to have University Club Communications, LLC as the Certificate Holder.
- b) If the services are not currently offered, when were they discontinued? _____

UTILITY OFFICIAL:

Thomas W. Allen
Print Name


Signature

Managing Member

Title

12/5/01
Date

850-205-8500
Telephone No.

850-205-8508
Fax No.

Address:

**University Club Communications, L.L.C.
831 North Monroe Street
Tallahasee, FL 32303**

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) _____
(Title) _____ of (Name of Company) _____
and current holder of Florida Public Service Commission Certificate Number # _____,
have reviewed this application and join in the petitioner's
request for a:

- () sale
- () transfer
- () assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name

Signature

Title

Date

Telephone No.

Fax No.

Address:

**University Club Communications, L.L.C.
831 North Monroe Street
Tallahassee, FL 32303**

No.	Last Name	First Name	Hire Date	Education	Licenses	Remarks
Administrative						
1	Abbott	John				Accounting and Support
2	Allen	Tom	3/23/1998	BS/MS	General Contractor; Low Voltage Contractor GA; BICSI Member	PSC Point of Contact; Managing Member UCC
3	Holland	Brandy				Customer Service, AP assistance and other office assignments
4	Kirkland	Keith				Inventory Support
5	Kliewiecz	Frances			BS - Business Pending	Controller and Office Manager
6	Manderfield	Mariah				Dispatch and other office functions
7	Miller	Kim				Accounts Receivable
8	Moran	Craig		BS		Inventory and General Office
Technical						
9	Avery	Scott	3/23/1993		Low Voltage Contractor GA., Comdial, Siemens, Samsung Certified	Service Manager
10	Carter	Don	8/1/1999		Comdial, Siemens, Iwatsu Certified	Telephony Technician
11	George	Mark			Comdial, Siemens, ESI, Certified	Pensacola Branch Manager/Telephony Technician
12	Harris	Gary Jon			Comdial Certified	Telephony Technician
13	Mims	Chuck			Comdial, Siemens, ESI, Samsung, IP	Operations Manager
14	Roberts	Bill			Comdial, Siemens, ESI	Telephony Technician
15	Smith	Louie			Comdial, Siemens, ESI	Telephony Technician
16	Swichard	John			Comdial Certified	Telephony Technician
17	Trickey	Cameron			Comdial, Samsung, Siemens Certified	Help Desk and Telephony Technician
18	White	Robert			Comdial, Siemens Certified	Telephony Technician
19	Wickam	Mark			Comdial, ESI Certified	Telephony Technician
20	Zacher	Mark			Comdial, ESI Certified	Telephony Technician
Technical Sales						
21	Moor	Corrie		BS	Professional Technical Sales Training	Technical Sales Professional
22	Wilcox	Rich		BS	Professional Technical Sales Training	Technical Sales Professional
23	Bartoszewicz	John		BS	Professional Technical Sales Training	Technical Sales Professional
LAN/WAN Affiliated Company						
24	Franklin	Jacob		BS	Management Information Systems	Lan/Wan Professional
25	Fraze	Chapin		BA		NetworX! COO and BCI Business Development Manager
26	Richardson	Mark		BS	Business	Lan/Wan Professional
27	Walker	Will				Lan/Wan Professional
28	Thornberry	Nathan		BS	Management Information Systems	Lan/Wan Professional

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

2000

Department of the Treasury Internal Revenue Service

For calendar year 2000, or tax year beginning

2000, and ending

A Effective date of election as an S corporation

Name

BUSINESS COMMUNICATIONS INC

C Employer identification number

59-2740313

02/19/1997

Number, street, and room or suite no. (If a P.O. box, see page 11 of the instructions.)

D Date incorporated

12/01/1986

B Business code no. (see pages 29-31)

831 NORTH MONROE STREET

City or town, state, and ZIP code

E Total assets (see page 11)

513300

TALLAHASSEE, FL

32303

1,243,068.

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

G 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 page 11 of the instructions for more information.

Table with 27 rows and 3 columns (Description, Amount, Total). Rows include Income (1a-6), Deductions (7-20), and Tax and Payments (21-27). Values include 2,954,953 for gross receipts and 128,769 for ordinary income.

Sign Here: Under penalties of perjury, I declare that I have examined this return... Signature of officer: [Signature] Date: 4/10/01 Title: President

Paid Preparer's Use Only: Preparer's signature: [Signature] Date: 4/9/01 Check if self-employed: [] Preparer's SSN or PTIN: P00216333 Firm's name: THOMAS HOWELL FERGUSON P.A. Address: 2120 KILLARNEY WAY TALLAHASSEE, FL 32308 EIN: 59-3186310 Phone no: 850-668-8100

Schedule A Cost of Goods Sold (see page 16 of the instructions)

1	Inventory at beginning of year	1	178,444.
2	Purchases	2	1,035,608.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	87,019.
6	Total. Add lines 1 through 5	6	1,301,071.
7	Inventory at end of year	7	131,196.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	1,169,875.

- 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 type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ | | | |
| 2 Refer to the list on pages 29 through 31 of the instructions and state the corporation's principal:
(a) Business activity ▶ <u>RETAIL</u> (b) Product or service ▶ <u>COMMUN. SERVICES</u> | | | |
| 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 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"/> | | | |
| 6 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. ▶ <input type="checkbox"/> | | | |
| 7 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 17 of the instructions) . . . ▶ \$ | | | |
| 8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 18 of the instructions) . . . ▶ <input type="checkbox"/> | | | |

*Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

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

(a) Pro rata share items		(b) Total amount	
1	Ordinary income (loss) from trade or business activities (page 1, line 21)	1	128,769.
2	Net income (loss) from rental real estate activities (attach Form 8825)	2	
3a	Gross income from other rental activities 3a		
b	Expenses from other rental activities (attach schedule) 3b		
c	Net income (loss) from other rental activities. Subtract line 3b from line 3a 3c		
4	Portfolio income (loss):		
a	Interest income STMT. 2. 4a		2,052.
b	Ordinary dividends 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)):		
(1)	28% rate gain (loss) ▶	(2)	Total for year ▶ 4e(2)
f	Other portfolio income (loss) (attach schedule) 4f		
5	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797) 5		
6	Other income (loss) (attach schedule) 6		

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

	(a) Pro rata share items	(b) Total amount
Deductions	7 Charitable contributions (attach schedule) STMT. 3.	7 2,736.
	8 Section 179 expense deduction (attach Form 4562)	8
	9 Deductions related to portfolio income (loss) (itemize)	9
	10 Other deductions (attach schedule)	10
Investment Interest	11a Interest expense on investment debts	11a
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1) 2,052.
	(2) Investment expenses included on line 9 above	11b(2)
Credits	12a Credit for alcohol used as a fuel (attach Form 6478)	12a
	b Low-income housing credit:	
	(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	
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a 351.
	b Adjusted gain or loss	14b
	c Depletion (other than oil and gas)	14c
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)
	e Other adjustments and tax preference items (attach schedule)	14e
Foreign Taxes	15a Name of foreign country or U.S. possession ▶ -----	
	b Gross income sourced at shareholder level	15b
	c Foreign gross income sourced at corporate level:	
	(1) Passive	15c(1)
	(2) Listed categories (attach schedule)	15c(2)
	(3) General limitation	15c(3)
	d Deductions allocated and apportioned at shareholder level:	
	(1) Interest expense	15d(1)
	(2) Other	15d(2)
	e Deductions allocated and apportioned at corporate level to foreign source income:	
	(1) Passive	15e(1)
(2) Listed categories (attach schedule)	15e(2)	
(3) General limitation	15e(3)	
f Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15f	
g Reduction in taxes available for credit and gross income from all sources (attach schedule)	15g	
Other	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 STMT. 3.	19 5,289.
	20 Total property distributions (including cash) other than dividends reported on line 22 below	20 153,500.
	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, 15f, and 16b	23 128,085.

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		140.		140.
2a Trade notes and accounts receivable	244,051.		323,795.	
b Less allowance for bad debts		244,051.		323,795.
3 Inventories		178,444.		131,196.
4 U.S. Government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STMT 4	13,798.		21,017.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)	STMT 4	7,530.		-11,722.
10a Buildings and other depreciable assets	845,383.		963,883.	
b Less accumulated depreciation	246,653.	598,730.	335,466.	628,417.
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)	9,014.		9,014.	
b Less accumulated amortization	5,952.	3,062.	7,760.	1,254.
14 Other assets (attach schedule)	STMT 4	121,192.		148,971.
15 Total assets		1,166,947.		1,243,068.
Liabilities and Shareholders' Equity				
16 Accounts payable		124,368.		82,659.
17 Mortgages, notes, bonds payable in less than 1 year		19,790.		NONE
18 Other current liabilities (attach schedule)	STMT 4	108,450.		184,315.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		896,446.		938,483.
21 Other liabilities (attach schedule)	STMT 4	311,390.		355,035.
22 Capital stock		1,000.		1,000.
23 Additional paid-in capital		19,481.		19,481.
24 Retained earnings		48,248.		24,321.
25 Adjustments to shareholders' equity (attach schedule)				
26 Less cost of treasury stock		(362,226.)		(362,226.)
27 Total liabilities and shareholders' equity		1,166,947.		1,243,068.

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	129,573.	5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize)		a Tax-exempt interest	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15f, and 16b (itemize):		6 Deductions included on Schedule K, lines 1 through 11a, 15f, and 16b, not charged against book income this year (itemize):	
a Depreciation		a Depreciation	6,777.
b Travel and entertainment	218.	SEE STATEMENT 6	
SEE STATEMENT 6	5,071.	7 Add lines 5 and 6	6,777.
4 Add lines 1 through 3	134,862.	8 Income (loss) (Schedule K, line 23)	
		Line 4 less line 7	128,085.

Schedule M-2

Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 27 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	54,358.	-6,110.	
2 Ordinary income from page 1, line 21	128,769.		
3 Other additions SEE STATEMENT 6.	8,829.		
4 Loss from page 1, line 21	()		
5 Other reductions SEE STATEMENT 6.	(6,030.)	(1,995.)	SEE STATEMENT 6
6 Combine lines 1 through 5	185,926.	-8,105.	
7 Distributions other than dividend distributions	153,500.		
8 Balance at end of tax year Subtract line 7 from line 6	32,426.	-8,105.	

Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Attachment
Sequence No. **67**

Name(s) shown on return

Identifying number

BUSINESS COMMUNICATIONS INC

59-2740313

Business or activity to which this form relates

GENERAL DEPRECIATION AND AMORTIZATION

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.

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1
2	Total cost of section 179 property placed in service. See page 2 of the instructions	2
3	Threshold cost of section 179 property before reduction in limitation	3
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5
6	(a) Description of property	(c) Elected cost
7	Listed property. Enter amount from line 27	7
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction. Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from 1999. See page 3 of the instructions	10
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12
13	Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12	13

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 2000 Tax Year (Do not include listed property.)

Section 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 3 of the instructions

Section B - General Depreciation System (GDS) (See page 3 of the instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property		93,202.	5.000	HY	200DB	18,640.
c 7-year property		3,724.	7.000	HT	200DB	532
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions.)

16a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part III Other Depreciation (Do not include listed property.) (See page 5 of the instructions.)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17
18 Property subject to section 168(f)(1) election	18
19 ACRS and other depreciation	19

Part IV Summary (See page 6 of the instructions.)

20 Listed property. Enter amount from line 26	20
21 Total. Add deductions from line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

Table with columns for property type, date placed in service, business/investment use percentage, cost, basis for depreciation, recovery period, method/convention, depreciation deduction, and elected section 179 cost. Includes rows 24 and 25 for qualified business use percentages.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns for Vehicle 1 through 6 and rows for miles driven (28-31) and availability questions (32-34).

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons. See page 8 of the instructions.

Table for Section C with columns for Yes/No and rows 35-39 regarding policy statements and requirements.

Part VI Amortization

Table for Section VI with columns for description of costs, date amortization begins, amortizable amount, code section, amortization period, and amortization for this year. Includes rows 40-42.

Election to Catch-up Depreciation Using Correct Mid-Quarter Convention

Business Communications, Inc.
 831 North Monroe Street
 Tallahassee, FL 32303

Identification Number: 59-2740313

Tax Year End: 12/31/2000

The taxpayer hereby elects to catch-up depreciation based upon the correct mid-quarter convention for the following 1998 assets:

Description	Old Convention	Correct Convention	Cost	Accumulated Depreciation Old Convention	Accumulated Depreciation Correct Convention	Difference
Equipment	4 th Qtr	1 st Qtr	\$ 1,116	\$ 734	\$ 855	\$ 121
Equipment	4 th Qtr	1 st Qtr	157	103	120	17
Equipment	4 th Qtr	1 st Qtr	3,783	2,489	2,898	409
Equipment	4 th Qtr	1 st Qtr	12	8	9	1
Equipment	4 th Qtr	1 st Qtr	108	71	83	12
Equipment	4 th Qtr	1 st Qtr	1,990	1,309	1,524	215
Equipment	4 th Qtr	1 st Qtr	842	554	645	91
Equipment	4 th Qtr	1 st Qtr	120	79	92	13
Equipment	4 th Qtr	1 st Qtr	436	287	334	47
Equipment	4 th Qtr	1 st Qtr	1,513	996	1,159	163
Equipment	4 th Qtr	3 rd Qtr	1,927	1,144	1,337	193
Equipment	4 th Qtr	3 rd Qtr	3,000	1,782	2,082	300
Furniture	4 th Qtr	1 st Qtr	20,490	10,036	9,514	-522
Total						\$ 1,060

The total additional depreciation expense for the year ended December 31, 2000 is \$1,060.

Application for Automatic Extension of Time To File Corporation Income Tax Return

OMB No. 1545-0233

Name of corporation **BUSINESS COMMUNICATIONS, INC.** Employer identification number **59-2740313**

Number, street, and room or suite no. (If a P.O. box or outside the United States, see instructions.)
831 NORTH MONROE STREET

City or town, state, and ZIP code
TALLAHASSEE FL 32303

- Check type of return to be filed:
- | | | | |
|--------------------------------------|--|---|--|
| <input type="checkbox"/> Form 990-C | <input type="checkbox"/> Form 1120-FSC | <input type="checkbox"/> Form 1120-PC | <input checked="" type="checkbox"/> Form 1120S |
| <input type="checkbox"/> Form 1120 | <input type="checkbox"/> Form 1120-H | <input type="checkbox"/> Form 1120-POL | <input type="checkbox"/> Form 1120-SF |
| <input type="checkbox"/> Form 1120-A | <input type="checkbox"/> Form 1120-L | <input type="checkbox"/> Form 1120-REIT | |
| <input type="checkbox"/> Form 1120-F | <input type="checkbox"/> Form 1120-ND | <input type="checkbox"/> Form 1120-RIC | |

• Form 1120-F filers: Check here if the foreign corporation does not maintain an office or place of business in the United States

1 Request for Automatic Extension (see instructions)

- a Extension date.** I request an automatic 6-month (or, for certain corporations, 3-month) extension of time until September 17, 2001, to file the income tax return of the corporation named above for calendar year 2000 or tax year beginning _____, _____, and ending _____, 20____
- b Short tax year.** If this tax year is for less than 12 months, check reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

2 Affiliated group members (see instructions). If this application also covers subsidiaries to be included in a consolidated return, provide the following information:

Name and address of each member of the affiliated group	Employer identification number	Tax period

3 Tentative tax (see instructions)	3	NONE
4 Payments and refundable credits: (see instructions)		
a Overpayment credited from prior year	4a	
b Estimated tax payments for the tax year	4b	
c Less refund for the tax year applied for on Form 4466	4c ()	
	Bal ▶	
e Credit for tax paid on undistributed capital gains (Form 2439)	4d	
f Credit for Federal tax on fuels (Form 4136)	4e	
	4f	
5 Total. Add lines 4d through 4f (see instructions)	5	NONE
6 Balance due. Subtract line 5 from line 3. Deposit this amount using the Electronic Federal Tax Payment System (EFTPS) or with a Federal Tax Deposit (FTD) Coupon (see instructions)	6	NONE

Signature Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to the best of my knowledge and belief, the statements made are true, correct, and complete.

[Signature] CPA (Signature of officer or agent) CPA (Title) 3/12/01 (Date)

FORM 1120S, PAGE 1 DETAIL

LINE 5 - OTHER INCOME

ORD. INC. - NETWORK, LLC	-17,565.
ORD. INC. - UNIVERSITY CLUB COMMUNICATIONS, LLC	-1,298.
REIMBURSED EXPENSES	65,381.
OTHER INCOME	231.
PAGNET FRANCHISE TERMINATION	115,301.
VOICE MAIL CONTRACT SALES	7,749.

TOTAL	169,799.
	=====

LINE 12 - TAXES

TAXES AND LICENSES EXCLUDING INCOME TAXES

LICENSES & TAXES	13,592.
PAYROLL TAXES	80,035.

TOTAL	93,627.
	=====

LINE 19 - OTHER DEDUCTIONS

AMORTIZATION	1,808.
BANK CHARGES	7,374.
COMPUTER EXPENSE	22,237.
CONSULTING	3,299.
DUES & SUBSCRIPTIONS	2,909.
EMPLOYEE RELATIONS	5,763.
INSURANCE	19,237.
LEGAL & ACCOUNTING	23,050.
MEALS & ENTERTAINMENT	2,655.
MISCELLANEOUS EXPENSE	6,604.
OFFICE EXPENSE	20,014.
POSTAGE	7,519.
RADIOS/PAGERS	11,348.
TELEPHONE	26,940.
TOOLS	1,858.
TRAINING	15,197.
TRAVEL	15,629.
TRUCK EXPENSE	46,873.
UNIFORMS	8,428.
UTILITIES	13,798.
WORKERS COMPENSATION INSURANCE	24,241.

TOTAL	286,781.
	=====

STATEMENT 1

FORM 1120S, PAGE 2 DETAIL

SCH A, LINE 5 - OTHER COSTS

MATERIAL REPAIRS	27,367.
SUBLET SERVICE	45,558.
SHIPPING	14,094.

TOTAL	87,019.
	=====

SCH K, LINE 4A - INTEREST INCOME

OTHER INTEREST INCOME	2,017.
INTEREST INC. FROM UNIVERSITY CLUB COMMUNICATIONS, LLC	35.

TOTAL	2,052.
	=====

FORM 1120S, PAGE 3 DETAIL

SCH K, LINE 7 - CHARITABLE CONTRIBUTIONS

CONTRIBUTIONS SUBJECT TO 50% LIMITATION

VARIOUS CHARITIES	2,530.
CONTRIBUTIONS FROM NETWORX, LLC	206.

TOTAL	2,736.
	=====

SCH K, LINE 19 - NONDEDUCTIBLE EXPENSES

50% DISALLOWED FROM NETWORX, LLC	218.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,995.
MEALS & ENTERTAINMENT	2,655.
POLITICAL CONTRIBUTIONS	421.

TOTAL	5,289.
	=====

FORM 1120S, PAGE 4 DETAIL - SCH L

	BEGINNING	ENDING
LINE 6 - OTHER CURRENT ASSETS		
EMPLOYEE RECEIVABLES	258.	700.
PREPAID INSURANCE	13,540.	19,685.
PREPAID EXPENSES	NONE	632.
TOTAL	13,798.	21,017.
LINE 9 - OTHER INVESTMENTS		
INVESTMENT IN NETWORX, LLC	7,530.	-10,459.
INVESTMENT IN UCC	NONE	-1,263.
TOTAL	7,530.	-11,722.
LINE 14 - OTHER ASSETS		
DEPOSITS	4,820.	4,820.
OTHER RECEIVABLE	33,523.	22,081.
DUE FROM NETWORX	82,849.	120,516.
DUE FROM UCC	NONE	1,554.
TOTAL	121,192.	148,971.
LINE 18 - OTHER CURRENT LIABILITIES		
DUE TO BAINBRIDGE	30,826.	27,406.
CASH DEFICIT	27,616.	35,355.
ACCRUED WAGES	50,008.	28,682.
ACCRUED EXPENSES	NONE	92,872.
TOTAL	108,450.	184,315.
LINE 21 - OTHER LIABILITIES		
DEFERRED INCOME	45,532.	82,143.
SALES TAX PAYABLE	30,445.	19,412.
UNEARNED INCOME	87,205.	2,330.
DEPOSITS	148,208.	251,150.

CONTINUED ON NEXT PAGE

STATEMENT 4

FORM 1120S, PAGE 4 DETAIL - SCH L

	BEGINNING	ENDING
LINE 21 - OTHER LIABILITIES (CONT'D)		
TOTAL	311,390.	355,035.

FORM 1120S, PAGE 4 DETAIL

SCH M-1, LINE 3 - EXPENSES ON BOOKS NOT IN RETURN

NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,995.
MEALS & ENTERTAINMENT	2,655.
POLITICAL CONTRIBUTIONS	421.
TOTAL	5,071.

SCH M-1, LINE 6 - DEDUCTIONS NOT CHARGED AGAINST BOOK INCOME

INSURANCE EXPENSE	6,777.
TOTAL	6,777.

SCH M-2, LINE 3 - OTHER ADDITIONS - AAA

INTEREST INCOME	2,052.
INSURANCE DEDUCTED FOR TAX NOT BOOK	6,777.
TOTAL	8,829.

SCH M-2, LINE 5 - OTHER REDUCTIONS - AAA

CHARITABLE CONTRIBUTIONS	2,736.
50% DISALLOWED TRAVEL AND ENTERTAINMENT	218.
MEALS & ENTERTAINMENT	2,655.
POLITICAL CONTRIBUTIONS	421.
TOTAL	6,030.

SCH M-2, LINE 5 - OTHER REDUCTIONS - OAA

NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,995.
TOTAL	1,995.

PASS-THROUGH ACTIVITIES

ORDINARY INCOME ACTIVITY

NETWORK, LLC
831 N MONROE ST, TALLAHASSEE, FL 32308

FEDERAL EIN OF PASS-THROUGH ENTITY: 59-3580043

ORDINARY INCOME -17,565.
CHARITABLE CONTRIBUTIONS - CASH (50%) 206.

ADJUSTMENTS AND TAX PREFERENCE ITEMS

DEPRECIATION ADJUSTMENT ON PROPERTY IN SERVICE AFTER 1986 351.

OTHER INFORMATION

50% NONDEDUCTIBLE PORTION OF MEALS AND ENT. 218.

PASS-THROUGH ACTIVITIES

ORDINARY INCOME ACTIVITY

UNIVERSITY CLUB COMMUNICATIONS, LLC
831 N MONROE ST, TALLAHASSEE, FL 32303

FEDERAL EIN OF PASS-THROUGH ENTITY: 59-3661725

ORDINARY INCOME	-1,298.
OTHER INTEREST	35.

SHAREHOLDER SUMMARY

SH. #	SHAREHOLDER NAME	BEGINNING SHARES	OWNERSHIP PERCENTAGE
01	DOUGLAS SMITH	900.0000	75.204918
02	THOMAS W ALLEN III	100.0000	24.795082

TRANSFER OF STOCK OWNERSHIP DURING TAX YEAR
 =====

PERIOD 01: BEGINNING 01/01/2000 AND ENDING 01/05/2000 NO. OF DAYS = 5.

SHARE- HOLDER NO.	SHARES HELD AT START OF PERIOD	CHANGE IN SHARES HELD DURING PERIOD	SHARES HELD AT CLOSE OF PERIOD	PERCENT FOR THE PERIOD
01	900.0000		900.0000	1.229508
02	100.0000		100.0000	0.136612
TOTAL	1000.0000		1000.0000	

TRANSFER OF STOCK OWNERSHIP DURING TAX YEAR

PERIOD 02: BEGINNING 01/06/2000 AND ENDING 12/31/2000 NO. OF DAYS = 361

SHARE- HOLDER NO.	SHARES HELD AT START OF PERIOD	CHANGE IN SHARES HELD DURING PERIOD	SHARES HELD AT CLOSE OF PERIOD	PERCENT FOR THE PERIOD
01	900.0000	-150.0000	750.0000	73.975410
02	100.0000	150.0000	250.0000	24.658470
TOTAL	1000.0000		1000.0000	

**SCHEDULE K-1
(Form 1120S)**

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

OMB No 1545-0130

2000

▶ See separate instructions.

For calendar year 2000 or tax year

Department of the Treasury
Internal Revenue Service

beginning , 2000, and ending , 20

Shareholder's identifying number ▶ 263-57-6784

Corporation's identifying number ▶ 59-2740313

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code

DOUGLAS SMITH
3042 HAWKS GLEN
TALLAHASSEE, FL 32312

BUSINESS COMMUNICATIONS INC
831 NORTH MONROE STREET
TALLAHASSEE, FL 32303

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 75.204918 %
- B Internal Revenue Service Center where corporation filed its return ▶ ATLANTA, GA 39901
- 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 (Loss)	1	Ordinary income (loss) from trade or business activities	1 96,841.	See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	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 STMT. 1.	4a 1,543.	Sch. B, Part I, line 1
	b	Ordinary 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)
	e	Net long-term capital gain (loss):		
		(1) 28% rate gain (loss)	4e(1)	Sch. D, line 12, col. (g)
	(2) Total for year	4e(2)	Sch. D, line 12, col. (f)	
	f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of your return.)	
	5	Net section 1231 gain (loss) (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 (attach schedule) STMT. 1.	7 2,058.	Sch. A, line 15 or 16
	8	Section 179 expense deduction	8	See page 6 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	
Investment Interest	11a	Interest expense on investment debts	11a	Form 4952, line 1
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1) 1,543.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
		(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10
	b	Low-income housing credit:		Form 8581, line 10
		(1) From section 42(j)(5) partnerships 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 section 42(j)(5) partnerships 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	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	

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S. Schedule K-1 (Form 1120S) 2000

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a	Depreciation adjustment on property placed in service after 1986	264.	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b	Adjusted gain or loss		
	c	Depletion (other than oil and gas)		
	d (1)	Gross income from oil, gas, or geothermal properties		
	d (2)	Deductions allocable to oil, gas, or geothermal properties		
	e	Other adjustments and tax preference items (attach sch.)		
Foreign Taxes	15a	Name of foreign country or U.S. possession		Form 1116, Part I.
	b	Gross income sourced at shareholder level		
	c	Foreign gross income sourced at corporate level:		
	(1)	Passive		
	(2)	Listed categories (attach schedule)		
	(3)	General limitation		
	d	Deductions allocated and apportioned at shareholder level:		
	(1)	Interest expense		
	(2)	Other		
	e	Deductions allocated and apportioned at corporate level to foreign source income:		
(1)	Passive			
(2)	Listed categories (attach schedule)			
(3)	General limitation			
f	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		Form 1116, Part II	
g	Reduction in taxes available for credit and gross income from all sources (attach schedule)		See Instructions for Form 1116	
Other	16	Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	b	Amount		
	17	Tax-exempt interest income		Form 1040, line 8b
	18	Other tax-exempt income		
	19	Nondeductible expenses STMT. 2.	3,977.	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	109,800.	
	21	Amount of loan repayments for "Loans From Shareholders"		
	22	Recapture of low-income housing credit:		Form 8611, line 8
a	From section 42(j)(5) partnerships			
b	Other than on line 22a			
Supplemental Information	23	Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

FORM 1120S, SCHEDULE K-1, S/H #01 DOUGLAS SMITH

SCH K-1, LINE 4A - INTEREST INCOME

OTHER INTEREST INCOME	1,517.
OTHER INTEREST INCOME FROM PASS-THROUGH ACTIVITIES	26.

TOTAL	1,543.
	=====

SCH K-1, LINE 7 - CHARITABLE CONTRIBUTIONS

50% CASH CHARITABLE CONTRIBUTIONS	

VARIOUS CHARITIES	1,903.
50% CASH CONTRIBUTIONS FROM PASS-THROUGH ACTIVITIES	155.

TOTAL	2,058.
	=====

FORM 1120S, SCHEDULE K-1, S/H #01 DOUGLAS SMITH

=====

SCH K-1, LINE 19 - NONDEDUCTIBLE EXPENSES

50% DISALLOWED MEALS AND ENTERTAINMENT	164.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,500.
MEALS & ENTERTAINMENT	1,996.
POLITICAL CONTRIBUTIONS	317.

TOTAL	3,977.
	=====

FORM 1120S, SCHEDULE K-1, S/H #01 DOUGLAS SMITH

ORDINARY INCOME ACTIVITY

NETWORX, LLC
831 N MONROE ST, TALLAHASSEE, FL 32308
59-3580043

ORDINARY INCOME -13,210.
CHARITABLE CONTRIBUTIONS - CASH (50%) 155.

ADJUSTMENTS AND TAX PREFERENCE ITEMS

DEPRECIATION ADJUSTMENT ON PROPERTY IN SERVICE AFTER 1986 264.

OTHER INFORMATION

50% NONDEDUCTIBLE PORTION OF MEALS AND ENT. 164.

ORDINARY INCOME ACTIVITY

UNIVERSITY CLUB COMMUNICATIONS, LLC
831 N MONROE ST, TALLAHASSEE, FL 32303
59-3661725

ORDINARY INCOME -976.
OTHER INTEREST 26.

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BALANCE SHEET

Fiscal Period 12, December, 2000

== ** THIS PERIOD CURRENT YEAR ** ** THIS PERIOD LAST YEAR ** ==

ASSETS

1011-	Capital City Bank	-35355.40	-27615.83
1080-	Petty Cash	140.00	140.00
Cash on Hand		-35215.40	-27475.83
1110-	Prepaid Insurance	19684.62	13540.10
1120-	Prepaid Expenses	632.00	0.00
Prepayments		20316.62	13540.10
1310-	Trade Accounts Receivable	323795.62	244050.88
1312-	Min Lease Payment Rec.	16199.29	27541.70
1314-	A/R DWS	3423.55	6181.43
1320-	Employee Receivable	700.10	257.46
Accounts Receivable		344118.56	278031.49
1410-	Warehouse Inv. Tall	131195.73	178444.44
Inventory		131195.73	178444.44
1501-	Due<to>from Bainbridge	-27405.50	-30826.36

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BALANCE SHEET

Fiscal Period 12, December, 2000

	** THIS PERIOD	CURRENT YEAR **	** THIS PERIOD	LAST YEAR **
1502- DUC<TO>FROM NETWORK	170515.70		82849.36	
1503- DUR<TO>FROM-UCC	1554.00		0.00	
1597- EXCHANGE ACCOUNT	2458.65		-199.75	
Other Current Assets	97122.85		51823.25	
Subtotal Current Assets	557538.56		494363.45	
Long Term Assets:				
1730- Installed Equipment	76993.84		10977.34	
1735- Accum Depr - Rental Equip	-21102.00		-3823.00	
1740- Other Equipment	52128.14		30552.36	
1750- Deposits (Sec/Util)	2842.64		2542.64	
1751- Sec Dep-Lease Vehicle	375.00		375.00	
1752- SEC DEP-36MO MARLIN LEASE	1602.22		1602.22	
1760- Vehicles	165606.92		123419.54	
1770- Furniture, Fixtures&Equip.	160850.11		132925.60	
1781- INVESTMENT IN NETWORK LLC	-19459.00		0.00	
1782- INVESTMENT IN UCC	-1263.00		0.00	
1800- Building & L/H Improv.	507303.75		502626.98	
1820- Accum. Depr.	-314364.17		-224876.17	
Fixed Assets	621514.45		576522.51	
1930- Organizational Costs	1253.89		2806.93	
1931- Unamortized Discount	0.00		254.74	
Intangible Assets	1253.89		3061.67	
Subtotal Long Term Assets	622768.34		579584.10	
Total Assets	1180306.90		1073947.63	
<u>LIABILITIES & CAPITAL</u>				
Current Liabilities:				
2060- Customer Deposits/Overpay	250871.26		148208.26	
2109- Other Payables	0.00		19789.51	
2110- Trade Accounts Payable	62658.94		125198.79	
Total Payables	333530.20		293196.56	

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BALANCE SHEET

Fiscal Period 12, December, 2000

	** THIS PERIOD CURRENT YEAR **	** THIS PERIOD LAST YEAR **
2112- United Way Deductions	211.29	0.00
2113- AFLAC Ins. Deduction	775.02	-126.58
2114- Dental Ins. Deduction	160.28	-40.38
Total Employee Deductions	1146.59	-166.96
2119- FURNITURE LEASE - MARLIN	16946.15	0.00
2141- N/P GMAC-99 ASTRO (TRK 8)	16091.04	0.00
2142- N/P GMAC-2001 ASTRO (TRK9)	21607.96	0.00
2160- N/P CCB #02103653-60	70878.65	93766.43
2165- N/P CCB #021036353-63	410026.56	419054.87
2175- N/P M.P	290990.58	337844.19
2195- WASCO FUNDING CORP	111942.54	0.00
Notes Payable	938483.48	850665.49
2205- Deferred Income	0.00	45532.00
2210- Accrued Salaries & Wages	27535.53	50174.87
2220- Accrued Payables	92871.97	0.00
Accrued Liabilities	120407.50	95706.87
2320- State of FL Sales Tax	19411.77	30504.83
2340- State of GA Sales Tax	0.13	0.48
2440- State Inc. Tax Payable	0.00	-60.00
Taxes Payable	19411.90	30445.31
Total Current Liabilities	1412979.67	1269847.27
Long-Term Liabilities:		
2552- Unearned Income (Leases)	2329.77	5061.49
2553- PREPAID LEASE / DEPOSITS	279.00	0.00
2554- DEFERRED MAINT. CONT. REVNU	82143.00	82143.00
Long-Term Liabilities	84751.77	87204.49
Total Long-Term Liabilities	84751.77	87204.49
Total Liabilities	1497731.44	1357051.76
2510- Capital Stock	1000.00	1000.00
2611- Treasury Stock	-362226.00	-362226.00

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BALANCE SHEET

Fiscal Period 12, December, 2000

== ** THIS PERIOD CURRENT YEAR ** ** THIS PERIOD LAST YEAR ** ==

2620-	Paid In Capital	19481.00	19481.00
2631-	Paid In Capital-NetworX	0.00	-7500.00
2960-	Retained Earnings	-15333.69	-4115.39
2961-	Accumulated Adjustments	153581.00	153581.00
2965-	Distribution to S/H	-243500.00	-90000.00
2970-	Current Earnings	129573.15	0.00
Capital		-317424.54	-289779.39
Sub-total Capital		-317424.54	-289779.39
Total Capital		-317424.54	-289779.39
Total Liabilities & Capi.		1180306.90	1067272.37

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INCOME STATEMENT

Fiscal Period 12, December, 2000

-----THIS YEAR----- BUDGET -----LAST YEAR-----
THIS PERIOD RATIO 12 PERIODS RATIO 12 PERIODS THIS PERIOD 12 PERIODS

=====

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INCOME STATEMENT

Fiscal Period 12, December, 2000

		-----THIS YEAR-----				BUDGET	-----LAST YEAR-----	
		THIS PERIOD	RATIO	12 PERIODS	RATIO	12 PERIODS	THIS PERIOD	12 PERIODS
5625-	Life Insurance	0.00	0.00	1995.00	0.06	0.00	-1995.00	1995.00
5650-	Health Insurance	3292.01	1.19	49925.49	1.60	0.00	-41355.01	31416.56
5675-	Office Insurance	0.00	0.00	6999.50	0.22	0.00	-13558.97	13558.97
5700-	Office Supplies	2053.69	0.74	18780.48	0.60	0.00	-10584.23	12436.71
5701-	Copy/Computer Paper	0.00	0.00	156.84	0.01	0.00	-865.43	865.43
5710-	Postage	1095.23	0.40	7492.31	0.24	0.00	-5315.45	5615.01
5730-	Office Rent	0.00	0.00	0.00	0.00	0.00	1750.00	0.00
5750-	Computer Expense	-6921.34	-2.50	20610.38	0.66	0.00	-21553.19	17334.16
5850-	Legal & Accting & Consult	5017.50	1.81	22199.34	0.71	0.00	-30729.93	41582.53
5900-	Advertising	7879.52	2.84	32950.65	1.05	0.00	-7958.87	13919.73
5901-	SALES CONSULTING/SUPPORT	2500.00	0.90	2749.00	0.09	0.00	-1230.32	1230.32
5902-	REFERRAL BUCK	0.00	0.00	550.00	0.02	0.00	-550.00	550.00
6000-	Travel Expense	3503.73	1.26	14059.07	0.45	0.00	-8195.45	10055.71
6010-	Meals & Entertainment	1188.68	0.43	4428.90	0.14	0.00	-3133.12	3797.08
6025-	Employee Relations	1283.77	0.46	5763.12	0.18	0.00	-1333.31	1899.77
6050-	Taxes Other	548.41	0.20	12607.91	0.40	0.00	-9028.00	9028.00
6100-	License, Fees & Permits	-70.97	-0.03	833.91	0.03	0.00	-2329.52	2412.02
6120-	Dues & Subscr.	0.00	0.00	2909.25	0.09	0.00	-1890.00	2270.00
6130-	Equip/Storage Rental	285.50	0.10	1593.53	0.05	0.00	-740.15	1067.47
6350-	Bank Charges	647.22	0.23	7352.00	0.24	0.00	-5591.43	6673.89
6375-	Penalties	0.00	0.00	286.70	0.01	0.00	-15.00	15.00
6400-	Depreciation	33813.00	12.20	88813.00	2.84	0.00	0.00	59130.00
6401-	Amortization Expense	129.42	0.05	1807.78	0.06	0.00	-2824.25	3081.00
6450-	Interest Expense	7253.31	2.62	84561.27	2.70	0.00	-60720.69	67028.08
6500-	Uniforms	699.67	0.25	8428.49	0.27	0.00	-6624.32	7521.22
6510-	Printing Expense	0.00	0.00	171.50	0.01	0.00	-3233.45	4117.14
6525-	Training Expense	-553.08	-0.20	15196.92	0.49	0.00	-13194.18	13494.18
6550-	Tools Expense	151.70	0.05	1858.35	0.06	0.00	-3958.81	4329.07
6600-	Bldg & Lawn Maint	734.84	0.27	7885.57	0.25	0.00	-8509.70	11831.24
6700-	Misc. Other Expenses	1275.40	0.46	5176.81	0.17	0.00	-6255.91	4925.41
6900-	PAGENET-INVENTORY/EQUIP	0.00	0.00	335.00	0.01	0.00	-12500.00	12500.00
6901-	PAGENET-TRAVEL EXP	14.90	0.01	1569.61	0.05	0.00	-79.01	266.03
6902-	PAGENET-MEALS & ENT.	211.45	0.08	882.02	0.03	0.00	-353.71	534.13
6903-	PAGENET-LEGAL & ACCTNG	0.00	0.00	549.60	0.02	0.00	0.00	0.00
6908-	PAGENET-ADVERTISING	507.53	0.21	2014.62	0.06	0.00	-509.15	990.99
6909-	PAGENET-INT/SVC CHGS	0.00	0.00	21.75	0.00	0.00	0.00	0.00
6910-	PAGENET-COMPUTER SPLY	118.24	0.04	1626.24	0.05	0.00	-161.49	161.49
6911-	PAGENET-OFFICE SPLY	0.00	0.00	0.00	0.00	0.00	-26.11	45.95
6915-	PAGENET TRAINING EXP.	0.00	0.00	0.00	0.00	0.00	450.00	450.00
6927-	PAGENET-POSTAGE/COURIER	8.40	0.00	26.85	0.00	0.00	-13.25	13.25
6930-	UCC-LEGAL & ACCOUNTING	0.00	0.00	301.00	0.01	0.00	0.00	0.00
6931-	UCC-LICENSE FEES	0.00	0.00	150.00	0.00	0.00	0.00	0.00
6934-	UCC OFFICE SUPPLY	0.00	0.00	67.37	0.00	0.00	0.00	0.00
6938-	UCC- ADV/WRTG/SIGNAGE	0.00	0.00	12.20	0.00	0.00	0.00	0.00
6940-	UCC-COMPUTER/SOFTWARE	-8606.28	-3.10	240.94	0.01	0.00	0.00	0.00
8002-	service-Pensacola	1980.00	0.71	1980.00	0.06	0.00	0.00	0.00
8003-	Sales Pensacola	5075.91	2.16	9060.11	0.31	0.00	0.00	0.00
8004-	Admin-Pensacola	5464.61	1.98	26407.67	0.84	0.00	0.00	0.00

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INCOME STATEMENT

Fiscal Period 12, December, 2000

	-----THIS YEAR-----				BUDGET	-----LAST YEAR-----	
	THIS PERIOD	RATIO	12 PERIODS	RATIO		12 PERIODS	THIS PERIOD
8005- Salaries-Network	11134.99	4.02	2306.22	0.07	0.00	-47432.48	63960.18
8006- Salaries Pagenet	0.00	0.00	47030.73	1.50	0.00	-14730.72	23288.39
8009- Casual Labor	0.00	0.00	4809.90	0.15	0.00	-275.63	275.63
8010- Sales Salaries	14458.97	5.22	79650.54	2.55	0.00	-66084.59	75983.55
8011- Sales Commissions	10340.30	3.73	134610.03	4.31	0.00	-120251.15	157700.12
8012- Admin Salaries	37777.10	13.63	284431.01	9.10	0.00	-208605.69	242726.99
8013- Service Salaries	33111.81	11.95	251457.11	8.04	0.00	-163081.85	176608.42
8014- Install Salaries	26648.87	9.61	162086.68	5.18	0.00	-141213.74	162706.80
8020- Admin Salaries - OT	596.63	0.22	6045.09	0.19	0.00	-1545.56	1732.23
8021- Service Salaries - OT	1515.70	0.55	13594.83	0.43	0.00	-7650.02	8955.22
8022- Installation Sal - OT	327.69	0.12	8781.12	0.28	0.00	-8791.70	10019.83
8024- Service-PCOLA-OT	243.00	0.09	243.00	0.01	0.00	0.00	0.00
8025- Administration Commission	4880.29	1.76	34856.98	1.13	0.00	-28521.28	36990.02
8026- BONUSES	22531.22	8.13	79592.65	2.55	0.00	-42858.27	55482.72
8027- Accrued Salary & Wages	0.00	0.00	0.00	0.00	0.00	13552.00	-13552.00
8070- FICA & Medicare P/R Tax	12399.12	4.47	80320.02	2.57	0.00	-61915.00	73252.24
8071- FUTA Tax Expense	201.60	0.07	1001.10	0.03	0.00	1013.29	2154.38
8072- SUTA Tax Expense	-138.19	-0.05	-1285.72	-0.04	0.00	-359.64	460.61
8073- Income Tax Expense	0.00	0.00	0.00	0.00	0.00	-4867.00	4867.00
8090- Worker's Compensation	1220.36	0.44	24241.15	0.76	0.00	-6584.63	8157.63
8091- 401(k) Match Expense	1021.95	0.37	7077.11	0.23	0.00	-4572.53	5422.23
9800- Discounts Allowed	0.00	0.00	0.00	0.00	0.00	3.00	-3.00
9850- Bad Debts	3409.66	1.23	15162.14	0.48	0.00	-1864.60	1864.60
9900- Donations	50.00	0.02	2530.00	0.08	0.00	445.76	21804.40
9901- POLITICAL CONTRIBUTIONS	0.00	0.00	429.93	0.01	0.00	799.00	799.00
Total Overhead	261996.40	94.52	1826930.63	58.44	0.00	-1287538.14	1589140.69
Net Profit	-93898.33	-35.68	129573.15	4.14	0.00	-173836.63	6675.26

Department of the Treasury Internal Revenue Service

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

For calendar year 1999, or tax year beginning and ending

Header section containing: Effective date of election as an S corporation (02/19/1997), Business code (513300), Name (BUSINESS COMMUNICATIONS INC), Address (831 NORTH MONROE STREET, TALLAHASSEE, FL 32303), Employer identification number (59-2740313), and Date incorporated (12/01/1986).

Check applicable boxes: (1) Initial return, (2) Final return, (3) Change in address, (4) Amended return. 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 page 10 of the instructions for more information.

Main table with columns for Income, Deductions, and Tax and Payments. Rows include: 1a Gross receipts or sales (2,432,028), 2 Cost of goods sold (960,950), 3 Gross profit (1,471,078), 4 Net gain (loss) (SEE STATEMENT 1), 5 Other income (loss) (SEE STATEMENT 1), 6 Total income (loss) (1,581,284), 7-20 Deductions (SEE STATEMENT 1), 21 Ordinary income (loss) (24,158), 22-27 Tax and Payments (261,519).

Please Sign Here: Under penalties of perjury I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature and Preparer information: Signature of officer (James A. Ferguson), Date (4/17/00), Title, Preparer's signature (James A. Ferguson), Date (4/17/00), Check if self-employed, Preparer's SSN (261-91-1328), Firm's name (THOMAS HOWELL FERGUSON P.A.), Address (2120 KILLARNEY WAY, TALLAHASSEE, FL), ZIP code (32308).

Schedule A Cost of Goods Sold (see page 15 of the instructions)

1	Inventory at beginning of year	1	51,94
2	Purchases	2	1,025,37
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	62,06
6	Total. Add lines 1 through 5	6	1,139,39
7	Inventory at end of year	7	178,44
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	960,95

- 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
- 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 type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) _____		
2 Refer to the list on pages 26 through 28 of the instructions and state the corporation's principal: (a) Business activity <u>RETAIL</u> (b) Product or service <u>COMMUN. SERVICES</u>		
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		<input checked="" type="checkbox"/>
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?	<input checked="" type="checkbox"/>	
5 At any time during calendar year 1999, 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 15 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country _____		<input checked="" type="checkbox"/>
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520. See page 15 of the instructions.		<input checked="" type="checkbox"/>
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 15 of the instructions) _____		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 15 of the instructions) <input checked="" type="checkbox"/>		

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

Table with columns: (a) Pro rata share items, (b) Total amount. Rows include Income (Loss), Deductions, Investment Interest, Credits, Adjustments and Tax Preference Items, Foreign Taxes, and Other. Includes handwritten entries like 'STMT. 3' and 'STMT. 4'.

Schedule L

Balance Sheets per Books

Beginning of tax year

End of tax year

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		-1,892.		14
2 a Trade notes and accounts receivable	269,386.		244,051.	
b Less allowance for bad debts		269,386.		244,05
Inventories		51,949.		178,44
4 U.S. Government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STMT 5	201.		13,79
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)	STMT 5	NONE		7,53
10 a Buildings and other depreciable assets	721,188.		845,383.	
b Less accumulated depreciation	168,769.	552,419.	246,653.	598,73
11 a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13 a Intangible assets (amortizable only)	9,014.		9,014.	
b Less accumulated amortization	2,872.	6,142.	5,952.	3,06
14 Other assets (attach schedule)	STMT 5	24,625.		121,19
15 Total assets		902,830.		1,166,94
Liabilities and Shareholders' Equity				
16 Accounts payable		49,275.		124,368
17 Mortgages, notes, bonds payable in less than 1 year		20,762.		19,790
18 Other current liabilities (attach schedule)	STMT 5	25,919.		108,450
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		916,920.		896,446
21 Other liabilities (attach schedule)	STMT 5	82,233.		311,390
22 Capital stock		1,000.		1,000
23 Additional paid-in capital		19,481.		19,481
Retained earnings		149,466.		48,248
Adjustments to shareholders' equity (attach schedule)				
26 Less cost of treasury stock		(362,226.)		(362,226
27 Total liabilities and shareholders' equity		902,830.		1,166,947

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	-11,218.	5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize)		a Tax-exempt interest	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15a, and 16b (itemize):		6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a Depreciation		a Depreciation	13,540
b Travel and entertainment	10,481.	SEE STATEMENT 6	
4 Add lines 1 through 3	-737.	7 Add lines 5 and 6	13,540
		8 Income (loss) (Schedule K, line 23)	
		Line 4 less line 7	-14,277

Schedule M-2

Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders Undistributed Taxable Income Previously Taxed (see page 24 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders undistributed taxable income previously taxed
1 Balance at beginning of tax year	153,581.	-4,115.	
2 Ordinary income from page 1, line 21	24,158.		
Other additions	15,909.		
Less from page 1, line 21	()		
5 Other reductions	(49,290.)	(1,995.)	SEE STATEMENT
6 Combine lines 1 through 5	144,358.	-6,110.	
7 Distributions other than dividend distributions	90,000.		
8 Balance at end of tax year Subtract line 7 from line 6	54,358.	-6,110.	

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99)

See separate instructions.

Attach this form to your return.

Attachment Sequence No 67

Name(s) shown on return

Identifying number

59-2740313

BUSINESS COMMUNICATIONS INC

Business or activity to which this form relates

GENERAL DEPRECIATION AND AMORTIZATION

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.)

Table with 13 rows for Section 179 election. Columns include line number, description, and amount. Total elected cost is 19,000.

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 1999 Tax Year (Do Not Include Listed Property.)

Section 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 3 of the instructions.

Section B - General Depreciation System (GDS) (See page 3 of the instructions.)

Table for Section B (GDS) with columns for classification, month/year placed in service, basis, recovery period, convention, method, and depreciation deduction.

Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions.)

Table for Section C (ADS) with columns for class life, recovery period, convention, and method.

Part III Other Depreciation (Do Not Include Listed Property.) (See page 5 of the instructions.)

Table with 3 rows for Part III: 17 GDS and ADS deductions, 18 Property subject to section 168(f)(1) election, 19 ACRS and other depreciation.

Part IV Summary (See page 6 of the instructions.)

Table with 3 rows for Part IV: 20 Listed property, 21 Total, 22 For assets shown above and placed in service during the current year.

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed?		Yes	No	23b If "Yes," is the evidence written?		Yes			
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
24 Property used more than 50% in a qualified business use (See page 6 of the instructions):									
		%							
		%							
		%							
25 Property used 50% or less in a qualified business use (See page 6 of the instructions.):									
		%				S/L -			
		%				S/L -			
		%				S/L -			
26 Add amounts in column (h). Enter the total here and on line 20, page 1.							26		
27 Add amounts in column (i). Enter the total here and on line 7, page 1.								27	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
28 Total business/investment miles driven during the year (DO NOT include commuting miles - see page 1 of the instructions)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 8 of the instructions.		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1999 tax year					
41 Amortization of costs that began before 1999				41	3, C
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return				42	3, C

FORM 1120S, PAGE 1 DETAIL

LINE 5 - OTHER INCOME

ORD. INC. - NETWORX, LLC	33
REIMBURSED EXPENSES	97,13
OTHER INCOME	12,73

TOTAL	110,20
	=====

LINE 12 - TAXES

TAXES AND LICENSES EXCLUDING INCOME TAXES	

LICENSES & TAXES	11,09
PAYROLL TAXES	75,867
STATE TAX	

TOTAL	86,961
	=====

LINE 19 - OTHER DEDUCTIONS

AMORTIZATION	3,081
BANK CHARGES	6,674
COMPUTER EXPENSE	17,496
CONSULTING	1,780
CONTRACT LABOR	14,660
DUES & SUBSCRIPTIONS	2,270
EMPLOYEE RELATIONS	1,900
INSURANCE	23,637
LEGAL & ACCOUNTING	41,583
MEALS & ENTERTAINMENT	2,165
MISCELLANEOUS EXPENSE	4,935
OFFICE EXPENSE	13,392
POSTAGE	5,628
PRINTING	4,117
RADIOS/PAGERS	11,809
TELEPHONE	18,958
TOOLS	4,329
TRAINING	13,944
TRAVEL	10,322
TRUCK EXPENSE	32,481
UNIFORMS	7,521
UTILITIES	10,673
WORKERS COMPENSATION INSURANCE	8,156

TOTAL	261,519
	=====

FORM 1120S, PAGE 2 DETAIL

SCH A, LINE 5 - OTHER COSTS:

WARRANTY COSTS

62,060

TOTAL

62,060

FORM 1120S, PAGE 3 DETAIL

SCH K, LINE 7 - CHARITABLE CONTRIBUTIONS

CONTRIBUTIONS SUBJECT TO 50% LIMITATION

VARIOUS CHARITIES

TOTAL

21,80

21,80

=====

FORM 1120S, PAGE 3 DETAIL

SCH K, LINE 19 - NONDEDUCTIBLE EXPENSES

NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,993
MEALS & ENTERTAINMENT	2,166
PENALTIES	346
POLITICAL CONTRIBUTIONS	799
FEDERAL INCOME TAX	4,861
OTHER EXPENSES FROM NETWORKX, LLC	308
TOTAL	10,481

FORM 1120S, PAGE 4 DETAIL - SCH L

	BEGINNING	ENDING
LINE 6 - OTHER CURRENT ASSETS		
EMPLOYEE RECEIVABLES	201.	250
PREPAID INSURANCE	NONE	13,540
TOTAL	201.	13,790
LINE 9 - OTHER INVESTMENTS		
INVESTMENT IN NETWORX, LLC	NONE	7,530
TOTAL	NONE	7,530
LINE 14 - OTHER ASSETS		
DEPOSITS	4,593.	4,820
OTHER RECEIVABLE	20,032.	33,523
DUE FROM NETWORX	NONE	82,849
TOTAL	24,625.	121,192
LINE 18 - OTHER CURRENT LIABILITIES		
ACCOUNTS PAYABLE DWS	61.	NONE
DUE TO BAINBRIDGE	25,368.	30,826
TAXES PAYABLE	490.	NONE
CASH DEFICIT	NONE	27,616
ACCRUED WAGES	NONE	50,000
TOTAL	25,919.	108,450
LINE 21 - OTHER LIABILITIES		
INSURANCE PAYABLE	47.	NONE
DEFERRED INCOME	46,184.	45,530
SALES TAX PAYABLE	18,805.	30,440
UNEARNED INCOME	4,403.	87,200
DEPOSITS	12,794.	148,200
TOTAL	82,233.	311,390

FORM 1120S, PAGE 4 DETAIL

SCH M-1, LINE 3 - EXPENSES ON BOOKS NOT IN RETURN

NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,995
MEALS & ENTERTAINMENT	2,166
PENALTIES	346
POLITICAL CONTRIBUTIONS	799
FEDERAL INCOME TAX	4,867
NONDEDUCTIBLE EXPENSES FROM PASS-THROUGH ACTIVITIES	308
TOTAL	10,481

SCH M-1, LINE 6 - DEDUCTIONS NOT CHARGED AGAINST BOOK INCOME

INSURANCE EXPENSE	13,540
TOTAL	13,540

SCH M-2, LINE 3 - OTHER ADDITIONS - AAA

INTEREST INCOME	2,369
INSURANCE DEDUCTED FOR TAX NOT BOOK	13,540
TOTAL	15,909

SCH M-2, LINE 5 - OTHER REDUCTIONS - AAA

CHARITABLE CONTRIBUTIONS	21,804
SECTION 179 EXPENSE	19,000
MEALS & ENTERTAINMENT	2,166
PENALTIES	346
POLITICAL CONTRIBUTIONS	799
FEDERAL INCOME TAX	4,867
NONDEDUCTIBLE EXPENSES FROM PASS-THROUGH	308
TOTAL	49,290

SCH M-2, LINE 5 - OTHER REDUCTIONS - OAA

NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,995
TOTAL	1,995

PASS-THROUGH ACTIVITIES

=====

ORDINARY INCOME ACTIVITY

NETWORX, LLC
831 N MONROE ST, TALLAHASSEE, FL 32308

FEDERAL EIN OF PASS-THROUGH ENTITY: 59-3580043

ORDINARY INCOME 338

OTHER INFORMATION

OTHER NONDEDUCTIBLE EXPENSES 308

SHAREHOLDER SUMMARY

SH. #	SHAREHOLDER NAME	BEGINNING SHARES	OWNERSHIP PERCENTAGE
01	DOUGLAS SMITH	900.0000	90.000000
02	THOMAS W ALLEN III	100.0000	10.000000

Department of the Treasury Internal Revenue Service

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

For calendar year 1998, or tax year beginning and ending

Header section containing: A Effective date of election as an S corporation (02/19/97), B NEW bus. code no. (513300), C Employer identification number (59-2740313), D Date incorporated (12/01/1986), E Total assets (902,830), F Check applicable boxes (Change in address checked), G Enter number of shareholders.

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

Main table with columns for line numbers, descriptions, and amounts. Rows include: 1a Gross receipts or sales (2,377,288), 2 Cost of goods sold (973,354), 3 Gross profit (1,403,934), 4 Net gain (loss) from Form 4797, Part II, line 18, 5 Other income (loss), 6 Total income (loss) (1,405,200), 7-19 Deductions (SEE STATEMENT 1), 20 Total deductions (1,180,221), 21 Ordinary income (loss) from trade or business activities (224,979), 22 Tax: a Excess net passive income tax, b Tax from Schedule D (4,867), 23 Payments: a 1998 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 (4,867), 26 Overpayment, 27 Enter amount of line 26 you want credited to 1999 estimated tax.

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: THWS 15-11-99, Date: 15-11-99, Title: PRESIDENT.

Preparer's information section: Preparer's signature (James A. Gray), Date (5/11/99), Check if self-employed, Preparer's social security number (261-91-1328), Firm's name (THOMAS HOWELL FERGUSON P.A.), Firm's address (2120 KILLARNEY WAY, TALLAHASSEE, FL), ZIP code (32308).

Schedule A Cost of Goods Sold (see page 15 of the instructions)

1	Inventory at beginning of year	1	69,15
2	Purchases	2	947,37
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	8,79
6	Total. Add lines 1 through 5	6	1,025,30
7	Inventory at end of year	7	51,94
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	973,35

- 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 type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list on pages 26 through 28 of the instructions and state the corporation's principal: (a) Business activity ▶ <u>RETAIL</u> (b) Product or service ▶ <u>COMMUN. SERVICES</u>		
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 1998, 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 15 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 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520. See page 15 of the instructions.		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. If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. ▶ <input type="checkbox"/>		
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 15 of the instructions) ▶		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 16 of the instructions) ▶ <input checked="" type="checkbox"/>		

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

		(a) Pro rata share items	(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)	1	224,97
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a	Gross income from other rental activities	3a	
	3b	Expenses from other rental activities (attach schedule)	3b	
	3c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4	Portfolio income (loss):		
	4a	Interest income	4a	5,829
	4b	Ordinary dividends	4b	
	4c	Royalty income	4c	
	4d	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4d	
Deductions	4e(1)	Net long-term capital gain (loss) (attach Schedule D (Form 1120S)):	4e(1)	
	4e(2)	(1) 28% rate gain (loss) (2) Total for year	4e(2)	
	4f	Other portfolio income (loss) (attach schedule)	4f	
	5	Net section 1231 gain (other than due to casualty or theft) (attach Form 4797) STMT 3	5	5,042
	6	Other income (loss) (attach schedule)	6	
	7	Charitable contributions (attach schedule)	7	917
Investment Interest	8	Section 179 expense deduction (attach Form 4562)	8	
	9	Deductions related to portfolio income (loss) (itemize)	9	
Credits	10	Other deductions (attach schedule)	10	
	11a	Interest expense on investment debts	11a	
	11b(1)	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	5,829
	11b(2)	(2) Investment expenses included on line 9 above	11b(2)	
	12a	Credit for alcohol used as a fuel (attach Form 6478)	12a	
	12b(1)	Low-income housing credit:	12b(1)	
	12b(2)	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12b(2)	
	12b(3)	(2) Other than on line 12b(1) for property placed in service before 1990	12b(3)	
	12b(4)	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b(4)	
	12c	(4) Other than on line 12b(3) for property placed in service after 1989	12c	
Adjustments and Tax Preference Items	12d	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12d	
	12e	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12e	
	12f	Credits related to other rental activities	12f	
	13	Other credits	13	
	14a	Depreciation adjustment on property placed in service after 1986	14a	
	14b	Adjusted gain or loss	14b	
Foreign Taxes	14c	Depletion (other than oil and gas)	14c	
	14d(1)	(1) Gross income from oil, gas, or geothermal properties	14d(1)	
	14d(2)	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	14e	Other adjustments and tax preference items (attach schedule)	14e	
	15a	Type of income	15a	
	15b	Name of foreign country or U.S. possession	15b	
	15c	Total gross income from sources outside the United States (attach schedule)	15c	
Other	15d	Total applicable deductions and losses (attach schedule)	15d	
	15e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	15f	Reduction in taxes available for credit (attach schedule)	15f	
	15g	Other foreign tax information (attach schedule)	15g	
	16a	Section 59(e)(2) expenditures: a Type	16a	
	16b	b Amount	16b	
	17	Tax-exempt interest income	17	
	18	Other tax-exempt income	18	
	19	Nondeductible expenses STMT 4	19	4,114
	20	Total property distributions (including cash) other than dividends reported on line 22 below	20	157,788
21	Other items and amounts required to be reported separately to shareholders (attach schedule)	21		
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 15b	23	234,933	

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		185,763.		-1.
2a Trade notes and accounts receivable	61,718.		269,386.	
b Less allowance for bad debts		61,718.		269.
3 Inventories		69,138.		51.
4 U.S. Government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STMT 5	NONE		
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets	249,379.		721,188.	
b Less accumulated depreciation	197,459.	51,920.	168,769.	552,4
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)	NONE		9,014.	
b Less accumulated amortization		NONE	2,872.	6,1
14 Other assets (attach schedule)	STMT 5	52,290.		24,6
15 Total assets		420,829.		902,8
Liabilities and Shareholders' Equity				
16 Accounts payable		29,681.		49,27
Mortgages, notes, bonds payable in less than 1 year		39,308.		20,76
18 Other current liabilities (attach schedule)	STMT 5	653.		25,91
19 Loans from shareholders		39,056.		NO
Mortgages, notes, bonds payable in 1 year or more		14,740.		916,92
21 Other liabilities (attach schedule)	STMT 5	13,907.		82,23
22 Capital stock		1,000.		1,00
23 Additional paid-in capital		19,481.		19,48
Retained earnings		382,177.		149,46
25 Adjustments to shareholders' equity (attach schedule)				
26 Less cost of treasury stock		(119,174.)		(362,22)
27 Total liabilities and shareholders' equity		420,829.		902,83

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	235,686.	5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize)		a Tax-exempt interest	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize)		6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a Depreciation		a Depreciation	SEE STATEMENT 6 4,857
b Travel and entertainment	SEE STATEMENT 6 4,114.	7 Add lines 5 and 6	4,857
4 Add lines 1 through 3	239,800.	8 Income (loss) (Schedule K, line 23)	
		Line 4 less line 7	234,955

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 24 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	384,297.	-2,120.	
Ordinary income from page 1, line 21	224,979.		
Other additions	SEE STATEMENT 6 10,871.		
Loss from page 1, line 21	()		
5 Other reductions	SEE STATEMENT 6 (308,778.)	(1,995.)	SEE STATEMENT 6
6 Combine lines 1 through 5	311,369.	-4,115.	
7 Distributions other than dividend distributions	157,788.		
8 Balance at end of tax year. Subtract line 7 from line 6	153,581.		

**SCHEDULE D
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses and Built-In Gains

▶ Attach to Form 1120S.

▶ See separate instructions.

OMB No. 1545-

1998

Name

Employer identification number

BUSINESS COMMUNICATIONS INC

59-2740313

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for entire year ((d) less (e))
1					
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37				2
3	Short-term capital gain or (loss) from like-kind exchanges from Form 8824				3
4	Combine lines 1 through 3 in column (f) and enter here				4
5	Tax on short-term capital gain included on line 32 below				5 ()
6	Net short-term capital gain or (loss). Combine lines 4 and 5. Enter here and on Form 1120S, Schedule K, line 4d or 6				6

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for entire year ((d) minus (e))	(g) 28% rate gain or (loss) *(see instr. below)
7						
8	Long-term capital gain from installment sales from Form 6252, line 26 or 37				8	
9	Long-term capital gain or (loss) from like-kind exchanges from Form 8824				9	
10	Combine lines 7 through 9 in column (f) and enter here				10	
11	Tax on long-term capital gain included on lines 24 and 32 below				11 () ()	
12	Combine lines 7 through 11 in column (g). Enter here and on Form 1120S, Schedule K, line 4e(1) or 6				12	
13	Net long-term capital gain or (loss). Combine lines 10 and 11 in column (f). Enter here and on Form 1120S, Schedule K, line 4e(2) or 6				13	

* 28% rate gain or (loss) includes ALL "collectibles gains and losses" (as defined in the instructions).

Part III Capital Gains Tax (See instructions before completing this part.)

14	Enter section 1231 gain from Form 4797, line 9, column (g)	14
15	Net long-term capital gain or (loss). Combine lines 10 and 14 <i>Note: If the corporation is liable for the excess net passive income tax (Form 1120S, page 1, line 22a) or the built-in gains tax (Part IV below), see the line 16 instructions before completing line 16.</i>	15
16	Net capital gain. Enter excess of net long-term capital gain (line 15) over net short-term capital loss (line 4)	16
17	Statutory minimum	17
18	Subtract line 17 from line 16	18
19	Enter 34% of line 18	19
20	Taxable income (attach computation schedule)	20
21	Enter tax on line 20 amount (attach computation schedule)	21
22	Net capital gain from substituted basis property (attach computation schedule)	22
23	Enter 35% of line 22	23
24	Tax. Enter the smallest of line 19, 21, or 23 here and on Form 1120S, page 1, line 22b	24

Part IV Built-In Gains Tax (See instructions before completing this part.)

25	Excess of recognized built-in gains over recognized built-in losses (attach computation schedule)	25
26	Taxable income (attach computation schedule)	26
27	Net recognized built-in gain. Enter smallest of line 25, line 26, or line 9 of Schedule B	27
28	Section 1374(b)(2) deduction	28
29	Subtract line 28 from line 27. If zero or less, enter -0- here and on line 32	29
30	Enter 35% of line 29	30
31	Business credit and minimum tax credit carryforwards under section 1374(b)(3) from C corporation years	31
32	Tax. Subtract line 31 from line 30 (if zero or less, enter -0-). Enter here and on Form 1120S, page 1, line 22b	32

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.

Attachment Sequence No. 67 Identifying number

59-2740313

BUSINESS COMMUNICATIONS INC

Business or activity to which this form relates

GENERAL DEPRECIATION AND AMORTIZATION

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.)

Table with 13 rows for Part I calculations, including lines 1-13 for maximum dollar limitation, total cost, threshold, reduction, and carryover.

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 1998 Tax Year (Do Not Include Listed Property.)

Section 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 3 of the instructions

Section B - General Depreciation System (GDS) (See page 3 of the instructions.)

Table for Section B 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. Includes rows for 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year property and residential/nonresidential real property.

Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions.)

Table for Section C with columns (a) Class life, (b) 12-year, (c) 40-year, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction.

Part III Other Depreciation (Do Not Include Listed Property. (See page 6 of the instructions.)

Table for Part III with rows 17-19 for GDS and ADS deductions, section 162(f)(1) election, and ACRS and other depreciation.

Part IV Summary (See page 6 of the instructions.)

Table for Part IV with rows 20-22 for listed property, total deductions, and portion of basis attributable to section 253A costs.

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed?		Yes	No	23b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 7 of the instructions.):								
		%						
25 Property used 50% or less in a qualified business use (See page 7 of the instructions.):								
		%				S/L -		
		%				S/L -		
		%				S/L -		
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26	
27 Add amounts in column (i). Enter the total here and on line 7, page 1								27

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 9 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 9 of the instructions		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
Amortization of costs that begins during your 1998 tax year:					
41 Amortization of costs that began before 1998					41
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return					42

Sales of Business Property
 (Also Involuntary Conversions and Recapture Amounts
 Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return: **BUSINESS COMMUNICATIONS INC** Identifying number: **59-2740313**

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1998 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 10, or 20 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) GAIN or (LOSS) Subtract (f) from the sum of (d) and (e)	(h) 28% RATE GAIN or (LOSS) *(see instr. below)
2 STMT 8						-3,998	
3 Gain, if any, from Form 4684, line 39						3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37						4 13,907	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5	
6 Gain, if any, from line 32, from other than casualty or theft						6	
7 Combine lines 2 through 6 in columns (g) and (h). Enter gain or (loss) here, and on the appropriate line as follows:						7 9,909	
Partnerships - Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below.							
S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7, column (g) is a gain and the S corporation is subject to the capital gains tax.							
All others - If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain or (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, and 12 below.							
8 Nonrecaptured net section 1231 losses from prior years (see instructions)						8	
9 Subtract line 8 from line 7. For column (g) only, if the result is zero or less, enter -0-. Enter here and on the appropriate line(s) as follows (see instructions)						9	
S corporations - Enter only the gain in column (g) on Schedule D (Form 1120S), line 14, and skip lines 11 and 12 below.							
All others - If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below, and enter the gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D.							

* Corporations (other than S corporations) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain. Use column (h) only to report pre-1998 28% rate gain (or loss) from a 1997-98 fiscal year partnership or S corporation.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

11 Loss, if any, from line 7, column (g)	11 ()
12 Gain, if any, from line 7, column (g) or amount from line 8, column (g) if applicable	12
13 Gain, if any, from line 31	13
14 Net gain or (loss) from Form 4684, lines 31 and 38a	14
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16
17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	17
18 Combine lines 10 through 17 in columns (g). Enter gain or (loss) here, and on the appropriate line as follows:	18
a For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed.	
b For individual returns:	
(1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "From 4797, line 18b(1)." See instructions	18b(1)
(2) Redetermine the gain or (loss) on line 18, excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14	18b(2)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			
These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B
20	Gross sales price (Note: See line 1 before completing.)	20	
21	Cost or other basis plus expense of sale	21	
22	Depreciation (or depletion) allowed or allowable	22	
23	Adjusted basis. Subtract line 22 from line 21	23	
24	Total gain. Subtract line 23 from line 20.	24	
25 If section 1245 property:			
a	Depreciation allowed or allowable from line 22	25a	
b	Enter the smaller of line 24 or 25a	25b	
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.			
a	Additional depreciation after 1975 (see instructions)	26a	
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b	
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c	
d	Additional depreciation after 1969 and before 1976	26d	
e	Enter the smaller of line 26c or 26d	26e	
f	Section 291 amount (corporations only)	26f	
g	Add lines 26b, 26e, and 26f	26g	
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership)			
a	Soil, water, and land clearing expenses	27a	
b	Line 27a multiplied by applicable percentage (see instructions)	27b	
c	Enter the smaller of line 24 or 27b	27c	
28 If section 1254 property:			
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a	
b	Enter the smaller of line 24 or 28a	28b	
29 If section 1255 property:			
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a	
b	Enter the smaller of line 24 or 29a (see instructions)	29b	

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4534, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6.	32

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
See instructions.

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recomputed depreciation. See instructions	34
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35

Form **6252**

Installment Sale Income

OMB No 1545-022

Department of the Treasury
Internal Revenue Service

- ▶ See separate instructions. ▶ Attach to your tax return.
- ▶ Use a separate form for each sale or other disposition of property on the installment method.

1998
Attachment
Sequence No 79

Name(s) shown on return

Identifying number

BUSINESS COMMUNICATIONS INC

59-2740313

- 1 Description of property ▶ **BUILDING/LAND**
- 2a Date acquired (month, day, year) ▶ **05/01/1988** b Date sold (month, day, year) ▶ **05/24/1993**
- 3 Was the property sold to a related party after May 14, 1980? See instructions. If "No," skip line 4 Yes No
- 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale Yes No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6	Mortgages and other debts the buyer assumed or took the property subject to, but not new mortgages the buyer got from a bank or other source	6	
7	Subtract line 6 from line 5	7	
8	Cost or other basis of property sold	8	
9	Depreciation allowed or allowable	9	
10	Adjusted basis. Subtract line 9 from line 8	10	
11	Commissions and other expenses of sale	11	
12	Income recapture from Form 4797, Part III. See instructions	12	
13	Add lines 10, 11, and 12	13	
14	Subtract line 13 from line 5. If zero or less, stop here. Do not complete the rest of this form	14	
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain. Otherwise, enter -0-. See instructions	15	
16	Gross profit. Subtract line 15 from line 14	16	
17	Subtract line 13 from line 6. If zero or less, enter -0-.	17	
18	Contract price. Add line 7 and line 17	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19	Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	28.80600000
20	For year of sale only: Enter amount from line 17 above; otherwise, enter -0-	20	
21	Payments received during year. See instructions. Do not include interest whether stated or unstated	21	48,723
22	Add lines 20 and 21	22	48,723
23	Payments received in prior years. See instructions. Do not include interest whether stated or unstated	23	16,721
24	Installment sale income. Multiply line 22 by line 19	24	12,907
25	Part of line 24 that is ordinary income under recapture rules. See instructions	25	
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797. See instructions	26	12,907

Part III Related Party Installment Sale Income. Do not complete if you received the final payment for the property.

- 27 Name, address, and taxpayer identifying number of related party
- 28 Did the related party, during this tax year, resell or dispose of the property ("second disposition")?
- 29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions met. Check only the box that applies.
- a The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ▶ _____
 - b The first disposition was a sale or exchange of stock to the issuing corporation
 - c The second disposition was an involuntary conversion where the threat of conversion occurred after the first disposition
 - d The second disposition occurred after the death of the original seller or buyer
 - e It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation. See instructions.
- | | | | |
|----|--|----|--|
| 30 | Selling price of property sold by related party | 30 | |
| 31 | Enter contract price from line 18 for year of first sale | 31 | |
| 32 | Enter the smaller of line 30 or line 31 | 32 | |
| 33 | Total payments received by the end of your 1998 tax year. See instructions | 33 | |
| 34 | Subtract line 33 from line 32. If zero or less, enter -0- | 34 | |
| 35 | Multiply line 34 by the gross profit percentage on line 19 for year of first sale | 35 | |
| 36 | Part of line 35 that is ordinary income under recapture rules. See instructions | 36 | |
| 37 | Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797. See instructions | 37 | |

FORM 1120S, PAGE 1 DETAIL

LINE 12 - TAXES

TAXES AND LICENSES EXCLUDING INCOME TAXES

LICENSES & TAXES	10,88
PAYROLL TAXES	51,69
STATE TAX	49
TOTAL	63,07

LINE 19 - OTHER DEDUCTIONS

AMORTIZATION	2,870
AUTO INSURANCE	7,860
BANK CHARGES	4,050
COMPUTER EXPENSE	3,940
CONSULTING	8,900
CONTRACT LABOR	1,640
DUES & SUBSCRIPTIONS	850
EMPLOYEE RELATIONS	3,660
LEGAL & ACCOUNTING	69,570
MEALS & ENTERTAINMENT	2,100
MISCELLANEOUS EXPENSE	1,910
OFFICE EXPENSE	12,890
POSTAGE	5,680
PRINTING	2,980
RADIOS/PAGERS	7,040
TELEPHONE	19,270
TRAINING	14,250
TRAVEL	2,600
TRUCK EXPENSE	19,840
UNIFORMS	3,080
UTILITIES	7,630
WORKERS COMPENSATION INSURANCE	30,360
TOTAL	233,060

FORM 1120S, PAGE 2 DETAIL

SCH A; LINE 5 - OTHER COSTS

WARRANTY COSTS

8,792

TOTAL

8,792

FORM 1120S, PAGE 3 DETAIL

SCH K; LINE 5 - SECTION 1231 GAIN OR LOSS

SECTION 1231 GAIN OR LOSS	9,90
LESS: BUILT-IN GAINS TAX REDUCTION	(4,86

TOTAL	5,04
	=====

FORM 1120S, PAGE 3 DETAIL

SCH K, LINE 19 - NONDEDUCTIBLE EXPENSES

NONDEDUCTIBLE OFFICER LIFE INSURANCE
MEALS & ENTERTAINMENT
PENALTIES

1,98
2,10
1

TOTAL

4,11

FORM 1120S, PAGE 4 DETAIL - SCH L

	BEGINNING	ENDING
LINE 6 - OTHER CURRENT ASSETS		

EMPLOYEE RECEIVABLES	NONE	201
TOTAL	NONE	201
=====		
LINE 14 - OTHER ASSETS		

DEPOSITS	3,567.	4,593
MORTGAGES RECEIVABLE	48,723.	NONE
OTHER RECEIVABLE	NONE	20,032
TOTAL	52,290.	24,625
=====		
LINE 18 - OTHER CURRENT LIABILITIES		

ACCOUNTS PAYABLE DWS	NONE	61.
DUE TO BAINBRIDGE	NONE	25,368.
TAXES PAYABLE	653.	490.
TOTAL	653.	25,919.
=====		
LINE 21 - OTHER LIABILITIES		

UNREALIZED GAIN	13,907.	NONE
INSURANCE PAYABLE	NONE	4
DEFERRED INCOME	NONE	4,000
SALES TAX PAYABLE	NONE	1,000
UNEARNED INCOME	NONE	4,000
DEPOSITS	NONE	
TOTAL	13,907.	
=====		

FORM 1120S, PAGE 4 DETAIL

SCH M-1, LINE 3 - EXPENSES ON BOOKS NOT IN RETURN

NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,99
MEALS & ENTERTAINMENT	2,10
PENALTIES	1
TOTAL	4,11

SCH M-1, LINE 6 - DEDUCTIONS NOT CHARGED AGAINST BOOK INCOME

TAX ON BUILT IN GAINS	4,867
TOTAL	4,867

SCH M-2, LINE 3 - OTHER ADDITIONS - AAA

INTEREST INCOME	5,829
NET SECTION 1231 GAIN	5,042
TOTAL	10,871

SCH M-2, LINE 5 - OTHER REDUCTIONS - AAA

CHARITABLE CONTRIBUTIONS	917
MEALS & ENTERTAINMENT	2,109
PENALTIES	10
TO REDUCE R.E. BY 80% FOR STOCK REDEMPTIONS	305,742
TOTAL	308,778

SCH M-2, LINE 5 - OTHER REDUCTIONS - OAA

NONDEDUCTIBLE OFFICER LIFE INSURANCE	1,995
TOTAL	1,995

SCHEDULE D (FORM 1120S) DETAIL

=====

LINE 25 - NET RECOGNIZED BUILT-IN GAINS

FROM SALES OF SECTION 1231 PROPERTY

13,90

TOTAL

13,90
=====

FORM 4797, PAGE 1 DETAIL PART 1

(A) DESCRIPTION OF PROPERTY	(B) DATE ACQUIRED	(C) DATE SOLD	(D) GROSS SALES PRICE	(E) DEPREC. ALLOWED	(F) COST OR OTHER BASIS PLUS IMPROV AND SALE EXPENSE	(G) GAIN/LOSS	(H) 28% RATE
ASSETS	VARIOUS	VARIOUS	4,000.	42,370.	50,368.	-3,998.	
BUILDING/LAND						NONE	
						-3,998.	

PART 1 4797 GAINS AND LOSSES

SHAREHOLDER SUMMARY

SH. #	SHAREHOLDER NAME	BEGINNING SHARES	OWNERSHIP PERCENTAGE
01	DOUGLAS SMITH		98.904110
02	MARVIN POWELL JR	510.0000	0.558904
03	GLENN POWELL	490.0000	0.536986

TRANSFER OF STOCK OWNERSHIP DURING TAX YEAR
=====

PERIOD 01: BEGINNING 01/01/1998 AND ENDING 01/05/1998 NO. OF DAYS = 5.

SHARE- HOLDER NO.	SHARES HELD AT START OF PERIOD	CHANGE IN SHARES HELD DURING PERIOD	SHARES HELD AT CLOSE OF PERIOD	PERCENT FOR THE PERIOD
01				
02	510.0000		510.0000	0.558904
03	490.0000		490.0000	0.536986
TOTAL	1000.0000		1000.0000	

TRANSFER OF STOCK OWNERSHIP DURING TAX YEAR

PERIOD 02: BEGINNING 01/05/1998 AND ENDING 12/31/1998 NO. OF DAYS = 36

SHARE-HOLDER NO.	SHARES HELD AT START OF PERIOD	CHANGE IN SHARES HELD DURING PERIOD	SHARES HELD AT CLOSE OF PERIOD	PERCENT FOR THE PERIOD
01		1000.0000	1000.0000	98.904110
02	510.0000	-510.0000		
03	490.0000	-490.0000		
TOTAL	1000.0000		1000.0000	

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.

1997

Department of the Treasury Internal Revenue Service

See separate instructions.

For calendar year 1997, or tax year beginning 1997, & ending 19

Header section containing: A Date of election as an S corporation (02/19/97), B Business code no. (4825), C Employer identification no. (59-2740313), D Date incorporated (12/01/86), E Total assets (\$420,829), F Check applicable boxes, G Enter number of shareholders (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, d). Rows include: 1a Gross receipts or sales (1,543,641), 2 Cost of goods sold (624,359), 3 Gross profit (919,282), 4 Net gain (loss) from Form 4797, 5 Other income (loss) (2,000), 6 Total Income (loss) (921,282), 7 Compensation of officers (99,812), 8 Salaries and wages (444,285), 9 Repairs and maintenance (322), 10 Bad debts, 11 Rents (23,000), 12 Taxes and licenses (44,071), 13 Interest (7,658), 14a Depreciation (22,596), 14b Depreciation claimed on Schedule A, 14c Subtract line 14b from line 14a, 15 Depletion, 16 Advertising (19,901), 17 Pension, profit-sharing, etc., plans, 18 Employee benefit programs (14,000), 19 Other deductions (171,060), 20 Total deductions (846,705), 21 Ordinary income (loss) from trade or business activities (74,577), 22 Tax: a Excess net passive income tax, b Tax from Schedule D (249), c Add lines 22a and 22b (249), 23 Payments: a 1997 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 (249), 26 Overpayment, 27 Enter amount of line 25 you want credited to 1998-est. tax.

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature and identification section: Paul A. Posey & Co., P.A. Signature of officer (Paul A. Posey), Title (PRESIDENT), Date (3/31/98), Preparer's signature, Firm's name (PAUL A. POSEY & CO., P.A., CPAS), EIN (59-2680707), Address (922 E. LAFAYETTE ST., STE. C, TALLAHASSEE, FL 32301), Preparer's SSN (267-21-4431), ZIP code (32301).

Schedule A Cost of Goods Sold (see page 13 of the instructions)

1	Inventory at beginning of year	1	72,843.
2	Purchases	2	614,653.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	6,001.
6	Total. Add lines 1 through 5	6	693,497.
7	Inventory at end of year	7	69,138.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8	624,359.

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

1 Check method of accounting: (a) Cash (b) Accrual (c) Other (specify) ▶

2 Refer to the list on page 23 of the instructions and state the corporation's principal:
(a) Business activity ▶ RETAIL (b) Product or service ▶ COMMUN. SERVICE

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 Yes No

4 Was the corporation a member of a controlled group subject to the provisions of section 1561? Yes No

5 At any time during calendar year 1997, 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.) Yes No
If "Yes," enter the name of the foreign country ▶

6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520 or 926. See page 14 of the instructions Yes No

7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount.
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) ▶ \$ 712.

10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 14 of the instructions)

	Yes	No
3		<input checked="" type="checkbox"/>
4		<input checked="" type="checkbox"/>
5		<input checked="" type="checkbox"/>
6		<input checked="" type="checkbox"/>
7	<input type="checkbox"/>	
8	<input type="checkbox"/>	
10	<input checked="" type="checkbox"/>	

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

		(a) Pro rata share items		(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)	1	74,577.	
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2		
	3a	Gross income from other rental activities	3a		
	3b	Expenses from other rental activities (attach schedule)	3b		
	3c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c		
	4	Portfolio income (loss):			
	4a	Interest income	4a	5,717.	
	4b	Dividend income	4b		
	4c	Royalty income	4c		
	4d	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4d		
Deductions	4e(2)	Net long-term capital gain (loss) (attach Schedule D (Form 1120S)): (1) 28% rate gain (loss) ▶ (2) Total for year ▶	4e(2)		
	4f	Other portfolio income (loss) (attach schedule)	4f		
	5	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797):			
	5b	28% rate gain (loss) ▶ Total for year ▶	5b	463.	
	6	Other income (loss) (attach schedule)	6		
	7	Charitable contributions (attach schedule)	7	7,540.	
Investment Interest	8	Section 179 expense deduction (attach Form 4562)	8	5,961.	
	9	Deductions related to portfolio income (loss) (itemize)	9		
Credits	10	Other deductions (attach schedule)	10		
	11a	Interest expense on investment debts	11a		
	11b(1)	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	5,717.	
	11b(2)	(2) Investment expenses included on line 9 above	11b(2)		
	12a	Credit for alcohol used as a fuel (attach Form 6478)	12a		
	12b(1)	Low-income housing credit: (1) From partnerships to which sec. 42(j)(5) applies for property placed in service before 1990	12b(1)		
	12b(2)	(2) Other than on line 12b(1) for property placed in service before 1990	12b(2)		
	12b(3)	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b(3)		
	12b(4)	(4) Other than on line 12b(3) for property placed in service after 1989	12b(4)		
	12c	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12c		
Adjustments and Tax Preference Items	12d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d		
	12e	Credits related to other rental activities	12e		
	13	Other credits	13		
	14a	Depreciation adjustment on property placed in service after 1986	14a	5,498.	
	14b	Adjusted gain or loss	14b		
Foreign Taxes	14c	Depletion (other than oil and gas)	14c		
	14d(1)	(1) Gross income from oil, gas, or geothermal properties	14d(1)		
	14d(2)	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)		
	14e	Other adjustments and tax preference items (attach schedule)	14e		
	15a	Type of income ▶			
	15b	Name of foreign country or U.S. possession			
	15c	Total gross income from sources outside the United States (attach schedule)	15c		
Other	15d	Total applicable deductions and losses (attach schedule)	15d		
	15e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e		
	15f	Reduction in taxes available for credit (attach schedule)	15f		
	15g	Other foreign tax information (attach schedule)	15g		
	16a	Section 59(e)(2) expenditures: a Type ▶ b Amount ▶	16a		
	16b		16b		
	17	Tax-exempt interest income	17		
	18	Other tax-exempt income	18		
	19	Nondeductible expenses Statement Attached	19		
	20	Total property distributions (including cash) other than dividends reported on line 22 below	20		
Other	21	Other items and amounts required to be reported separately to shareholders (attach schedule)	21		
	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	56.	

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		86,146.		185,763.
2a	Trade notes and accounts receivable.....	128,894.		61,718.	
b	Less allowance for bad debts.....		128,894.		61,718.
3	Inventories		72,843.		69,138.
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (attach schedule)...		2,565.		
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets ...	243,419.		249,379.	
b	Less accumulated depreciation	168,902.	74,517.	197,459.	51,920.
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).....		54,761.		52,290.
15	Total assets		419,726.		420,829.
Liabilities and Shareholders' Equity					
16	Accounts payable.....		18,219.		29,681.
17	Mortgages, notes, bonds payable in less than 1 yr.		46,388.		39,308.
18	Other current liabilities (attach schedule) ..		418.		902.
19	Loans from shareholders				39,056.
20	Mortgages, notes, bonds payable in 1 year or more		56,599.		14,740.
21	Other liabilities (attach schedule)		14,619.		13,907.
22	Capital stock		1,000.		1,000.
23	Additional paid-in capital		19,481.		19,481.
24	Retained earnings		382,176.		381,928.
25	Adjustments to shareholders' equity (attach sch.)				
26	Less cost of treasury stock.....		(119,174.)		(119,174.)
27	Total liabilities and shareholders' equity ...		419,726.		420,829.

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	64,218.	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year		a	Tax-exempt int. \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$	1,167.		See Stmt.	249.
	See Stmt.	2,120.	7	Add lines 5 and 6.....	249.
		3,287.	8	Income (loss) (Schedule K, line 23).	
4	Add lines 1 through 3.....	67,505.		Line 4 less line 7.....	67,256.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 21 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	382,176.	
2	Ordinary income from page 1, line 21	74,577.	
3	Other additions	6,181.	
4	Loss from page 1, line 21.....	()	
5	Other reductions	(81,006.)	
6	Combine lines 1 through 5.....	381,928.	
7	Distributions other than dividend distributions .		
8	Balance at end of tax year. Subtract line 7 from line 6 . . .	381,928.	

**SCHEDULE D
(Form 1120S)**

Capital Gains and Losses and Built-In Gains

OMB No. 1545-0

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120S.
▶ See separate instructions.

1997

Name **BUSINESS COMMUNICATIONS, INC.** Employer identification number **59-2740313**

Part I Short-Term Capital Gains and Losses -- Assets Held One Year or Less

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for entire year ((d) minus (e))
1					
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37				2
3	Short-term capital gain or (loss) from like-kind exchanges from Form 8824				3
4	Combine lines 1 through 3 in column (f) and enter here				4
5	Tax on short-term capital gain included on line 32 below				5
6	Net short-term capital gain or (loss). Combine lines 4 and 5. Enter here and on Form 1120S, Schedule K, line 4d or 6				6

Part II Long-Term Capital Gains and Losses -- Assets Held More Than One Year

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for entire year ((d) minus (e))	(g) 28% rate gain or (loss) *(see instr. below)
7						
8	Long-term capital gain from installment sales from Form 6252, line 26 or 37				8	
9	Long-term capital gain or (loss) from like-kind exchanges from Form 8824				9	
10	Combine lines 7 through 9 in column (f) and enter here				10	
11	Tax on long-term capital gain included on lines 24 and 32 below				11	
12	Combine lines 7 through 11 in column (g). Enter here and on Form 1120S, Schedule K, line 4e(1) or 6				12	
13	Net long-term capital gain or (loss). Combine lines 10 and 11 in column (f). Enter here and on Form 1120S, Schedule K, line 4e(2) or 6				13	

28% rate gain or (loss) includes all gains and losses in Part II, column (f) from sales, exchanges, or conversions (including installment payments received) either: • Before May 7, 1997, or

• After July 28, 1997, for assets held more than 1 year but not more than 18 months.

It also includes ALL "collectibles gains and losses" (as defined in the instructions).

Part III Capital Gains Tax (See instructions before completing this part.)

14	Enter section 1231 gain from Form 4797, line 9, column (g)	14	712.
15	Net long-term capital gain or (loss). Combine lines 10 and 14	15	712.
Note: If the corporation is liable for the excess net passive income tax (Form 1120S, page 1, line 22a) or the built-in gains tax (Part IV below), see the line 16 instructions before completing line 16.			
16	Net capital gain. Enter excess of net long-term capital gain (line 15) over net short-term capital loss (line 4)	16	712.
17	Statutory minimum	17	\$25,000
18	Subtract line 17 from line 16	18	0.
19	Enter 34% of line 18	19	0.
20	Taxable income (attach computation schedule)	20	67,256.
21	Enter tax on line 20 amount (attach computation schedule)	21	11,814.
22	Net capital gain from substituted basis property (attach computation schedule)	22	
23	Enter 35% of line 22	23	
24	Tax. Enter the smallest of line 19, 21, or 23 here and on Form 1120S, page 1, line 22b	24	

Part IV Built-In Gains Tax (See instructions before completing this part.)

25	Excess of recognized built-in gains over recognized built-in losses (attach computation schedule)	25	712.
26	Taxable income (attach computation schedule)	26	67,256.
27	Net recognized built-in gain. Enter the smallest of line 25, line 26, or line 9 of Schedule B	27	712.
28	Section 1374(b)(2) deduction	28	
29	Subtract line 28 from line 27. If zero or less, enter -0- here and on line 32	29	712.
30	Enter 35% of line 29	30	249.
31	Business credit and minimum tax credit carryforwards under section 1374(b)(3) from C corporation years	31	
32	Tax. Subtract line 31 from line 30 (if zero or less, enter -0-). Enter here and on Form 1120S, page 1, line 22b	32	249.

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule D (Form 1120S) 1997

SCHEDULE K-1
(Form 1120S)

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

OMB No. 1545-0130

▶ See separate Instructions.

Department of the Treasury
Internal Revenue Service

For calendar year 1997 or tax year

1997

beginning , 1997, and ending , 19

Shareholder's identifying number ▶ **267-71-1111** Corporation's identifying number ▶ **59-2740313**

Shareholder's name, address, and ZIP code
MARVIN POWELL, JR.
2374 CAPITAL CIRCLE NE
TALLAHASSEE, FL 32308

Corporation's name, address, and ZIP code
BUSINESS COMMUNICATIONS, INC.
2374 CAPITAL CIRCLE NE
TALLAHASSEE, FL 32308

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ **51.0000%**
 B Internal Revenue Service Center where corporation filed its return ▶ **ATLANTA, GA**
 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 col. (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 38,034.	See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f)
	a Interest	4a 2,916.	
	b Dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss)	e(1)	Sch. D, line 12, col. (g)
(2) Total for year	e(2)	Sch. D, line 12, col. (f) (Enter on applicable line of your return.)	
f Other portfolio income (loss) (attach schedule)	4f	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
5 Net section 1231 gain (loss) (other than due to casualty or theft):			
a 28% rate gain (loss)	5a	(Enter on applicable line of your return.)	
b Total for year	5b 236.		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (attach schedule)	7 3,845.	Sch. A, line 15 or 16
	8 Section 179 expense deduction	8 3,040.	See page 6 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	
Investment Interest	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) 2,916.	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	12c	See pages 6 and 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		

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1997

BUSINESS COMMUNICATIONS, INC.

Schedule K-1 (Form 1120S) (1997) MARVIN POWELL, JR.

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a -1,784.	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	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
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 schedule)	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 Form 1116, Part III See Inst. for Form 1116
	f Reduction in taxes available for credit (attach schedule)	15f	
	g Other foreign tax information (attach schedule)	15g	
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	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19 1,676.	
	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	Form 8611, line 8
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		
	See Statement (s) Attached		

Supplemental Information For Schedule K-1

Prepared for: MARVIN POWELL, JR.
2374 CAPITAL CIRCLE NE
TALLAHASSEE, FL 32308
Identifying Number: 267-71-1111

Line 19 Schedule K-1 (Form 1120S)

Nondeductible expenses

Description	Amount
Meals & entertainment expenses	595.
Life Insurance	1,081.
TOTAL	1,676.

=====

SCHEDULE K-1
(Form 1120S)

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

OMB No. 1545-0130

▶ See separate Instructions.

Department of the Treasury
Internal Revenue Service

For calendar year 1997 or tax year

1997

beginning , 1997, and ending , 19

Shareholder's identifying number ▶ 262-84-6721	Corporation's identifying number ▶ 59-2740313
Shareholder's name, address, and ZIP code GLENN POWELL 2374 CAPITAL CIRCLE NE TALLAHASSEE, FL 32308	Corporation's name, address, and ZIP code BUSINESS COMMUNICATIONS, INC. 2374 CAPITAL CIRCLE NE TALLAHASSEE, FL 32308

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 49.0000%
 B Internal Revenue Service Center where corporation filed its return ▶ ATLANTA, GA
 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 col. (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 36,543.	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)
	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 2,801.	
	b Dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss)	e(1)	
(2) Total for year	e(2)		
f Other portfolio income (loss) (attach schedule)	4f		
5 Net section 1231 gain (loss) (other than due to casualty or theft):		See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
a 28% rate gain (loss)	5a		
b Total for year	5b 227.	(Enter on applicable line of your return.)	
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (attach schedule)	7 3,695.	Sch. A, line 15 or 16
	8 Section 179 expense deduction	8 2,921.	See page 6 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	
Investment Interest	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) 2,801.	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	12c	See pages 6 and 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		

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1997

CAA 7 120SK112 NTF 12234 GLD 2876

Shareholder #2

BUSINESS COMMUNICATIONS, INC.

Schedule K-1 (Form 1120S) (1997) GLENN POWELL

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a -1,714.	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	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Type of income ▶ _____		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶ _____		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	Form 1116, Part II Form 1116, Part III See Inst. for Form 1116
	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	
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	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19 1,611.	
	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		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		
	<u>See Statement (s) Attached</u>		

Supplemental Information For Schedule K-1

Prepared for: GLENN POWELL
2374 CAPITAL CIRCLE NE
TALLAHASSEE, FL 32308
Identifying Number: 262-84-6721

Line 19 Schedule K-1 (Form 1120S)
Nondeductible expenses

Description	Amount
-----	-----
Meals & entertainment expenses	572.
Life Insurance	1,039.

TOTAL	1,611.
	=====

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99)

See separate instructions. Attach this form to your return.

Attachment Sequence No. 67

Name(s) shown on return BUSINESS COMMUNICATIONS, INC.

Business or activity to which this form relates Form 1120S

Identifying number 59-2740313

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.)

Table with 13 rows for Section 179 election. Line 1: \$18,000; Line 2: 5,961; Line 3: \$200,000; Line 4: -0-; Line 5: 18,000; Line 6: 5,961; Line 7: 7; Line 8: 5,961; Line 9: 5,961; Line 10: -; Line 11: 18,000; Line 12: 5,961; Line 13: -.

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 1997 Tax Year (Do Not Include Listed Property.)

Section 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 3 of the instructions.

Section B -- General Depreciation System (GDS) (See page 3 of the instructions.)

Table for Section B with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depr., (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 15a-f (3-25 year properties) and h-i (residential/nonresidential real property).

Section C -- Alternative Depreciation System (ADS) (See page 6 of the instructions.)

Table for Section C with 7 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depr., (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 16a-c (12-40 year class lives).

Part III Other Depreciation (Do Not Include Listed Property.) (See page 6 of the instructions.)

Table with 3 rows: Line 17: 22,575; Line 18: -; Line 19: -.

Part IV Summary (See page 7 of the instructions.)

Table with 3 rows: Line 20: 21; Line 21: 28,557; Line 22: -.

For Paperwork Reduction Act Notice, see the separate instructions.

Part V. Listed Property -- Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A -- Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support business/investment use claimed?		Yes	No	23b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Busn./ investment use percentage	(d) Cost or other basis	(e) Basis for depr. (busn./investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 7 of the instructions.):								
CELL. PHONE	04/12/91	100%	726.	726.	5 yr	S/L HY		
COMPUTER	05/14/91	100%	7,387.	7,387.	5 yr	S/L HY		
CELL PHONE	10/06/95	100%	111.	111.	5 yr	S/L HY	21.	
25 Property used 50% or less in a qualified business use (See page 7 of the instructions.):								
		%				S/L-		
		%				S/L-		
		%				S/L-		
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26	21.
27 Add amounts in column (i). Enter the total here and on line 7, page 1							27	

Section B -- Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
28 Total business/investment miles driven during year (DO NOT include commuting miles) . . .												
29 Total commuting miles driven during year . . .												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C -- Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 9 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners.	Yes	No
37 Do you treat all use of vehicles by employees as personal use?	Yes	No
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?	Yes	No
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 9 of the instructions	Yes	No

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	A L
40 Amortization of costs that begins during your 1997 tax year:					
41 Amortization of costs that began before 1997				41	
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return				42	

Supporting Schedules

Company: BUSINESS COMMUNICATIONS, INC.

EIN: 59-2740313

Form 4562 Schedules, Form 1120S RETAIL
Part I - Election to expense under Section 179

Description	Date in Service	Cost	Deduct
COMP.UPGRADE	2/13/97	1,195.	1,1
LIB. RADIOS	5/09/97	1,766.	1,7
2 LAPTOP COM	11/13/97	600.	6
SHELVING	9/20/97	2,400.	2,4
Total		5,961.	5,9
		=====	=====

Supporting Schedules

Company: BUSINESS COMMUNICATIONS, INC.

EIN: 59-2740313¹

Form 4562 Asset Listing, Form 1120S RETAIL

Asset #	Description	Acq. T	Date	Pct. Used	I C	Cost Basis	D M	C	Est Life	Prior Depr.	Sec 179	15 De
1	TRUCK EQMT.	N	010189	100%	N	8256	3	HY	5	8256	0	
2	FURNT./EQMT.	N	010189	100%	N	41383	3	HY	5	41383	0	
3	FURNITURE	N	010189	100%	N	6000	3	HY	5	6000	0	
4	FAX MACHINE	N	021591	100%	N	473	3	HY	5	473	0	
5	CELL. PHONE	O	041291	100%	N	726	3	HY	5	726	0	
6	COMPUTER	O	051491	100%	N	7387	3	HY	5	7387	0	
7	MICROWAVE	N	071591	100%	N	105	3	HY	5	105	0	
8	PRINTER	N	080691	100%	N	275	3	HY	5	275	0	
9	89 DODGE P/U	N	030192	100%	N	5950	3	HY	5	5950	0	
10	92 FORD RANG	N	030192	100%	N	15108	3	HY	5	15108	0	
11	L/H IMPROV.	N	063092	100%	N	4172	3	HY	5	4172	0	
12	90 FORD RANG	N	040193	100%	N	6612	3	F	5	5288	0	13:
13	TOPPER-TRK.	N	041493	100%	N	433	3	F	5	348	0	8
14	90 TOYOTA PU	N	092893	100%	N	8626	3	F	5	5606	0	17:
15	95 FORD TRCK	N	070395	100%	N	11823	3	F	5	3547	0	236
16	COPIER	N	081793	100%	N	1044	3	F	5	836	0	20
17	RADIOS-8	N	100693	100%	N	1452	3	F	5	943	0	29
18	COMPUTER	N	101393	100%	N	1525	3	F	5	991	0	30
19	TOOLS/EQMT.	N	092493	100%	N	8000	3	F	5	5200	0	160
20	TOPPER-TRK.	N	030794	100%	N	403	3	F	5	229	0	8
21	94 MAZDA TRK	N	033094	100%	N	12719	3	F	5	7208	0	254
22	93 TOYOTA TR	N	062194	100%	N	8301	3	F	5	4150	0	166
23	94 EXPLORER	N	122394	100%	N	25196	3	F	5	7970	0	167
24	DESK/CHAIR	N	040894	100%	N	150	3	F	5	83	0	3
25	DSKTOP. COMP	N	113094	100%	N	249	3	F	5	108	0	5
26	4-LPTOP COMP	N	113094	100%	N	1033	3	F	5	448	0	20
27	TECH. LPTOPS	N	120294	100%	N	3247	3	F	5	1352	0	64
28	PRINTER	N	121994	100%	N	1174	3	F	5	490	0	23
29	VACUUM	N	122294	100%	N	108	3	F	5	46	0	2:
30	95 FORD TRCK	N	070395	100%	N	11823	3	F	5	3547	0	236:
31	95 FORD TRCK	N	102395	100%	N	11890	3	HY	5	0	11890	
32	94 FORD VAN	N	103195	100%	N	11982	3	F	5	1486	5610	1274
33	VAN SHELVES	N	111495	100%	N	1594	3	F	5	372	0	319
34	CELL PHONE	O	100695	100%	N	111	3	F	5	28	0	2:
35	REFRIGERATOR	N	121995	100%	N	500	3	F	5	208	0	100
36	L/H IMPROV.	N	081095	100%	N	17306	3	F	20	4903	0	346:
37	OFFICE FURN.	N	030796	100%	N	3609	3	HY	5	0	3609	
38	OFFICE FURN.	N	032696	100%	N	430	3	HY	5	0	430	
39	FAX MACHINE	N	043096	100%	N	2242	3	HY	5	0	2242	
40	COMP.UPGRADE	N	021397	100%	N	1195	1	HY	5	0	1195	
41	LIB. RADIOS	N	050997	100%	N	1766	1	HY	5	0	1766	
42	2 LAPTOP COM	N	111397	100%	N	600	1	HY	5	0	600	
43	SHELVING	N	092097	100%	N	2400	1	HY	5	0	2400	

Prior Year Totals

145122 23781

Current Year Totals

249378

5961

22596

=====

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-012

1997

Attachment
Sequence No. 27

Name(s) shown on return

BUSINESS COMMUNICATIONS, INC.

Identifying number

59-2740313

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1997 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 10, or 20 **1**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft -- Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements & expense of sale	(g) GAIN or (LOSS) for entire year. Subtr. (f) from the sum of (d) and (e)	(h) 28% RATE GAIN or (LOSS) * (see instr. below)
2							

3 Gain, if any, from Form 4684, line 39	3		
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37.	4	712.	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5		
6 Gain, if any, from line 32, from other than casualty or theft.	6		
7 Combine lines 2 through 6 in columns (g) & (h). Enter gain or (loss) here, & on appropriate line as follows: Partnerships -- Enter the gain or (loss) on Form 1065, Schedule K, lines 6a and 6b. Skip lines 8, 9, 11, and 12 below. S corporations -- Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7, column (g) is a gain and the S corporation is subject to the capital gains tax. All others -- If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain or (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, and 12 below.	7	712.	
8 Nonrecaptured net section 1231 losses from prior years (see instructions)	8		
9 Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on appropriate line as follows (see instr.): S corporations -- Enter only the gain in column (g) on Schedule D (Form 1120S), line 14, and skip lines 11 and 12 below. All others -- If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below, and enter gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D.	9	712.	0.

* Corporations (other than S corporations) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain. 28% rate gain or loss includes all gains and losses in column (g) from sales, exchanges, or conversions (including installment payments received) either (a) before 5/7/97 or (b) after 7/28/97 for assets held more than 1 year but not more than 18 months.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

--	--	--	--

11 Loss, if any, from line 7, column (g)	11		
12 Gain, if any, from line 7, column (g) or amount from line 8, column (g) if applicable	12		
13 Gain, if any, from line 31	13		
14 Net gain or (loss) from Form 4684, lines 31 and 38a	14		
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15		
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16		
17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	17		
18 Combine lines 10 through 17 in column (g). Enter gain or (loss) here, and on appropriate line as follows: a For all except individual returns. Enter the gain or (loss) from line 18 on the return being filed b For individual returns: (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from "Form 4797, line 18b(1)." See instructions	18		
	18b(1)		
(2) Redetermine the gain or (loss) on line 18, excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14.	18b(2)		

Installment Sale Income

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your tax return. Use a separate form for each sale or other disposition of property on the installment method.

1997

Attachment Sequence No. 79

Name(s) shown on return

BUSINESS COMMUNICATIONS, INC.

Identifying number 59-2740313

1 Description of property BLDG./LAND

2a Date acquired (month, day, year) 05/01/88 b Date sold (month, day, year) 05/24/93

3 Was the property sold to a related party after May 14, 1980? See instructions. If "No," skip line 4 Yes No

4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale. Yes No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

Table with 18 rows for Part I: Selling price, mortgages, cost, depreciation, adjusted basis, commissions, income recapture, gross profit, and contract price.

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

Table with 6 rows for Part II: Gross profit percentage, payments received during year, payments received in prior years, installment sale income, and ordinary income under recapture rules.

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party

28 Did the related party, during this tax year, resell or dispose of the property ("second disposition")? Yes No

29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check only the box that applies.

- a The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities)
b The first disposition was a sale or exchange of stock to the issuing corporation
c The second disposition was an involuntary conversion where the threat of conversion occurred after the first disposition.
d The second disposition occurred after the death of the original seller or buyer.
e It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions.

Table with 7 rows for Part III: Selling price of property sold by related party, contract price, smaller of line 30 or 31, total payments received, subtract line 33 from 32, multiply line 34 by gross profit percentage, part of line 35 that is ordinary income, subtract line 36 from 35.

Supporting Schedules - 1997

Company: BUSINESS COMMUNICATIONS, INC.

Page:
EIN: 59-2740313

Form 1120S - Income, Line 5
Other Income or Loss

Description	Amount
COMMISSIONS INCOME	2,0
TOTAL	2,0

Form 1120S - Deductions, Line 19
Other Deductions

Description	Amount
AUTO AND TRUCK	29,21
BANK CHARGES	8
COMPUTER	2,09
DUES AND SUBSCRIPTIONS	2,29
INSURANCE	69,28
PROFESSIONAL FEES	3,11
OFFICE	21,67
SUPPLIES	42
TELEPHONE	32,05
UNIFORMS	85
UTILITIES	5,73
CONTRACT LABOR	19
PEST CONTROL	
TRAVEL	2,20
COMMISSIONS	47
SCHOOL EXPENSE	
Meals & entertainment expenses	1,
TOTAL	171,

Form 1120S - Schedule A, Line 5
Other Costs

Description	Amount
WARRANTY COSTS	
TOTAL	

Continued on Page 2

Supporting Schedules - 1997

Company: BUSINESS COMMUNICATIONS, INC.

Page:
EIN: 59-2740313

Form 1120S - Schedule K, Line 19
Nondeductible Expenses

Description	Amount
Meals & entertainment expenses	1,16
Life Insurance	2,12
TOTAL	3,28

Form 1120S - Schedule L, Line 6
Other Current Assets

Description	Beginning	Ending
PREPAID TAXES	2,565.	
TOTAL	2,565.	

Form 1120S - Schedule L, Line 14
Other Assets

Description	Beginning	Ending
DEPOSITS	3,567.	3,567
MORTGAGE RECEIVABLE	51,194.	48,723
TOTAL	54,761.	52,290

Form 1120S - Schedule L, Line 18
Other Current Liabilities

Description	Beginning	Ending
TAXES PAYABLE	418.	650
FEDERAL INCOME TAX PAYABLE		232
TOTAL	418.	882

Form 1120S - Schedule L, Line 21
 Other Liabilities

Description	Beginning	Ending
UNREALIZED GAIN	14,619.	13,900
TOTAL	14,619.	13,900

Form 1120S - Schedule M-1, Line 3
 Other Expenses Recorded on Books not Deductible

Description	Amount
LIFE INSURANCE	2,120
TOTAL	2,120

Form 1120S - Schedule M-1, Line 6
 Other Deductions not Charged Against Book Income

Description	Amount
SECTION 1374 TAX	249
TOTAL	249

S-Corporation Form 1120S
 Schedule M-2 - Other Additions

Description	Accumulated Adjustments Account	Other Adjustment Account
Interest income	5,717.	
Net Sec. 1231 gain	463.	
ROUNDING ADJ.	1.	
TOTAL	6,181.	

Supporting Schedules - 1997

Page:

Company: BUSINESS COMMUNICATIONS, INC.

EIN: 59-2740313

S-Corporation Form 1120S
Schedule M-2 - Other Reductions

Description	Accumulated Adjustments Account	Other Adjustment Account
Charitable contributions	7,540.	
Section 179 expense	5,961.	
Nondeductible expenses	3,287.	
DIVIDEND DISTRIBUTIONS	64,218.	
TOTAL	81,006.	

FLORIDA LOCAL TELECOMMUNICATIONS TARIFF
OF
UNIVERSITY CLUB COMMUNICATIONS, L.L.C

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by University Club Communications, L.L.C , within the state of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected during normal business hours at the Company's principal place of business at 831 North Monroe Street, Tallahassee, Florida.

Issued: _____ Effective: _____

Tom W. Allen, President
831 North Monroe Street
Tallahassee, FL 32303

The sheets listed below, which are inclusive of this tariff, are effective as of the date shown at the bottom of the respective sheet. Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Page</u>	<u>Revision</u>
1	Original
2	Original
3	Original
4	Original
5	Original

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831 North Monroe Street
Tallahassee, FL 32303

When changes are made in any Tariff page, as revised page will be listed canceling the Tariff page affected. Changes will be identified on the revised page(s) through the use of the following symbols:

- (D) Deleted or Discontinued
- (I) Change resulting in an increase to a Customer's Bill
- (M) Moved from Another Tariff Location
- (N) New
- (R) Change resulting in a reduction to a Customer's Bill
- (S) Change in Text or Regulation but no Change in Rate or Charge

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Tallahassee, FL 32303

TARIFF FORMAT SHEETS

A. Sheet Numbering – Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers – Revision numbers also appear in the upper right hand corner of each page. These numbers are used to determine the most current sheet version filed with the FPSC. For example, the 4th revised sheet 14 cancels the 3rd revised sheet 14. Because of various suspension periods, deferrals, etc, the FPSC follows in their tariff approval process, the most current sheet number on the file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence – There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1
2.1.1
2.1.1.A
2.1.1.A.1
2.1.1.A.1.(a)
2.1.1.A.1.(a).I
2.1.1.A.1.(a).I.(i).
2.1.1.A.1.(a).I.(i).(1).

D. Check Sheets – When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

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831 North Monroe Street
Tallahassee, FL 32303

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS


Company – University Club Communications, L.L.C.

Customer – the person who orders service and is responsible for payment of charges due and compliance with the Company’s tariff regulations.

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831 North Monroe Street
Tallahassee, FL 32303

SECTION 2 – RULES AND REGULATIONS

- 2.1 The utilization of the telephone solution offered by THE COMPANY is at the Customer's sole and absolute risk.
- 2.2 The service offered by THE COMPANY should be used for lawful purposes only. Should the telephone and peripheral systems be utilized for any fraudulent, criminal, or malicious activity, the Customer has sole and absolute responsibility. Customer agrees to indemnify and hold harmless THE COMPANY from and against any claims (including Attorney's fees) resulting from any use of the offered phone service which damages the Customer or another party or parties.
- 2.3 THE COMPANY make no warranties of any kind, whether expressed or implied, for the services to be provided which are limited to local and long distance phone service and features associated with the phone service.
- 2.4 THE COMPANY has the right to suspend or terminate Customer's service at any time and for any reason, without notice. Reasons for suspension or termination include failure to promptly pay for services received, illegal use of phone or phone's resources, tampering with or destroying phone system or wiring, attempting to utilize service without notification of THE COMPANY.
- 2.5 These terms and conditions supersede all previous representations, understandings or agreements and shall prevail notwithstanding any variance with terms and conditions for any order submitted. THE COMPANY reserves the right to change rates and/or otherwise modify these terms and conditions, and to notify Customer by phone, letter, or other means 30 days in advance of the effective date of the change.
- 2.6 Customer agrees not to disturb, tamper with, re-route, rewire, or otherwise interfere with the telephone equipment, wiring or ancillary devices. Any tampering, re-routing, or interference will result in Customer's service being terminated and any correction costs, including overhead and profit of 10% charged against the Customer's dormitory deposit.
- 2.7 THE COMPANY agrees to furnish a reliable solution for the customers. However, from time to time, service may be temporarily interrupted. Service will be resumed as soon as the problem is diagnosed and a remedy performed. THE COMPANY will work diligently to get service resumed in a rapid manner, including express mailing of parts, rapid deployment of service crew(s).
- 2.8 THE COMPANY does not require a deposit from the customer. 
- 2.9 All state and local taxes are listed on customer bills as separate line items and are not included in the quoted rates.
- 2.10 All charges due by the subscriber are payable at any agency duly authorized to receive payments. Any objection to billed charges should be promptly reported to the COMPANY. Adjustments will be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

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Tom W. Allen, President
831 North Monroe Street
Tallahassee, FL 32303

3.3.2. Operator Services

The attached list outlines the available list of Operator Services provided by our current Underlying Carrier. Due to the nature of UCC's business, many of these services are normally blocked. We do offer directory assistance (XXX-555-1212).

Collect SS 0+	\$2.25	\$1.10
Collect PP 0+	\$4.90	\$2.98
Collect SS 0-	\$2.25	\$1.85
Collect PP 0-	\$6.05	\$3.73
3rd Party Verbal SS 0+	\$2.35	\$1.10
3rd Party Verbal PP 0+	\$4.90	\$2.98
3rd Party Verbal SS 0-	\$2.35	\$1.85
3rd Party Verbal PP 0-	\$6.05	\$3.73
Directory Assist O+ (Foncard/Paid)	\$1.85	\$1.85
Directory Assist O+ (3rd Party Verbal)	\$1.85	\$1.85
Directory Assist O+ (LEC)	NA	
Directory Assist O- (LEC)	NA	
NDA 1+ Paid n/cc	\$0.75	
NDA - 1+ w/cc (FON/AUTH)	NA	
NDA - w/cc 0+, 0- ss (FON/PAID)	NA	
NDA - w/cc 0+, 0- pp (FON/PAID)	\$4.90	
NDA - w/cc 0+, 0- ss LEC	NA	
NDA - w/cc 0+, 0- pp LEC	NA	
NDA - w/cc 0+, 0- ss Collect	NA	
NDA - w/cc 0+, 0- pp Collect	NA	
NDA - 0+ 3rd Party	NA	
NDA - w/cc ss 3rd Party 0+, 0-	NA	
NDA - w/cc pp 3rd Party 0+, 0-	NA	
NDA - w/cc 1+ Generic ANI-billed	NA	
NDA - LEC direct dialed	NA	
NDA - 0+,0- n/cc (Foncard/Paid) - Domestic	NA	

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Tallahassee, FL 32303

SECTION 3 – DESCRIPTION OF SERVICE**3.1 Timing of Calls****3.1.1. When Billing Charges Begin and End for Phone Calls**

The customer's long distance usage charge is based on actual usage of the COMPANY's network. Usage begins when the called party picks up the receiver.

3.1.2. Billing Increments

The minimum call duration for billing purposes is 3 seconds for a connected call and calls beyond 1 minute are billed in 3 second increments.

3.1.3. Per Call Billing Charges

Billing will be rounded up to the nearest penny for each call.

3.1.4. Uncompleted Calls

There shall be no charge for uncompleted calls.

3.2 Minimum Call Completion Rate

A customer can expect a call completion rate of not less than 90% during peak use periods.

3.3 Service Offerings**3.3.1. University Club Long Distance Service**

University Club Long distance service is offered to residential customers. The service permits direct dialed outbound calling at a single per minute rate. Calls are billed in 3 second increments. No monthly recurring charges or minimum monthly billing requirements apply.

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SECTION 4 – RATES**4.1 University Club Long Distance Service**

Rate per minute - \$.09
Plan is billed in 3 second increments.

4.2 Operator Services**4.3 Payment of Calls****4.3.1 Late Payment Charges**

A late payment charge will be applied as follows:

<u>Late Fees</u> (1-30 Days after due date)	\$2.50
<u>Late Fees</u> (31-59 Days after due date)	\$5.00
<u>Late Fees</u> (60+ Days after due date)	\$10.00

4.4.1. Return Check Charges

A return check charge of \$25 will be assessed for checks returned for insufficient funds.

4.5.1 Restoration of Service

A reconnection fee of \$25 per occurrence is charged when service is re-established for customers who reconnect within two weeks of disconnection for non-payment. The fee is \$50 for lapses longer than two weeks.

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