

ORIGINAL

030433-TX

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:

BAK COMMUNICATIONS, LLC

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

SAME AS ABOVE

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

444 S. Flower Street  
Suite 4188  
Los Angeles, CA 90071

RECEIVED-FPSC  
 03 MAY - 9 PM 1:11  
 COMMISSION CLERK

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check:

*[Handwritten initials]*

03 MAY - 9 AM 11:33

2 DISTRIBUTION CENTER

04210 MAY - 9 8

FPSC-COMMISSION CLERK

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

TO BE ACQUIRED  
\_\_\_\_\_  
\_\_\_\_\_

6. Structure of organization:

- |   |  |
|---|--|
| <input type="checkbox"/> Individual                     | <input type="checkbox"/> Corporation         |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership            | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other _____                    |  |

7. If individual, provide:

Name: NOT APPLICABLE

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

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

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

NOT APPLICABLE

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

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

MO1000002293

10. **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:

NOT APPLICABLE

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

(a) The Florida Secretary of State registration number:

NOT APPLICABLE

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

Name: NOT APPLICABLE

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

13. **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: NOT APPLICABLE

14. **Provide F.E.I. Number(if applicable):** 33-0975728

**15. 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.

NONE

(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.

NONE

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

(a) The application:

Name: ANTHONY MANZILLA  
Title: CHIEF OPERATIONS OFFICER  
Address: 757 OLD COUNTY ROAD SUITE 239  
City/State/Zip: BELMONT, CA 94002  
Telephone No.: 415-519-8997 Fax No.: —  
Internet E-Mail Address: antonic3221@hotmail.com  
Internet Website Address: —

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

Name: ANTHONY MANZILLA  
Title: CHIEF OPERATIONS OFFICER  
Address: 957 OLD COUNTY ROAD SUITE 239  
City/State/Zip: BELMONT, CA 94002  
Telephone No.: 415-579-8997 Fax No.: —

Internet E-Mail Address: antonio3221@hotmail.com  
Internet Website Address: —

(c) Complaints/Inquiries from customers:

Name: ANTHONY MANZILLA

Title: CHIEF OPERATIONS OFFICER

Address: 957 OLD COUNTY ROAD SUITE 239

City/State/Zip: BELMONT, CA 94002

Telephone No.: 415-579-8997 Fax No.: —

Internet E-Mail Address: antonio3221@hotmail.com

Internet Website Address: —

**17. List the states in which the applicant:**

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

NONE

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

ALL STATES EXCEPT AL, HI

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

WISCONSIN, ILLINOIS

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

TEXAS - lack of documentation, will re-file application

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

NONE

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

NONE

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**18. Submit the following:**

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

**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.**

### **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.

**THIS PAGE MUST BE COMPLETED AND SIGNED**  
**APPLICANT ACKNOWLEDGMENT STATEMENT**

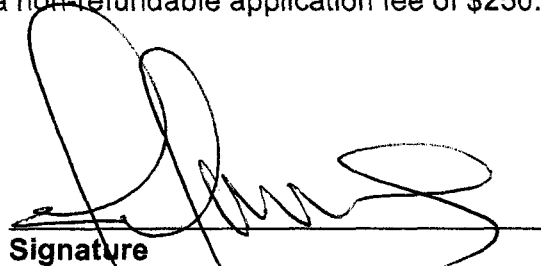
- 1. REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
- 2. APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

Anthony Menzillo  
**Print Name**

Chief Operations Officer  
**Title**

415-599-8997  
**Telephone No.**

  
**Signature**

7 May, 2003  
**Date**

\_\_\_\_\_  
**Fax No.**

**Address:** 957 Old County Road suite 239  
Belmont, CA 94002  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**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."

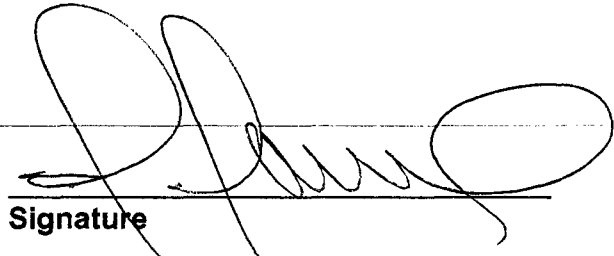
**UTILITY OFFICIAL:**

Anthony Manzillz  
**Print Name**

Chief Operations Officer  
**Title**

915-579-8997  
**Telephone No.**

**Address:** 957 Old County Road Suite 239  
Belmont, CA 94002  
\_\_\_\_\_  
\_\_\_\_\_



**Signature**

7 May, 2003  
**Date**

\_\_\_\_\_  
**Fax No.**

# State of Florida



## Department of State

I certify the attached is a true and correct copy of the application by BAK COMMUNICATIONS, LLC, a California limited liability company, authorized to transact business within the state of Florida on October 5, 2001, as shown by the records of this office.

The document number of this limited liability company is M01000002293.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Tenth day of October, 2001



CR2EO22 (1-99)

*Katherine Harris*

Katherine Harris  
Secretary of State



## **Biographies of Principals**

### **Irving Barr – Chairman**

### **Fred Kunik – President**

Irving Barr and Fred Kunik are the founders and main stakeholders of BAK Communications, LLC. Their primary expertise is in financing firms, and as such they have maintained a large chain of money transfer / check cashing stores all over the nation. In 2001, they founded and funded BAK Communications, and acquired the services of Rabih Aridi, and later on Anthony Manzilla as well to handle the operations and marketing of BAK's telecommunication activities.

### **Rabih Aridi – Chief Executive Officer**

Rabih Aridi's telecommunications expertise comes from being the founder of several long distance companies in California. He was one of the pioneer entrepreneurs who entered the prepaid phone card industry. Since then, he has moved on to providing prepaid 1+ long distance service, which is currently the main source of revenue for BAK Communications.

### **William J. Nolan III – Chief Financial Officer & Secretary**

William J. Nolan III has had extensive experience managing the financial departments of various firms for 26 years now. He has been responsible for all accounting and treasury functions of those companies and handled additional administration of insurance and legal matters. He has also been in charge of the audit and compensation committees of these firms.

### **Anthony Manzilla – Chief Operations Officer**

Anthony Manzilla has had experience founding and managing several telecommunications firms for over 20 years with products and services ranging from phone systems to domestic and international long distance. His latest company is TGEC Communications, LLC a California based resale and facilities based CLEC which is currently still profitable and in operation.



**Re: Financial Statements for State of Florida ALEC Application**

To Whom It May Concern:

Please find attached profit and loss statements for BAK Communications, LLC for the Year 2002, and balance sheet as of November 2002. BAK Communications, LLC has been in business since the end of 2001 and as such has not yet acquired financial information for three (3) years.

More recent financial statements are provided in the form of Profit and Loss Statements from December 2002 through March 2003, a balance sheet as of February 2003, and statements of cash flows from December 2002 through February 2003.

These are being submitted as proof of the financial soundness of the company for their proposed competitive local exchange services in the State of Florida. As the CLEC model being proposed by the company is to operate solely through Resale and Unbundled Network Elements provided by the Incumbent Local Exchange Carriers, there is minimal capital outlay required for equipment or property.

The company further asserts that it has sufficient capitalization to cover deposits and operation expenses until such time as its proposed operations in Florida become profitable and that it will be able to meet any financial obligations that its proposed services may incur.

**BAK Communications LLC**  
**Balance Sheet**  
As of November 30, 2002

Nov 30, 02

**ASSETS**

**Current Assets**

**Checking/Savings**

1101000 · Union Bank-4500162770-General	388,895.36
1102000 · Union Bank-4500162959-CreditCrd	20,205.74
1103000 · Union Bank-4500162991-OnePlus	84,931.75
1104000 · Union Bank-4500163009 Philippin	16,926.13
1105000 · Union Bank-4500163157-Payroll	-29,440.90
1106000 · Union Bank-4500164161-GDD Genrl	154,835.39
1107000 · Union Bank-4500164196-GDD CrCd	16,974.09
1108000 · Tax Compliance - Atlantax	1,500.00
1109000 · Petty Cash	500.00

**Total Checking/Savings** 655,327.56

**Accounts Receivable**

1201000 · Accounts Receivable	1,530,654.89
1201001 · Accounts Receivable - One Plus	203,640.77
1201002 · Accounts Receivable - GDD	260,047.73
1201003 · Accounts Receivable-Philippines	60,674.72
1201004 · Accounts Receivable-Collections	19,367.13
1201006 · Allow. for Doubt. Accts One Plu	-36,093.56

**Total Accounts Receivable** 2,038,291.68

**Other Current Assets**

1201009 · A/R - Employee Advances	2,099.01
1301020 · Prepaid - Latino CC/Protel	5,316.14
1301030 · Prepaid - QWEST	16,005.82
1301035 · Prepaid - Qualnet	66,941.73
1301045 · Prepaid - CNM Network Inc	4,689.23
1301050 · Prepaid - Mercury/Sterling	117,601.27
1301060 · Prepaid - Equity/Affinity	79,314.93
1301065 · Prepaid - ICG Communications	14,709.92
1301066 · Prepaid - ITXC Corp	2,017.05
1301070 · Prepaid - T-House	10,517.64
1301075 · Prepaid - CM Tel (USA) - China	14,000.00
1301085 · Prepaid - Xspedius	1,339.48
1301090 · Prepaid - PLDT - Philippines	29,807.33
1301095 · Prepaid - XO Communications	8,605.30
1301097 · Prepaid - Traffic - One Plus	220,841.18
1302010 · Prepaid Expenses	56,253.48
1303050 · Exchange	135,330.70
1304009 · Deferred Origination Fees	52,300.00
1304011 · Prepaid - China Project	23,289.78
1304012 · Prepaid - Philippines Project	6,200.00
1304018 · Prepaid - Philippines Call Ctr	8,000.00
1304050 · Prepaid - Local Call Program	3,000.00
1305000 · Prepaid Insurance - General	5,392.22
1306000 · Prepaid - Reg. Compliance Srvc	5,000.00
1307000 · Prepaid - Maintenance	206,250.00

**Total Other Current Assets** 1,094,822.21

**Total Current Assets** 3,788,441.45

**Fixed Assets**

1401110 · Furniture and Fixtures	11,121.44
1401120 · Equipment - Office	174,096.36
1401130 · Equipment - Switch	1,922,998.65
1401190 · Organization Cost	60,000.00
1401210 · Accumulated Depreciation F & F	-1,649.01
1401220 · Accumulated Depr. Equip.-Office	-53,261.17
1401230 · Accumulated Dep. Equip - Switch	-224,707.70
1401290 · Accumulated Amort. Org. Cost	-13,000.00

**Total Fixed Assets** 1,875,598.57

**Other Assets**

1501010 · Security Deposits	34,100.00
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**BAK Communications LLC**  
**Balance Sheet**  
As of November 30, 2002

	Nov 30, 02
Total Other Assets	34,100.00
<b>TOTAL ASSETS</b>	<b><u>5,698,140.02</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2101000 · Accounts Payable	1,855,506.05
Total Accounts Payable	1,855,506.05
Other Current Liabilities	
2201000 · Other Accrued Liabilities	27,105.68
2201010 · Accounts Payable CCS - Current	923,309.76
2201050 · Taxes Payable - OnePlus Billing	140,925.07
2501050 · Accrued Payroll	37,770.32
2501051 · Accrued Vacations	40,694.95
Total Other Current Liabilities	1,169,805.78
Total Current Liabilities	3,025,311.83
Long Term Liabilities	
2501010 · Accounts Payable CCS-Long Term	2,155,000.27
2501020 · Sec. Deposits Payable - Cust. P	29,100.00
2501090 · Deferred Cost of Traffic - Call	160,000.00
Total Long Term Liabilities	2,344,100.27
Total Liabilities	5,369,412.10
Equity	
2601000 · Capital	500,000.00
3900 · *Retained Earnings	-399,905.94
Net Income	228,633.86
Total Equity	328,727.92
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>5,698,140.02</u></b>



**BAK Communications LLC**  
**Profit & Loss**  
 January through November 2002

	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	TOTAL
8511608 · Customer Care - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,820.48	1,600.00	1,600.00	1,600.00	7,620.48
8511803 · Professional Fees - Admin	0.00	0.00	460.00	4,067.50	0.00	2,301.38	0.00	437.50	0.00	0.00	0.00	7,266.38
8511804 · Professional Fees - Acct & HR	0.00	197.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,812.50	15,470.00	43,479.77
8511805 · Professional Fees - Mgmt	10,545.65	8,392.86	859.58	5,925.28	438.75	5,079.29	870.44	2,403.75	1,190.17	2,000.00	0.00	37,705.77
8511806 · Professional Fees - IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,558.70	1,500.00	4,058.70
8511807 · Professional Fees - China	0.00	0.00	0.00	0.00	0.00	1,386.00	3,805.00	0.00	0.00	0.00	1,395.00	6,586.00
8511809 · Professional Fees - Telemrkting	4,866.17	2,863.50	3,501.00	9,266.73	3,373.86	0.00	0.00	0.00	0.00	0.00	0.00	23,871.26
8511900 · Payroll - PCS Processing	340.53	290.77	473.86	389.57	294.34	329.03	350.36	323.74	325.90	558.97	330.78	4,007.85
8511901 · Payroll Taxes - C.Care-LD	700.93	737.96	2,610.57	992.39	1,838.11	1,124.01	960.54	1,007.90	1,380.55	1,521.59	1,280.24	14,154.79
8511902 · Payroll Taxes - C.Care-PC	2,620.94	2,025.91	1,522.65	7,876.69	2,167.21	2,357.44	3,134.78	1,393.81	541.21	1,703.50	1,447.36	26,791.50
8511903 · Payroll Taxes - Administration	147.68	135.35	172.83	573.20	41.41	241.40	202.22	231.05	8.05	0.00	0.00	1,753.19
8511904 · Payroll Taxes - Accounting & HR	1,507.64	1,750.94	1,961.66	3,089.22	2,392.77	2,026.76	2,511.96	2,504.81	1,598.62	1,378.57	1,172.22	21,895.17
8511905 · Payroll Taxes - Management	1,693.17	1,342.03	1,657.09	1,823.71	1,944.78	1,400.29	622.87	568.13	180.21	198.14	428.33	11,858.75
8511906 · Payroll Taxes - IT	2,147.10	2,450.07	1,928.57	3,461.20	3,428.17	3,151.33	3,516.17	2,341.64	2,755.79	4,146.76	3,660.15	32,986.95
8511907 · Payroll Taxes - China/GDD	0.00	0.00	0.00	0.00	682.95	1,352.63	1,908.34	3,301.41	3,235.11	3,602.30	3,295.39	17,378.13
8511909 · Payroll Taxes - Telemarketing	260.00	155.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	415.04
8512003 · Rent Expenses - 444 S. Flower	17,000.00	17,000.00	21,417.11	18,169.00	19,189.39	21,071.20	18,220.94	18,559.44	18,154.00	18,164.00	20,738.83	207,683.91
8512006 · Rent Expenses - Quinby Bldg	1,305.32	0.00	2,652.40	0.00	2,652.40	1,326.20	1,326.20	1,326.30	1,326.30	1,326.30	1,326.30	14,567.72
8512103 · Utilities - Extra A/C & Lights	0.00	0.00	2,186.71	607.06	627.57	586.88	874.49	631.16	0.00	0.00	1,669.90	7,183.77
8512106 · Utilities - IT	1,904.52	0.00	3,222.12	0.00	3,497.32	1,574.55	1,565.43	1,942.23	1,610.55	1,812.15	1,611.99	18,740.86
8512201 · Parking - Cust. Care - LD	440.00	390.00	195.00	5.70	0.00	0.00	0.00	0.00	0.00	210.00	210.00	1,450.70
8512202 · Parking - Cust. Care-PhoneCards	2,430.00	2,235.00	2,934.00	227.56	450.25	975.71	534.25	285.78	-76.89	309.73	333.84	10,639.23
8512203 · Parking - Administration	1,146.00	1,140.00	1,425.00	0.00	0.00	124.26	21.70	5.46	40.62	42.16	10.54	3,955.74
8512204 · Parking - Accounting & HR	225.00	390.00	942.00	490.85	642.00	1,517.52	1,310.91	871.26	235.90	1,184.20	902.30	8,711.94
8512205 · Parking - Management	390.00	390.00	585.00	769.50	666.00	624.74	436.57	469.89	310.53	639.04	313.51	5,594.78
8512206 · Parking - IT	975.00	975.00	1,423.25	196.65	753.00	1,139.70	651.86	600.54	132.90	817.20	669.30	8,334.40
8512207 · Parking - China/GDD	0.00	0.00	0.00	0.00	0.00	318.39	630.96	673.77	86.88	725.84	1,253.96	3,689.80
8512208 · Parking - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	175.08	167.40	203.20	50.80	596.48
8512301 · Transportation Metro - CCare-LD	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	100.00	350.00
8512302 · Transportation Metro - CCare-PC	350.00	342.00	1,292.00	200.00	1,000.00	1,000.00	900.00	800.00	750.00	450.00	450.00	7,534.00
8512303 · Transportation Metro - Adm	120.00	42.00	42.00	50.00	0.00	0.00	0.00	0.00	22.00	0.00	21.00	297.00
8512304 · Transportation Metro - Acct HR	84.00	84.00	184.00	150.00	50.00	200.00	200.00	200.00	150.00	150.00	353.43	1,805.43
8512305 · Transportation Metro-Management	0.00	0.00	0.00	2,007.02	0.00	562.25	224.50	616.85	0.00	0.00	251.50	3,662.12
8512306 · Transportation Metro - IT	170.00	120.00	50.00	367.00	532.50	642.00	590.25	590.25	590.25	590.25	590.25	4,832.75
8512307 · Transportation Metro -China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	350.00	400.00	500.00	500.00	550.00	2,300.00
8512405 · Auto Expenses - Management	1,097.05	0.00	847.05	0.00	0.00	2,427.59	0.00	0.00	1,997.51	0.00	0.00	6,369.20
8512504 · Messenger - Accounting & HR	0.00	0.00	0.00	0.00	175.83	0.00	167.10	56.10	56.10	37.40	0.00	492.53
8512507 · Messenger - China/GDD	0.00	0.00	0.00	0.00	0.00	136.95	0.00	0.00	0.00	0.00	0.00	136.95
8512602 · Travel Expenses - CCare-PC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.96	0.00	0.00	14.96
8512603 · Travel Expenses - Admin.	0.00	65.76	0.00	0.00	21.08	0.00	0.00	0.00	100.22	654.75	0.00	841.81
8512605 · Travel Expenses - Mgmt	1,831.93	0.00	3,533.50	848.84	1,796.43	3,331.84	3,294.26	207.86	540.54	3,285.04	324.50	18,994.74
8512606 · Travel Expenses - IT	0.00	851.37	207.71	624.65	498.62	563.10	1,747.72	746.70	3,020.83	512.63	847.82	9,621.15
8512608 · Travel Expenses - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,326.23	703.12	3,029.35
8512703 · Rental Equipment - Adm.	0.00	56.73	0.00	240.73	0.00	0.00	240.73	0.00	0.00	240.73	0.00	778.92
8512706 · Rental Equipment - IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	721.19	61.59	782.78
8512802 · Advertising - C.Care-PC	0.00	695.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	695.00
8512803 · Advertising - Administration	1,268.53	1,182.69	0.00	35.00	796.30	0.00	0.00	0.00	0.00	0.00	0.00	3,282.52
8512804 · Advertising - Accounting & HR	0.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	298.12	498.12
8512805 · Advertising - Management	0.00	0.00	0.00	0.00	35.00	210.00	140.00	140.00	122.50	0.00	2,410.00	3,057.50
8512806 · Advertising - IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	565.00	660.35	0.00	0.00	1,225.35
8512807 · Advertising - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	133.00	259.00	3,030.00	1,634.40	5,056.40
8512907 · Preopening Expenses - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,052.65	16,548.08	17,526.08	16,570.08	64,696.89
8513003 · Postage-U.S. Mail - Admin.	200.00	200.00	2.18	10.90	373.53	222.53	215.00	0.00	215.00	215.00	215.00	1,869.14
8513004 · Postage-U.S.Mail - Acct & HR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.88	4.88
8513007 · Postage-U.S. Mail - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8513008 · Postage-U.S. Mail - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8513101 · Postage-Overnight - CC-LD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.90	9.90
8513103 · Postage-Overnight - Admin.	481.43	212.05	106.80	29.95	24.47	21.96	76.82	19.33	33.81	0.00	0.00	1,006.62
8513104 · Postage-Overnight - Acct & HR	32.82	86.40	80.26	121.43	95.43	34.96	78.75	113.88	69.79	65.98	96.24	875.94
8513105 · Postage-Overnight - Management	0.00	33.67	192.44	331.18	59.93	236.79	38.70	6.68	20.82	77.89	0.00	998.10
8513106 · Postage-Overnight - IT	76.84	96.00	89.61	120.85	47.37	61.69	132.16	26.70	128.49	76.95	890.70	1,747.36
8513107 · Postage-Overnight - China/GDD	0.00	0.00	0.00	0.00	0.00	87.42	84.00	77.48	75.75	21.63	155.51	501.79
8513108 · Postage-Overnight - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64.26	0.00	0.00	0.00	64.26



**BAK Communications LLC**  
**Profit & Loss**  
 January through November 2002

	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	TOTAL
8513206 · Freight & Delivery - IT	486.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.00	517.98
8513303 · Billing/Mailing - One Plus	25,376.57	18,075.57	54,463.90	21,334.77	16,017.05	17,723.97	22,564.96	18,773.98	17,837.52	8,259.09	13,702.07	234,129.45
8513307 · Billing/Mailing - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	412.00	7,686.25	19,872.39	28,906.12	36,990.76	93,867.52
8513308 · Billing/Mailing - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	412.00	0.00	2,664.72	2,279.39	3,111.32	8,467.43
8513403 · Tax Compliance - One Plus	0.00	0.00	0.00	2,330.00	0.00	5,170.00	0.00	4,930.05	5,000.00	2,524.18	3,144.34	23,098.57
8513601 · Telephone Expenses - C.Care-LD	7,509.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,509.78
8513602 · Telephone Expenses - C.Care-PC	0.00	76.98	75.58	0.00	0.00	0.00	0.00	85.42	85.42	88.28	86.57	498.25
8513603 · Telephone Expenses - Administra	1,686.26	1,107.90	1,803.49	1,455.66	935.59	1,857.88	1,880.92	1,991.88	1,614.02	2,146.85	2,161.01	18,641.46
8513604 · Telephone Expenses - Acct. & HR	0.00	0.00	0.00	91.35	90.98	90.98	90.98	91.09	90.98	91.84	92.13	730.33
8513605 · Telephone Expenses - Mgmt	491.75	474.14	882.64	642.36	562.55	347.92	339.00	349.70	372.78	1,566.42	655.33	6,684.59
8513606 · Telephone Expenses - IT	615.94	2,973.46	564.90	512.29	864.65	1,018.90	1,095.95	859.14	1,275.64	1,261.32	2,566.67	13,608.86
8513701 · Office Supplies - C.Care-LD	130.92	15.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	162.34	0.00	308.39
8513702 · Office Supplies - C.Care-PC	207.69	0.00	63.18	9.30	169.66	176.75	355.18	242.37	36.97	0.00	0.00	1,261.10
8513703 · Office Supplies - Administration	662.22	1,552.70	3,741.50	802.89	976.83	-258.77	1,157.70	1,327.32	357.01	958.15	565.44	11,842.99
8513704 · Office Supplies - Acctng & HR	319.32	362.35	299.19	95.95	161.83	147.96	1,504.09	650.50	280.64	435.29	155.84	4,412.96
8513705 · Office Supplies - Management	0.00	0.00	238.13	32.30	0.00	0.00	256.74	138.85	108.24	0.00	43.26	817.52
8513706 · Office Supplies - IT	2,833.51	162.39	177.08	152.57	803.59	634.90	1,339.48	109.45	802.24	140.57	177.48	7,333.26
8513707 · Office Supplies - China/GDD	0.00	0.00	0.00	0.00	0.00	398.40	337.77	976.55	43.29	813.74	1,064.55	3,634.30
8513802 · Office Equip. Exp. - CC-PC	0.00	0.00	0.00	0.00	0.00	530.20	0.00	0.00	0.00	0.00	0.00	530.20
8513803 · Office Equip. Exp. - Administrat	0.00	0.00	1,830.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,830.04
8513804 · Office Equip. Exp. - Acctng. & HR	0.00	0.00	0.00	352.79	3,318.92	0.00	0.00	0.00	30.00	0.00	0.00	3,701.71
8513805 · Office Equip. Exp. - Management	0.00	0.00	350.00	0.00	951.54	300.00	0.00	0.00	0.00	0.00	0.00	1,601.54
8513806 · Office Equip. Exp. IT	95.00	1,987.91	0.00	407.15	1,969.39	105.11	0.00	75.00	2,921.42	73.61	0.00	7,634.59
8513807 · Office Equip. Exp. - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,102.04	1,479.92	2,000.00	4,581.96
8514003 · Depreciation Expenses - Adm	3,794.82	3,794.82	3,902.46	4,180.01	4,180.01	4,307.18	4,307.18	4,307.18	4,727.30	4,909.29	4,910.29	47,320.54
8514006 · Depreciation Expenses - IT	16,400.36	16,400.36	16,400.36	16,400.36	16,400.36	16,400.36	16,400.36	17,382.60	19,806.52	19,957.67	19,957.67	191,906.98
8514103 · Amortization Expenses - Adm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,000.00	1,000.00	1,000.00	13,000.00
8514406 · Repairs & Maint/Equip - IT-444	0.00	0.00	0.00	507.43	0.00	0.00	27.06	2,692.34	984.85	27.06	236.91	4,475.65
8514503 · Repairs & Maint/Bldg - Admin	0.00	51.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.50
8514606 · Repairs & Maint/Equip - IT-Quin	15,096.00	15,044.17	16,266.72	16,096.76	15,050.61	15,346.49	15,224.58	17,803.60	15,509.13	14,482.08	23,269.59	179,189.73
8514705 · Comp. Software/License - Mgmt	0.00	0.00	0.00	0.00	0.00	0.00	66.06	0.00	0.00	0.00	0.00	66.06
8514706 · Comp. Software/License - IT	11,759.82	6,134.59	-506.40	431.92	0.00	0.00	3,499.60	0.00	7,111.34	2,424.75	1,552.36	32,407.98
8515103 · Taxes States - Administration	0.00	2,805.00	110.00	1,195.00	263.23	988.01	272.41	8,538.66	630.39	1,725.92	1,101.12	17,629.74
8515203 · Taxes Counties - Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89.00	0.00	4,271.76	1,067.94	5,428.70
8515207 · Taxes Counties - China/GDD	0.00	0.00	0.00	0.00	0.00	91.00	0.00	0.00	0.00	0.00	0.00	91.00
8516003 · Ins. Exp. Business Pkg. - Admin	680.25	860.25	1,839.25	1,025.25	1,025.25	1,025.25	1,025.25	1,025.25	1,025.25	0.00	1,025.00	10,736.25
8516005 · Life Ins. Exp - Management	0.00	0.00	0.00	0.00	0.00	0.00	750.00	1,460.00	0.00	426.00	377.88	3,013.88
8516101 · Ins. Exp. Worker's Comp.- CC-LD	84.55	109.53	326.31	124.05	229.76	140.50	120.07	125.99	82.97	201.25	165.92	1,710.90
8516102 · Ins. Exp. Worker's Comp.- CC-PC	305.45	252.04	253.15	916.46	770.46	232.65	1,921.16	233.61	-692.53	305.07	164.08	4,661.60
8516103 · Ins. Exp. Worker's Comp.- Adm	16.50	16.98	24.50	63.89	34.14	18.11	-3,509.13	2,579.56	-25.97	0.00	0.00	-781.42
8516104 · Ins. Exp. Worker's Comp.- Acct	154.08	205.65	320.01	399.18	429.89	249.33	647.27	378.41	-206.22	379.47	165.73	3,122.80
8516105 · Ins. Exp. Worker's Comp.- Manag	200.56	207.30	277.81	214.59	254.48	214.59	67.42	159.50	12.33	119.64	79.75	1,807.97
8516106 · Ins. Exp. Worker's Comp.- IT	228.54	287.32	363.57	417.67	548.29	356.81	932.06	351.06	-383.60	585.80	416.31	4,103.83
8516107 · Ins. Exp. Worker's Comp-China	0.00	0.00	0.00	0.00	64.23	129.19	193.40	230.53	66.73	492.60	358.92	1,535.60
8516109 · Ins. Exp. Worker's Comp-Telemkt	31.38	18.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.61
8516201 · Ins. Health - C.Care-LD	1,693.20	-1,298.90	0.00	0.00	0.00	0.00	0.00	0.00	760.52	749.20	1,361.90	3,465.92
8516202 · Ins. Health - C.Care-PhoneCrds	2,441.88	7,940.77	3,447.09	4,096.64	2,055.14	2,398.48	2,901.21	1,935.24	1,666.41	1,583.28	1,312.48	31,378.62
8516203 · Ins. Health - Administration	521.56	4.68	0.96	0.96	0.96	0.96	0.00	0.00	0.00	463.20	0.00	993.28
8516204 · Ins. Health - Accounting & HR	372.16	1,631.48	648.66	674.27	2,005.19	824.91	1,083.91	1,118.73	1,101.91	1,912.88	1,014.34	12,388.44
8516205 · Ins. Health - Management	0.00	776.50	327.00	572.00	332.00	347.00	332.00	585.41	350.00	567.41	391.00	4,580.32
8516206 · Ins. Health - IT	203.08	572.73	-1,285.97	2,051.80	1,278.33	1,844.94	1,529.64	915.65	1,308.69	1,253.48	1,088.80	10,761.17
8516207 · Ins. Health - China/GDD	0.00	0.00	0.00	0.00	0.00	125.00	222.01	592.92	620.98	1,606.20	989.85	4,156.96
8516305 · Dues & Subscriptions	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
8516503 · Bad Debts - Adm	0.00	25,288.64	10,000.00	6,300.00	2,476.02	-4,969.99	1,963.23	0.00	5,210.98	6,972.92	2,854.84	56,096.64
8517003 · Bank Charges - Administration	-188.38	933.72	773.00	861.21	699.67	1,885.03	975.75	1,228.86	1,271.16	2,691.41	2,542.70	13,674.13
8517103 · Bank Commissions - Administrati	1,682.50	0.00	0.00	715.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,797.57
8517503 · Interest Expenses - Admin	7,492.06	8,595.49	8,676.93	9,269.48	9,831.05	9,882.65	10,561.82	12,320.69	13,165.32	15,501.90	18,148.55	123,445.94
8519903 · Miscellaneous Exp. - Adm	-15.11	0.00	0.00	0.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00	9.89
8521003 · Income Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,600.00	0.00	7,600.00
<b>Total Expense</b>	<b>279,133.90</b>	<b>289,399.65</b>	<b>318,849.92</b>	<b>289,936.35</b>	<b>291,648.61</b>	<b>286,309.86</b>	<b>305,650.17</b>	<b>381,459.33</b>	<b>393,688.39</b>	<b>520,244.59</b>	<b>476,055.23</b>	<b>3,832,376.00</b>
<b>Net Income</b>	<b>8,575.81</b>	<b>85,036.32</b>	<b>20,510.31</b>	<b>-14,667.88</b>	<b>17,272.22</b>	<b>4,317.95</b>	<b>23,873.95</b>	<b>11,617.53</b>	<b>26,761.69</b>	<b>28,266.50</b>	<b>17,069.46</b>	<b>228,633.86</b>

BAK Communications LLC  
Profit & Loss  
December 2002 through March 2003

	Dec 02	Jan 03	Feb 03	Mar 03	TOTAL
<b>Income</b>					
6301000 - Phone Cards	1,912,246.29	2,075,703.13	2,424,959.03	2,978,727.67	9,391,636.12
6301010 - Phone Service Business	116,999.87	112,078.36	110,076.71	102,038.50	441,193.44
6302000 - One Plus	61,439.46	59,993.08	58,929.50	55,195.81	235,557.85
6302007 - GDD/China Project	262,695.42	341,938.59	294,192.10	268,257.46	1,167,083.57
6302008 - Philippines Project	39,617.92	48,751.89	50,917.88	53,047.67	192,335.36
6303000 - Other Income	290.40	59.19	0.00	0.00	349.59
<b>Total Income</b>	<b>2,393,289.36</b>	<b>2,638,524.24</b>	<b>2,939,075.22</b>	<b>3,457,267.11</b>	<b>11,428,155.93</b>
<b>Cost of Goods Sold</b>					
7401000 - Carrier Cost - Phone Cards	1,841,209.29	1,814,542.98	2,140,837.81	2,629,723.94	8,226,314.91
7401010 - Carrier Cost - Phone Serv. Bus.	80,890.23	83,803.66	77,058.21	71,431.13	312,983.93
7402000 - Carrier Cost - One Plus	34,663.61	26,396.96	25,928.98	24,286.16	111,276.15
7402007 - Carrier Cost - China/GDD	115,585.98	150,452.98	129,444.52	118,033.28	513,517.20
7402008 - Carrier Cost - Philippines	16,116.83	21,450.83	22,403.87	23,340.98	83,312.95
7402500 - Local Loop Cost - General	58,306.87	58,768.73	51,096.67	52,000.00	#DIV/0!
7403000 - Other Cost - Other Income	23,357.96	5,339.70	14,891.11	17,516.58	61,105.35
<b>Total COGS</b>	<b>1,969,930.77</b>	<b>2,158,755.84</b>	<b>2,461,661.17</b>	<b>2,938,332.07</b>	<b>9,526,679.85</b>
<b>Gross Profit</b>	<b>423,358.59</b>	<b>479,768.40</b>	<b>477,414.05</b>	<b>520,935.04</b>	<b>1,901,476.08</b>
	17.69%	18.18%	16.24%	15.07%	16.64%
<b>Expense</b>					
6999 - Uncategorized Expenses	0.00	0.00	0.00	0.00	0.00
8511001 - Salaries - Cust.Care-LongDist.	20,787.19	11,630.75	4,320.40	7,068.76	43,807.10
8511002 - Salaries - Cust.Care-PhoneCards	21,093.23	6,405.94	2,985.28	14,366.59	44,851.04
8511003 - Salaries - Administration	0.00	0.00	0.00	0.00	0.00
8511004 - Salaries - Accounting & HR	22,409.51	19,098.76	19,341.86	20,937.14	81,787.27
8511005 - Salaries - Management	17,091.78	25,878.75	20,106.20	21,020.30	84,097.03
8511006 - Salaries - IT	43,380.52	40,880.27	34,514.34	37,406.33	156,181.46
8511007 - Salaries - GDD/LA	37,338.11	21,479.59	16,699.30	2,688.25	78,205.25
8511011 - Overtime - CCare-LD	1,418.83	1,039.00	1,356.25	1,213.48	5,027.56
8511012 - Overtime - Customer Care-PC	86.26	0.00	0.00	190.50	276.76
8511014 - Overtime - Accounting & HR	641.70	441.53	760.55	655.11	2,498.89
8511015 - Overtime - Management	0.00	0.00	0.00	0.00	0.00
8511016 - Overtime - IT	6,777.47	4,647.37	6,976.14	5,215.76	23,616.74
8511017 - Overtime - GDD/LA	857.83	262.51	365.63	121.87	1,607.84
8511021 - Vacation - Customer Care - LD	0.00	162.96	1,185.88	0.00	1,348.84
8511022 - Vacation - Customer Care - PC	0.00	630.72	1,188.36	0.00	1,819.08
8511024 - Vacation - Accounting & HR	0.00	996.40	318.00	0.00	1,314.40
8511025 - Vacation - Management	0.00	0.00	0.00	0.00	0.00
8511026 - Vacation - IT	0.00	153.84	153.84	634.80	942.48
8511027 - Vacation - GDD/LA	0.00	1,882.15	3,062.16	0.00	4,944.31
8511031 - Compensation - BAK/Philippines	0.00	14,205.71	9,750.00	4,950.00	28,905.71
8511037 - Compensation - GDD/Philippines	0.00	0.00	0.00	5,400.00	5,400.00
8511038 - Compensation - Philippines/Phil	1,600.00	3,037.50	2,400.00	4,800.00	11,837.50
8511047 - Compensation - GDD/China	0.00	4,000.00	2,520.00	0.00	6,520.00
8511098 - ER 401(k) Contributions	0.00	0.00	382.84	0.00	382.84
8511107 - Origination Fees - GDD/China	18,935.35	21,413.02	23,349.34	12,024.50	75,722.21
8511108 - Commissions - Philippines	10,286.81	5,478.55	3,629.97	5,947.78	25,323.11
8511109 - Commissions - Telemarketing	12,607.21	9,190.21	8,505.19	13,035.38	43,337.99
8511201 - Bonuses - CCare-LD	1,050.00	0.00	0.00	0.00	1,050.00
8511202 - Bonuses - CCare-PC	1,750.00	0.00	0.00	0.00	1,750.00
8511203 - Bonuses - Administration	0.00	0.00	0.00	0.00	0.00
8511204 - Bonuses - Accounting & HR	950.00	0.00	0.00	0.00	950.00
8511205 - Bonuses - Management	0.00	0.00	0.00	0.00	0.00
8511206 - Bonuses - IT	3,050.00	0.00	0.00	0.00	3,050.00
8511207 - Bonuses - GDD/LA	1,700.00	0.00	0.00	0.00	1,700.00
8511217 - Profit Sharing - China/GDD	43,428.76	50,847.25	46,611.74	46,378.20	187,265.95
8511301 - Employee Benefits - CCare-LD	602.76	0.00	36.65	16.50	655.91
8511302 - Employee Benefits - CCare-PC	994.36	0.00	56.65	16.50	1,067.51
8511303 - Employee Benefits - Admin.	0.00	0.00	0.00	0.00	0.00
8511304 - Employee Benefits - Acct. & HR	602.80	0.00	43.86	16.50	663.16

BAK Communications LLC  
Profit & Loss  
December 2002 through March 2003

	Dec 02	Jan 03	Feb 03	Mar 03	TOTAL
8511305 - Employee Benefits - Management	384.39	0.00	32.71	149.89	566.79
8511306 - Employee Benefits - IT	984.37	0.00	58.59	222.51	1,265.47
8511307 - Employee Benefits - GDD/LA	1,483.82	0.00	243.86	16.51	1,744.19
8511501 - Temporary Office Help - CC-LD	2,682.57	1,905.76	2,850.30	1,963.50	9,402.13
8511502 - Temporary Office Help - CC-PC	0.00	0.00	3,045.61	7,361.14	10,406.75
8511503 - Temporary Office Help - Adm	3,206.73	2,739.12	3,673.93	2,274.60	11,894.38
8511507 - Temporary Office Help - GDD	0.00	0.00	515.52	3,873.60	4,389.12
8511602 - Cust. Care/Inst.Impact/THouse	1,837.78	2,242.01	583.48	0.00	4,663.27
8511800 - Legal Fees	0.00	0.00	10,020.13	15,000.00	25,020.13
8511803 - Professional Fees - Admin	5,076.50	0.00	0.00	0.00	5,076.50
8511804 - Professional Fees - Acct & HR	(4,187.50)	10,312.50	17,867.50	3,600.00	27,612.50
8511805 - Professional Fees - Mgmt	(1,535.00)	0.00	0.00	0.00	(1,535.00)
8511806 - Professional Fees - IT	1,500.00	0.00	0.00	0.00	1,500.00
8511807 - Professional Fees - China/GDD	0.00	540.00	0.00	0.00	540.00
8511809 - Professional Fees - Telemrkting	0.00	0.00	0.00	0.00	0.00
8511900 - Payroll - PCS Processing	457.78	557.65	279.20	332.84	1,627.47
8511901 - Payroll Taxes - C.Care-LD	1,331.36	1,483.57	758.22	698.65	4,271.80
8511902 - Payroll Taxes - C.Care-PC	1,583.98	844.52	521.39	1,561.00	4,510.89
8511903 - Payroll Taxes - Administration	0.00	0.00	0.00	0.00	0.00
8511904 - Payroll Taxes - Accounting & HR	1,443.68	2,172.06	2,023.83	1,757.49	7,397.06
8511905 - Payroll Taxes - Management	13.89	2,583.28	1,551.01	1,647.44	5,775.62
8511906 - Payroll Taxes - IT	4,164.03	5,326.81	4,082.81	3,366.50	16,939.95
8511907 - Payroll Taxes - GDD/LA	3,342.86	2,825.34	2,411.68	207.80	8,787.68
8512003 - Rent Expenses - 444 S. Flower	21,154.00	21,271.11	20,000.00	20,000.00	82,425.11
8512006 - Rent Expenses - Quinby Bldg	0.00	1,326.30	1,326.30	1,326.30	3,978.90
8512103 - Utilities & Sundry Exp - 444	1,178.22	3,094.85	2,349.91	1,157.65	7,780.63
8512106 - Utilities - Quinby Bldg	0.00	1,767.51	2,206.23	1,849.11	5,822.85
8512201 - Parking - Cust. Care - LD	726.00	666.00	580.00	420.00	2,392.00
8512202 - Parking - Cust. Care-PhoneCards	324.25	744.25	255.00	420.00	1,743.50
8512203 - Parking - Administration	3.00	63.00	60.00	30.00	156.00
8512204 - Parking - Accounting & HR	515.70	483.00	512.00	450.00	1,960.70
8512205 - Parking - Management	327.00	672.00	572.00	375.00	1,946.00
8512206 - Parking - IT	1,125.00	1,110.00	855.00	840.00	3,930.00
8512207 - Parking - China/GDD	981.00	525.00	258.00	24.00	1,788.00
8512208 - Parking - Philippines	0.00	111.00	102.00	51.00	264.00
8512301 - Transportation Metro - CCare-LD	113.00	42.00	42.00	42.00	239.00
8512302 - Transportation Metro - CCare-PC	400.00	0.00	42.00	452.00	894.00
8512303 - Transportation Metro - Adm	42.00	42.00	53.00	42.00	179.00
8512304 - Transportation Metro - Acct HR	150.00	150.00	152.70	150.00	602.70
8512305 - Transportation Metro-Management	126.10	163.50	176.00	197.95	663.55
8512306 - Transportation Metro - IT	354.00	590.25	354.00	472.25	1,770.50
8512307 - Transportation Metro - GDD/LA	600.00	450.00	400.00	261.00	1,711.00
8512405 - Auto Expenses - Management	643.30	0.00	(265.96)	0.00	377.34
8512504 - Messenger - Accounting & HR	56.10	37.40	0.00	10.00	103.50
8512507 - Messenger - China/GDD	0.00	0.00	56.10	0.00	56.10
8512508 - Messenger - Philippines	0.36	0.00	0.00	0.00	0.36
8512602 - Travel Expenses - CCare-PC	0.00	0.00	32.86	0.00	32.86
8512604 - Travel Expenses - Acct. & HR	53.33	0.00	0.00	79.60	132.93
8512605 - Travel Expenses - Mgmt	1,771.08	0.00	208.50	2,355.06	4,334.64
8512606 - Travel Expenses - IT	1,089.17	895.79	2,029.73	1,337.85	5,352.54
8512608 - Travel Expenses - Philippines	0.00	101.70	0.00	0.00	101.70
8512703 - Rental Equipment - Adm.	0.00	240.73	0.00	0.00	240.73
8512706 - Rental Equipment - IT	0.00	0.00	228.85	199.00	427.85
8512803 - Advertising - Administration	0.00	0.00	20.00	0.00	20.00
8512805 - Advertising - Management	(728.52)	140.00	35.00	179.96	(373.56)
8512806 - Advertising - IT	0.00	860.06	70.00	0.00	930.06
8512907 - Preopening Expenses - China/GDD	16,549.04	6,946.97	0.00	0.00	23,496.01
8513003 - Postage-U.S. Mail - Admin.	215.00	215.00	430.00	0.00	860.00
8513007 - Postage-U.S. Mail - China/GDD	0.00	0.00	0.23	0.00	0.23
8513101 - Postage-Overnight - CC-LD	(6.78)	9.79	0.00	0.00	3.01
8513104 - Postage-Overnight - Acct & HR	111.88	85.52	96.73	34.07	328.20
8513105 - Postage-Overnight - Management	26.77	60.00	57.69	5.68	150.14
8513106 - Postage-Overnight - IT	254.31	(25.39)	51.29	62.88	343.09
8513107 - Postage-Overnight - China/GDD	255.06	35.81	186.24	0.00	477.11
8513108 - Postage-Overnight - Philippines	7.08	0.00	0.00	0.00	7.08
8513206 - Freight & Delivery - IT	0.00	52.63	0.00	0.00	52.63
8513303 - Billing/Mailing - One Plus	11,441.02	6,939.29	14,996.46	1,742.34	35,119.11
8513307 - Billing/Mailing - China/GDD	34,670.23	22,792.57	31,303.25	570.00	89,276.05
8513308 - Billing/Mailing - Philippines	3,902.59	2,755.72	2,086.20	975.27	9,719.78
8513403 - Tax Compliance - One Plus	8,798.13	4,397.50	4,853.05	1,668.66	19,715.34
8513601 - Telephone Expenses - C.Care-LD	0.00	90.82	90.93	91.53	273.28
8513602 - Telephone Expenses - C.Care-PC	86.57	85.28	85.26	119.25	376.34
8513603 - Telephone Expenses - Administra	1,454.56	2,867.00	1,312.31	1,680.09	7,313.96
8513604 - Telephone Expenses - Acct. & HR	92.13	0.00	0.00	0.00	92.13
8513605 - Telephone Expenses - Mgmt	1,185.80	350.88	520.52	599.42	2,656.62
8513606 - Telephone Expenses - IT	1,760.07	1,633.95	1,981.77	1,936.00	7,311.79
8513701 - Office Supplies - C.Care-LD	231.95	35.65	0.00	0.00	267.60
8513702 - Office Supplies - C.Care-PC	25.17	43.29	0.00	0.00	68.46
8513703 - Office Supplies - Administration	1,679.32	1,147.67	849.72	623.25	4,299.96

BAK Communications LLC  
Profit & Loss  
December 2002 through March 2003

	Dec 02	Jan 03	Feb 03	Mar 03	TOTAL
8513704 Office Supplies - Acctng & HR	1,271.10	988.80	96.13	284.78	2,640.81
8513705 Office Supplies - Management	406.47	0.43	53.80	41.24	501.94
8513706 Office Supplies - IT	788.66	340.64	135.98	84.38	1,349.66
8513707 Office Supplies - GDD/LA	1,680.08	599.67	0.00	24.89	2,304.64
8513801 Office Equip. Exp. - CC-LD	951.51	0.00	0.00	0.00	951.51
8513803 Office Equip. Exp. - Administrat	0.00	270.61	0.00	425.00	695.61
8513805 Office Equip. Exp.- Management	383.52	0.00	0.00	0.00	383.52
8513806 Office Equip. Exp. IT	1,050.64	504.68	0.00	0.00	1,555.32
8513807 Office Equip. Exp.- China/GDD	1,475.00	0.00	0.00	0.00	1,475.00
8513808 Office Equip. Exp.- Philippines	171.00	0.00	0.00	0.00	171.00
8514003 Depreciation Expenses - Adm	4,910.29	4,985.73	4,985.73	4,985.73	19,867.48
8514006 Depreciation Expenses - IT	19,957.67	34,404.33	34,464.12	34,464.12	123,290.24
8514103 Amortization Expenses - Adm	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00
8514406 Repairs & Maint/Equip - IT-444	0.00	613.51	0.00	0.00	613.51
8514501 Repairs & Maint/Bldg - CC-LD	1,506.18	0.00	0.00	0.00	1,506.18
8514502 Repairs & Maint/Bldg - CC-PC	1,506.18	0.00	0.00	0.00	1,506.18
8514503 Repairs & Maint/Bldg - Admin	(6,378.49)	669.75	0.00	0.00	(5,708.74)
8514504 Repairs & Maint/Bldg - Acct&HR	1,799.16	0.00	0.00	0.00	1,799.16
8514505 Repairs & Maint/Bldg - Mgmt	1,556.17	0.00	0.00	0.00	1,556.17
8514506 Repairs & Maint/Bldg - IT	2,387.45	0.00	0.00	0.00	2,387.45
8514507 Repairs & Maint/Bldg -China/GDD	1,536.21	0.00	0.00	0.00	1,536.21
8514606 Repairs & Maint/Equip - IT-Quin	24,219.58	18,750.00	18,822.50	18,903.61	80,695.69
8514701 Comp. Software/License - CC-LD	308.90	22.53	0.00	0.00	331.43
8514704 Comp. Software/License - Acct&HR	654.81	0.00	0.00	0.00	654.81
8514706 Comp. Software/License - IT	601.67	1,130.29	0.00	1,558.38	3,290.34
8515103 Taxes States - Administration	448.47	380.54	38.36	798.56	1,665.93
8515203 Taxes Counties - Administration	1,067.94	1,067.94	1,067.94	1,067.94	4,271.76
8516003 Ins. Exp. Business Pkg. - Admin	1,025.75	1,060.53	1,060.53	1,157.47	4,304.28
8516005 Life Ins. Exp - Management	377.88	377.88	377.88	377.88	1,511.52
8516101 Ins. Exp. Worker's Comp. - CC-LD	138.85	198.23	99.86	99.86	536.80
8516102 Ins. Exp. Worker's Comp. - CC-PC	287.65	117.28	61.65	61.65	528.23
8516103 Ins. Exp. Worker's Comp. - Adm	(537.90)	0.00	0.00	0.00	(537.90)
8516104 Ins. Exp. Worker's Comp. - Acct	198.07	287.21	277.42	277.42	1,041.12
8516105 Ins. Exp. Worker's Comp. - Manag	79.75	79.75	112.56	112.56	384.62
8516106 Ins. Exp. Worker's Comp. - IT	406.09	646.94	559.25	559.25	2,171.53
8516107 Ins. Exp. Worker's Comp-China	285.60	344.60	348.56	348.56	1,327.32
8516201 Ins. Health - C.Care-LD	880.68	839.08	903.87	910.78	3,534.41
8516202 Ins. Health - C.Care-PhoneCrds	1,239.94	(854.31)	728.13	280.97	1,394.73
8516203 Ins. Health - Administration	0.00	0.00	0.00	0.00	0.00
8516204 Ins. Health - Accounting & HR	808.64	1,244.03	1,212.03	861.78	4,126.48
8516205 Ins. Health - Management	861.82	995.12	411.22	684.06	2,952.22
8516206 Ins. Health - IT	991.38	1,940.50	1,601.50	1,990.25	6,523.63
8516207 Ins. Health - China/GDD	624.10	2,204.45	1,483.57	(846.38)	3,465.74
8516305 Dues & Subscriptions	135.00	2,000.00	0.00	99.95	2,234.95
8516503 Bad Debts	1,884.58	6,609.58	0.00	11,257.60	19,751.76
8517003 Bank Charges	1,819.07	3,189.02	2,977.86	0.00	7,985.95
8517013 Credit Card Fees - OnePlus	0.00	659.63	623.10	468.48	1,751.21
8517017 Credit Card Fees - GDD	0.00	871.97	1,513.15	1,153.13	3,538.25
8517503 Interest Expenses	18,135.06	14,951.74	14,409.79	5,215.10	52,711.69
8519903 Miscellaneous Exp.	0.00	0.00	0.00	0.00	0.00
<b>Total Expense</b>	<b>501,837.89</b>	<b>466,835.26</b>	<b>442,199.56</b>	<b>379,614.69</b>	<b>1,790,487.40</b>
<b>Net Income</b>	<b>(78,479.30)</b>	<b>12,933.14</b>	<b>35,214.49</b>	<b>141,320.35</b>	<b>110,988.68</b>
Please note Dec. thru Feb Actuals					
Note March. C.O.S. estimated on income Statement					
Bal. Sheet & Cash Flow not available for March					

**BAK Communications LLC**  
**Balance Sheet**  
As of February 28, 2003

	Dec 31, 02	Jan 31, 03	Feb 28, 03
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
1101000 · Union Bank-4500162770-General	370,022.50	389,921.61	209,118.51
1102000 · Union Bank-4500162959-CreditCrd	1,926.78	21,316.93	11,854.87
1103000 · Union Bank-4500162991-OnePlus	11,756.26	44,300.59	7,676.76
1104000 · Union Bank-4500163009 Philippin	4,943.75	29,033.72	6,165.66
1105000 · Union Bank-4500163157-Payroll	-5,280.08	-7,214.24	-13,046.96
1106000 · Union Bank-4500164161-GDD Genrl	11,764.43	27,775.40	52,670.66
1107000 · Union Bank-4500164196-GDD CrCd	2,284.56	23,408.39	8,666.23
1108000 · Tax Compliance - Atlantax	1,500.00	1,500.00	1,500.00
1109000 · Petty Cash	500.00	500.00	500.00
<b>Total Checking/Savings</b>	<b>399,418.20</b>	<b>530,542.40</b>	<b>285,105.73</b>
<b>Accounts Receivable</b>			
1201000 · Accounts Receivable	1,507,109.91	1,354,168.88	1,854,732.90
1201001 · Accounts Receivable - One Plus	138,880.46	121,614.63	135,487.03
1201002 · Accounts Receivable - GDD	346,346.63	457,121.09	474,967.02
1201003 · Accounts Receivable-Philippines	63,402.79	79,906.53	115,858.26
1201004 · Accounts Receivable-Collections	18,750.52	17,455.55	16,299.71
1201006 · Allow. for Doubt. Accts One Plu	-57,833.33	-64,442.91	-64,442.91
<b>Total Accounts Receivable</b>	<b>2,016,656.98</b>	<b>1,965,823.77</b>	<b>2,532,902.01</b>
<b>Other Current Assets</b>			
1201009 · A/R - Employee Advances	2,034.48	2,180.57	2,239.84
1301010 · Prepaid - Global Crossing	11,423.02	11,423.02	11,423.02
1301016 · Prepaid - CCS-Qwest #1	0.00	0.00	26,911.45
1301020 · Prepaid - Latino CC/Protel	5,316.14	5,316.14	5,316.14
1301025 · Prepaid - Arbinet-theexchange	10,000.00	20,000.00	7,675.62
1301030 · Prepaid - QWEST	16,005.82	0.00	0.00
1301035 · Prepaid - Qualnet	89,096.64	88,956.43	82,308.67
1301045 · Prepaid - CNM Network Inc	27,139.61	-26,742.06	19,475.80
1301050 · Prepaid - Mercury/Sterling	37,842.50	94,887.60	-5,064.74
1301053 · Prepaid - Ntera	0.00	0.00	5,000.00
1301055 · Prepaid - PaeTec	9,055.90	9,056.02	9,056.02
1301060 · Prepaid - Equity/Affinity	79,314.93	79,314.93	79,314.93
1301065 · Prepaid - ICG Communications	14,709.92	14,709.92	14,709.92
1301066 · Prepaid - ITXC Corp	11,024.22	11,200.68	11,803.39
1301070 · Prepaid - T-House	12,512.05	17,377.14	8,729.91
1301075 · Prepaid - CM Tel (USA) - China	14,000.00	14,000.00	14,000.00
1301085 · Prepaid - Xspedius	4,489.13	4,489.13	4,489.13
1301090 · Prepaid - PLDT - Philippines	53,383.38	53,074.70	57,656.56
1301095 · Prepaid - XO Communications	8,605.30	8,605.30	8,605.30
1301097 · Prepaid - Traffic - One Plus	256,841.18	236,041.37	236,041.37
1302010 · Prepaid Expenses	36,723.00	30,315.36	4,271.76
1303050 · Exchange	170,330.70	39,780.70	39,180.70
1304009 · Deferred Origination Fees	54,584.65	48,037.63	36,306.29
1304011 · Prepaid - China Project	20,600.51	0.00	0.00
1304012 · Prepaid - Philippines Project	6,200.00	6,200.00	6,200.00
1304018 · Prepaid - Philippines Call Ctr	39,548.69	54,935.82	64,208.79
1304050 · Prepaid - Local Call Program	9,000.00	9,564.78	32,564.78
1304060 · Prepaid - Phone Card Printing	0.00	49,521.00	74,455.55
1305000 · Prepaid Insurance - General	12,726.38	11,665.85	10,605.32
1306000 · Prepaid - Reg. Compliance Srvcs	5,000.00	3,333.33	1,666.66
1307000 · Prepaid - Maintenance	187,500.00	168,750.00	150,000.00
<b>Total Other Current Assets</b>	<b>1,205,008.15</b>	<b>1,065,995.36</b>	<b>1,019,152.18</b>
<b>Total Current Assets</b>	<b>3,621,083.33</b>	<b>3,562,361.53</b>	<b>3,837,159.92</b>
<b>Fixed Assets</b>			
1401110 · Furniture and Fixtures	11,835.62	11,835.62	11,835.62
1401120 · Equipment - Office	175,047.87	175,047.87	176,903.87
1401130 · Equipment - Switch	1,927,651.55	2,064,259.96	2,067,847.23
1401190 · Organization Cost	60,000.00	60,000.00	60,000.00
1401210 · Accumulated Depreciation F & F	-1,537.27	-1,660.56	-1,783.85
1401220 · Accumulated Depr. Equip.-Office	-58,283.20	-63,145.64	-68,008.08

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Accrual Basis

**BAK Communications LLC**  
**Balance Sheet**  
As of February 28, 2003

	Dec 31, 02	Jan 31, 03	Feb 28, 03
1401230 · Accumulated Dep. Equip - Switch	-244,665.37	-279,069.70	-313,533.82
1401290 · Accumulated Amort. Org. Cost	-14,000.00	-15,000.00	-16,000.00
<b>Total Fixed Assets</b>	<b>1,856,049.20</b>	<b>1,952,267.55</b>	<b>1,917,260.97</b>
<b>Other Assets</b>			
1501010 · Security Deposits	34,100.00	34,100.00	34,100.00
<b>Total Other Assets</b>	<b>34,100.00</b>	<b>34,100.00</b>	<b>34,100.00</b>
<b>TOTAL ASSETS</b>	<b><u>5,511,232.53</u></b>	<b><u>5,548,729.08</u></b>	<b><u>5,788,520.89</u></b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
2101000 · Accounts Payable	1,698,600.75	1,512,783.34	1,682,237.66
2201010 · Accounts Payable - CCS-Current	0.00	0.00	1,708,468.31
2201070 · Accounts Payable - GDD	0.00	0.00	58,229.74
<b>Total Accounts Payable</b>	<b>1,698,600.75</b>	<b>1,512,783.34</b>	<b>3,448,935.71</b>
<b>Other Current Liabilities</b>			
2201011 · Accounts Payable CCS - Current	1,656,369.58	1,680,965.07	0.00
2201020 · Notes Payable - Shareholders	300,000.00	300,000.00	300,000.00
2201050 · Taxes Payable - OnePlus Billing	64,263.21	99,526.95	125,763.24
2201060 · Taxes - Unpaid to Carriers	0.00	8,016.49	10,589.81
2501050 · Accrued Payroll	41,872.01	53,996.71	46,440.83
2501051 · Accrued Vacations	40,298.60	38,582.98	36,044.92
2501070 · Accrued Health Insurance	0.00	887.81	1,562.16
<b>Total Other Current Liabilities</b>	<b>2,102,803.40</b>	<b>2,181,976.01</b>	<b>520,400.96</b>
<b>Total Current Liabilities</b>	<b>3,801,404.15</b>	<b>3,694,759.35</b>	<b>3,969,336.67</b>
<b>Long Term Liabilities</b>			
2501000 · Notes Payable Shareholders	1,175,000.00	1,150,000.00	1,125,000.00
2501020 · Sec. Deposits Payable - Cust. P	29,100.00	29,100.00	29,100.00
2501090 · Deferred Cost of Traffic - Call	248,144.81	404,353.02	359,353.02
<b>Total Long Term Liabilities</b>	<b>1,452,244.81</b>	<b>1,583,453.02</b>	<b>1,513,453.02</b>
<b>Total Liabilities</b>	<b>5,253,648.96</b>	<b>5,278,212.37</b>	<b>5,482,789.69</b>
<b>Equity</b>			
2601000 · Capital	500,000.00	500,000.00	500,000.00
3900 · *Retained Earnings	-392,570.99	-242,416.43	-242,416.43
Net Income	150,154.56	12,933.14	48,147.63
<b>Total Equity</b>	<b>257,583.57</b>	<b>270,516.71</b>	<b>305,731.20</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>5,511,232.53</u></b>	<b><u>5,548,729.08</u></b>	<b><u>5,788,520.89</u></b>

**BAK Communications LLC**  
**Statement of Cash Flows**  
February 2003

	Feb 03
<b>OPERATING ACTIVITIES</b>	
Net Income	35,214.49
Adjustments to reconcile Net Income to net cash provided by operations:	
1201000 · Accounts Receivable	-500,564.02
1201001 · Accounts Receivable - One Plus	-13,872.40
1201002 · Accounts Receivable - GDD	-17,845.93
1201003 · Accounts Receivable-Philippines	-35,951.73
1201004 · Accounts Receivable-Collections	1,155.84
1201009 · A/R - Employee Advances	-59.27
1301016 · Prepaid - CCS-Qwest #1	-26,911.45
1301025 · Prepaid - Arbinet-theexchange	12,324.38
1301035 · Prepaid - Quainet	6,647.76
1301045 · Prepaid - CNM Network Inc	-46,217.86
1301050 · Prepaid - Mercury/Sterling	99,952.34
1301053 · Prepaid - Ntera	-5,000.00
1301066 · Prepaid - ITXC Corp	-602.71
1301070 · Prepaid - T-House	8,647.23
1301090 · Prepaid - PLDT - Philippines	-4,581.86
1302010 · Prepaid Expenses	26,043.60
1303050 · Exchange	600.00
1304009 · Deferred Origination Fees	11,731.34
1304018 · Prepaid - Philippines Call Ctr	-9,272.97
1304050 · Prepaid - Local Call Program	-23,000.00
1304060 · Prepaid - Phone Card Printing	-24,934.55
1305000 · Prepaid Insurance - General	1,060.53
1306000 · Prepaid - Reg. Compliance Svcs	1,666.67
1307000 · Prepaid - Maintenance	18,750.00
2101000 · Accounts Payable	169,454.32
2201010 · Accounts Payable - CCS-Current	1,708,468.31
2201070 · Accounts Payable - GDD	58,229.74
2201011 · Accounts Payable CCS - Current	-1,680,965.07
2201050 · Taxes Payable - OnePlus Billing	26,236.29
2201060 · Taxes - Unpaid to Carriers	2,573.32
2501050 · Accrued Payroll	-7,555.88
2501051 · Accrued Vacations	-2,538.06
2501070 · Accrued Health Insurance	674.35
Net cash provided by Operating Activities	-210,443.25
<b>INVESTING ACTIVITIES</b>	
1401120 · Equipment - Office	-1,856.00
1401130 · Equipment - Switch	-3,587.27
1401210 · Accumulated Depreciation F & F	123.29
1401220 · Accumulated Depr. Equip.-Office	4,862.44
1401230 · Accumulated Dep. Equip - Switch	34,464.12
1401290 · Accumulated Amort. Org. Cost	1,000.00
Net cash provided by Investing Activities	35,006.58
<b>FINANCING ACTIVITIES</b>	
2501000 · Notes Payable Shareholders	-25,000.00
2501090 · Deferred Cost of Traffic - Call	-45,000.00
Net cash provided by Financing Activities	-70,000.00
Net cash increase for period	-245,436.67
Cash at beginning of period	530,542.40
Cash at end of period	285,105.73

**BAK Communications LLC**  
**Statement of Cash Flows**  
 January 2003

	Jan 03
<b>OPERATING ACTIVITIES</b>	
Net Income	12,933.14
Adjustments to reconcile Net Income to net cash provided by operations:	
1201000 · Accounts Receivable	152,941.03
1201001 · Accounts Receivable - One Plus	17,265.83
1201002 · Accounts Receivable - GDD	-110,774.46
1201003 · Accounts Receivable-Philippines	-16,503.74
1201004 · Accounts Receivable-Collections	1,294.97
1201006 · Allow. for Doubt. Accts One Plu	6,609.58
1201009 · A/R - Employee Advances	-146.09
1301025 · Prepaid - Arbinet-theexchange	-10,000.00
1301030 · Prepaid - QWEST	16,005.82
1301035 · Prepaid - Qualnet	140.21
1301045 · Prepaid - CNM Network Inc	53,881.67
1301050 · Prepaid - Mercury/Sterling	-57,045.10
1301055 · Prepaid - PaeTec	-0.12
1301066 · Prepaid - ITXC Corp	-176.46
1301070 · Prepaid - T-House	-4,865.09
1301090 · Prepaid - PLDT - Philippines	308.68
1301097 · Prepaid - Traffic - One Plus	20,799.81
1302010 · Prepaid Expenses	6,407.64
1303050 · Exchange	130,550.00
1304009 · Deferred Origination Fees	6,547.02
1304011 · Prepaid - China Project	20,600.51
1304018 · Prepaid - Philippines Call Ctr	-15,387.13
1304050 · Prepaid - Local Call Program	-564.78
1304060 · Prepaid - Phone Card Printing	-49,521.00
1305000 · Prepaid Insurance - General	1,060.53
1306000 · Prepaid - Reg. Compliance Srvc	1,666.67
1307000 · Prepaid - Maintenance	18,750.00
2101000 · Accounts Payable	-185,817.41
2201011 · Accounts Payable CCS - Current	24,595.49
2201050 · Taxes Payable - OnePlus Billing	35,263.74
2201060 · Taxes - Unpaid to Carriers	8,016.49
2501050 · Accrued Payroll	12,124.70
2501051 · Accrued Vacations	-1,715.62
2501070 · Accrued Health Insurance	887.81
Net cash provided by Operating Activities	96,134.34
<b>INVESTING ACTIVITIES</b>	
1401130 · Equipment - Switch	-136,608.41
1401210 · Accumulated Depreciation F & F	123.29
1401220 · Accumulated Depr. Equip.-Office	4,862.44
1401230 · Accumulated Dep. Equip - Switch	34,404.33
1401290 · Accumulated Amort. Org. Cost	1,000.00
Net cash provided by Investing Activities	-96,218.35
<b>FINANCING ACTIVITIES</b>	
2501000 · Notes Payable Shareholders	-25,000.00
2501090 · Deferred Cost of Traffic - Call	156,208.21
Net cash provided by Financing Activities	131,208.21
Net cash increase for period	131,124.20
Cash at beginning of period	399,418.20
Cash at end of period	530,542.40



**BAK Communications LLC**  
**Statement of Cash Flows**  
December 2002

	Dec 02
<b>OPERATING ACTIVITIES</b>	
Net Income	-78,479.30
Adjustments to reconcile Net Income to net cash provided by operations:	
1201000 · Accounts Receivable	23,544.98
1201001 · Accounts Receivable - One Plus	64,760.31
1201002 · Accounts Receivable - GDD	-86,298.90
1201003 · Accounts Receivable-Philippines	-2,728.07
1201004 · Accounts Receivable-Collections	616.61
1201006 · Allow. for Doubt. Accts One Plus	21,739.77
1201009 · A/R - Employee Advances	64.53
1301010 · Prepaid - Global Crossing	-11,423.02
1301025 · Prepaid - Arbinet-theexchange	-10,000.00
1301035 · Prepaid - Qualnet	-22,154.91
1301045 · Prepaid - CNM Network Inc	-22,450.38
1301050 · Prepaid - Mercury/Sterling	79,758.77
1301055 · Prepaid - PaeTec	-9,055.90
1301066 · Prepaid - ITXC Corp	-9,007.17
1301070 · Prepaid - T-House	-1,994.41
1301085 · Prepaid - Xspedius	-3,149.65
1301090 · Prepaid - PLDT - Philippines	-3,576.05
1301097 · Prepaid - Traffic - One Plus	-36,000.00
1302010 · Prepaid Expenses	19,530.48
1303050 · Exchange	-35,000.00
1304009 · Deferred Origination Fees	-2,284.65
1304011 · Prepaid - China Project	2,689.27
1304018 · Prepaid - Philippines Call Ctr	-31,548.69
1304050 · Prepaid - Local Call Program	-6,000.00
1305000 · Prepaid Insurance - General	-7,334.16
1307000 · Prepaid - Maintenance	18,750.00
2101000 · Accounts Payable	-149,570.35
2201000 · Other Accrued Liabilities	-27,105.68
2201011 · Accounts Payable CCS - Current	733,059.82
2201020 · Notes Payable - Shareholders	300,000.00
2201050 · Taxes Payable - OnePlus Billing	-76,661.86
2501050 · Accrued Payroll	4,101.69
2501051 · Accrued Vacations	-396.35
Net cash provided by Operating Activities	636,396.73
<b>INVESTING ACTIVITIES</b>	
1401110 · Furniture and Fixtures	-714.18
1401120 · Equipment - Office	-951.51
1401130 · Equipment - Switch	-4,652.90
1401210 · Accumulated Depreciation F & F	-111.74
1401220 · Accumulated Depr. Equip.-Office	5,022.03
1401230 · Accumulated Dep. Equip - Switch	19,957.67
1401290 · Accumulated Amort. Org. Cost	1,000.00
Net cash provided by Investing Activities	19,549.37
<b>FINANCING ACTIVITIES</b>	
2501000 · Notes Payable Shareholders	1,175,000.00
2501010 · Accounts Payable CCS-Long Term	-2,155,000.27
2501090 · Deferred Cost of Traffic - Call	88,144.81
Net cash provided by Financing Activities	-891,855.46
Net cash increase for period	-235,909.36
Cash at beginning of period	635,327.56
Cash at end of period	399,418.20