Spectrotel, Inc. Balance Sheet December 31, 2002 Preliminary and Unaudited

	December '2002	Prior	Current
Assets Current Assets:			
Cash			
Accounts receivable			
Allowance for doubtful accounts			
Unbilled revenue Deferred cost			
Prepaid expenses and other assets			
Current Assets			
Fixed Assets, net			
Other Assets			
Total Assets			
Liabilities and Equity	44 - 12 - 12 - 14 - 14 - 14 - 14 - 14 - 		
Liabilities Not Subject to Compromise			
Current Liabilities:		A -	
Accounts Payable			
Accrued Sal and Benefits			
Accrued Auditing and acet fees Accrued Operating			
Telecommunication taxes			
Insurance loan -current		Y Comment	
Customer deposit	·		
Current portion of debt			
Defetted tovenue			
Current Liabilities		4	
Liabilities Subject to Compromise			
Accounts payable			
Bankruptcy settlements			
Telecomm, sales and use tax			
Capital lease- Heller Capital lease-Cisco			
Capital lease-Lucent			
Note Payable-Commuch			
Note Payable-PDC			
Accrued interest			
Liabilities Subject to Compromise			
Stockholders' Equity:		b	
Series A convertible preferred stock			
Common stock - par \$0.001			
Additional paid in capital			
Options and watrants Accumulated deficit			
Total Equity			
Total Liabilities and Equity			
Notes:	2002		
 Figures above are pre-audit and do not reflect the Nov 25,2002. 	2002 year end audit adjustments giv	ing effect to emergence from Chi	epter 11 reorganization on
Consistent with GAAP accounting guidelines for re	corganization, retained earnings as o	f Dec 2002 will be adjusted to ze	ro.
	. / /		
I affirm that the financial statements are true and con	rrect:		
	9/1/05		
Jacks Dayan, President & CEO	Date		
(/\\\\\)			
- WAS	4/6/02		
Joe Novo, Controller	Date :		n nc:

DOCUMENT NUMBER-DATE

Spectrotel Inc., d/b/a Plan B Communications Florida Application April 9, 2003

Overview

Plan B Communication Inc. filed a petition to reorganize under Chapter 11 of the United States Code on Mach 16, 2001 (the "Petition Date"). The company's plan of reorganization was confirmed by the courts on September 13, 2002 and became effective November 25, 2002. Accordingly, the company's creditors believe that the company's positive operating cashflow for 2002), its operating cash position and an undrawn revolving credit facility of present to fund the company's future operating requirements.

On Pre-petition basis (Pre-March 16, 2001), the company was and continues to be certified to provide resold and facilities based Local exchange and Interexchange telecom services in the states of New York and Massachusetts. During the reorganization period, the company, having sufficient resources, management and systems infrastructure, successfully obtained certifications to provide telecommunication services in the states of New Jersey and Pennsylvania. Since emerging from Chapter 11 reorganization, in the month of December 2002, the company has continued to execute its growth strategy and successfully obtained authorization to provide telecommunication services in the states of Virginia and Maryland. To date, the company has maintained a solid relationship and has been in compliance with credit term agreements with its key supplier, "Verizon".

Upon emergence from bankruptcy, the entity name changed from Plan B Communications Inc. to Spectrotel Inc. Neither Spectrotel nor any of its affiliates have ever been denied requested certification in any jurisdiction, nor has the company or its affiliates had a permit, license or certificate revoked by any authority.

Financials

Year to date December' 2002 financial results:

The company's fiscal 2002 revenues were the support that It also generated, on year to date basis, operating cash flow of the support which was sufficient to support the company's market expansion and non-recurring bankruptcy expenses or "restructuring fees" during the Chapter 11 reorganization. The restructuring expenses totaled approximately for the twelve months ended December 2002. Upon emerging from bankruptcy, these restructuring expenses have been reduced to zero. Despite these costs, the company steadily maintained a cash balance of the support that the support the support that the support that the support that the support the support that the support that the support that the support the support that t

During the month of December, the company made substantial initial cash settlement distributions to creditors totaling approximately

Throughout the reorganization period, Verizon, our company's largest supplier, was prepaid on the 1st & 15th of each month. Effective December 1, 2002 Verizon extended its normal 30-day credit terms thereby increasing the company's working capital by approximately

Together with current cash on hand of second a revolving credit facility of second and positive operating cash flow expected in 2003 of second (see 2003 cashflow projection), management is confident that the company will maintain sufficient liquidity to support future cash requirements and expected 2003 sales growth in the range of

The company recently engaged Davis, Graber & Nasberg, LLP, Certified Public Accountants, as its auditors, to audit its financials for the fiscal year ended December 31, 2002. An audit report is expected April 2003.

Exhibits:

- Unaudited December 2002 Financials Balance Sheet, Income Statement and Cashflow
- Monthly Cashflow projections for 2003.

Spectrotel, Inc.

Forecasted Cash flows - 2003														
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		<u></u>				<u></u>	ļ	<u></u>	<u></u>				 	
	-	Fost		Fcst	Fcst	Fest	Fcst	Fost	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst
	Actual 31-Dec	31-Jan	Fcst 28-Feb		30-Apr		30-Jun	31-Ju		30-Sep	31-Oct	30-Nov		
	31-Dec	31-341	20,00	1 71-1410	507φι	07-11.09	. 00 00.1		1				L	
#of days in month	25	25	24	26	26	26	25	26	26	25	26	23	26	
Beginning Cash Balance			<u> </u>							-	7			المستكور
Add: Expected Collections											16			
Other Tax Plans	-+-	-										-		
Total Collections -net of tax	+		-						1					
Cost of Sales: Global					l l									
Global						7								l
Verizon COGS			1.											
Operating Expenses:	-1-1													
Operating Expenses: Payroll (26 Payrolls)														
Benefits includes 401K)								i l
Rent)								
AccessLINE Acquisition Costs														
USAC USAC						أكري								
Other Operating Expenses						الكوي ا							Į.	
Commissions - Agents			9									_		
Cap Leases - Varilease								*						
interest Income														
Capital Expenditures			ļ i	!										
Total Operating Expenses			5											
Operating Cashflow "OCF"	1 1													
_	1 1													
Chapter 11 Distributions:														
Verizon Post-Petition (212K, 3 Mo's)														
Lucent														
Gen'l Unsec (677K) Conv Class														<i>I</i> .
Priority Claim - Trento	1													
Info Directions						1								
Sonnenshein							1				-			
Taxes						·								
Prof Fees (Holdback) Total Chapter 11 Distributions							-		-					
Net Cashflow "NCF"	1-3				-			_						
		1												
Ending Cash -before Credit Line														
Credit Line - Draw (Payment)	1-1		_											
Ending Cash per Books														
	 													
	1								1					
Key Assumptions:														
									 					
Revenues / COS:	end on line aroust	of the second	ar month. Pove	nue per lipe per man	th (Pricing) consists	at with Dec 2003 Is-	Je							
2 Cost of sales growth of the per month	in parody with reve	enue growth. Gn	oss maroir	remain constant a	evels for 2003	IL MIGH DEC 2002 REVE	10.							
1. Collection growth of the per month be 2. Cost of sales growth of the per month 3. Tax costs are the of collections on the	quarter and 1	n other months		23,000							· · · · · · · · · · · · · · · · · · ·			
4. Estimated Access Collection per month	2003 at ber n	nonth consistent	with end of yea	ar 2002 runrates.										
									l					
Operating Expensese: 5. Headcount levels of temperatning flat	1								 		···			
Headcount levels of Femalining flat No Capital Expenditures in 2003	1 2003.								 					
7. Acquisition costs at per line prov	isoned by teleman	keting he	es per month) a	nd of Agent rev	renues exitina 2002 a	at approximately	Per month ramping	to per month	end of 2003.		}			
8. Varilease expires Feb 2003. Lease is re-	newed at f.m.v						T. Marian Family							
9. Commissions to Agents increase in line		uble agent rever	ues by end of 2	2003.										
Chapter 11 Disbursements:	1 14	1 40/ 1-1												
10. Disbursements to Gen'l Unsecured of 1 11. Tax Liability of Tax Bover 8 years a	Mover 4 years a	tt 4% interest												
11. Tax ciability the book of years a	VIRCIESI		——						 					
													i	

Spectrotel, Inc. Statement of Cash Flows For the Month Ended December 31,2002 Preliminary and Unaudited

	Prior	Current	YTD
Cash flows from operating activities:			
Cash from Local & LD			
Cash from Access Fees			
Cash from agents			
Miscellaneous Cash			
Total cash received			
Cost Of Services			
Cash Paid for Local Service			
Cash Paid for LD Service			
Cash Paid for Enhanced Local			
Miscellaneous COS			
Total cash disbursed for Cos			<u> </u>
Ор Ехр			
Salaries (including Taxes)			
Operating and Support Systems			
Internal Telecom			
Travel & Entertainment			
Administration			
Rent			
Insurance			
Telecom Taxes Paid			
Acquisition Costs			
Miscellaneous		4	
Total Op Exp			
Net cash provided by operating activities		-	
Restructuring, investing and financing:			
Legal - Debtor			
Financial			
US Trustce fees			
Bankruptcy settlements			
Legal - Creditor			
Total Restructuring Costs			
Purchase of capital assets			
Payment of capital lease obligations and notes			
Refund Of Customer Deposits And Credits			
Net cash provided by restruct, investing and financing			
Net increase (decrease) in cash			
Beginning cash balance			
Ending cash balance			
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I affirm that the financial statements are true and c	on reacts	//	/
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		1/0/12	
		9/7/05	
Jack Dayan, President & CEO		Date	
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Joe Noto, Couttoller		Date t	
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Spectrotel, Inc. Statement of Income For the Month Ended December 31, 2002 Preliminary and Unaudited

	Prior	Current	YTD
Revenue			A
Cost of Revenue			
Gross Margin			
Olose margin			
Operating Expenses:			
Salaries, payroll taxes and benefits			
Operating and support systems			
Internal telecom			
Travel and entertainment			
Administration			
Rent			
Insurance			
Acquisition costs			
Bad debt			
Total Operating Expenses			
Income (loss) from operations			
Other Income (Expense):			
Interest, net			
Income taxes			
Depreciation			
Amortization			
Misc. Income (loss)			
Total other income (expense)			
Income before restructuring costs			
Restructuring Costs:			
Network termination			
Gain and loss from settlements)
Legal fees of debtor		,	
Financial and accounting fees		}	
U.S. Trustee fees		1	
Legal and accounting fees of creditor			
Total restructuring costs			
			
Income before prior period adjustments			
			
Net Income (loss)			
		j	
	1		
I affirm that the financial statements are true and correct:		/	
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	7///		
Jack Dayan, President & CEO	Date		
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	4/11/7		
Joe Noto, Controller	Dans		
	Date		