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OF COUNSEL

JOHN T. PETERS, JR.

VINCENT T. EARLY
(1922-2001)

JOSEPH J. BURGIE
(1926-1992)

THOMPSON BENNETT
(1912-2004)

September 11, 2006

Blanca Bayó
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

060668-TX

Re: OPEX Communications, Inc.

Dear Ms. Bayó:

Enclosed herewith for filing with the Commission, please find an original and two (2) copies of the above captioned corporation's Application for Authority to Provide Competitive Local Exchange Telecommunications Services along with a nonrefundable application fee of \$400.00.

Also enclosed is an exact duplicate of this letter. Please stamp the duplicate received and return same in the postage-paid envelope attached thereto.

Please contact me if you have additional questions or concerns.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker

PDC/cmr

enc

DOCUMENT NUMBER DATE

08300 SEP 12 06

FPSC-COMMISSION CLERK

**BEFORE THE STATE OF FLORIDA
PUBLIC SERVICE COMMISSION**

Application of)
OPEX COMMUNICATIONS, INC.)
For Authority to Provide Competitive Local) CASE NO.
Exchange Telecommunications Service)
Within the State of Florida)

APPLICATION

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
Telephone: (269) 381-8844
Facsimile: (269) 381-8822
Email: pcrocker@earlylennon.com

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 rather than apply for a new certificate.

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

2. Name of company:

OPEX Communications, Inc.

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

Not Applicable ("N/A")

4. Official mailing address:

500 East Higgins Road, Suite 200

Elk Grove Village, IL 60007

5. Florida address:

N/A. Applicant does not have an office in the State of Florida.

6. Structure of organization:

Individual

Foreign Corporation

General Partnership

Other _____

Corporation

Foreign Partnership

Limited Partnership

7. **If individual, provide:** N/A
 Name:
 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. The Florida Secretary of State corporate registration number is: N/A
9. **If foreign corporation,** provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is:
Proof of Authority to Operate in Florida is attached hereto as Exhibit A
10. **If using fictitious name—d/b/a,** provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida. The Florida Secretary of State fictitious name registration number is: N/A
11. **If a limited liability partnership,** provide proof of registration to operate in Florida. The Florida Secretary of State registration number is: N/A
12. **If a partnership,** provide name, title and address of all partners and a copy of the partnership agreement. N/A
 Name:
 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. The Florida registration number is: N/A

14. Provide F.E.I. Number (if applicable): 36-4212890

15. Who will serve as liaison to the Commission in regard to the following?

(a) The application:

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
Telephone: (269) 381-8844
Facsimile: (269) 381-8822
Email: pcrocker@earlylennon.com

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

Sean Trepeta, President
OPEX Communications, Inc.
500 East Higgins Road, Suite 200
Elk Grove Village, IL 60007
Telephone: (847) 545-9000
Facsimile: (847) 545-9001

(c) Complaints/Inquiries from customers:

Customer Service
OPEX Communications, Inc.
500 East Higgins Road, Suite 200
Elk Grove Village, IL 60007
Telephone: (847) 545-9000
Facsimile: (877) 452-1459
Toll Free: (888) 577-7266
Email: opexecare@opexld.com

16. List the states in which the applicant:

- (a) has operated as a Competitive Local Exchange Telecommunications Company.

Applicant has not operated as a Competitive Local Exchange Telecommunications Company in any jurisdiction.

- (b) has applications pending to be certificated as a Competitive Local Exchange Telecommunications Company.

Applicant has no applications pending in any jurisdiction.

- (c) is certificated to operate as a Competitive Local Exchange Telecommunications Company.

Applicant has authority to resell local exchange telecommunications services in Wisconsin.

- (d) has been denied authority to operate as a Competitive Local Exchange Telecommunications Company and the circumstances involved.

Applicant has not been denied authority to operate as an alternative local exchange company in any jurisdiction.

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

Applicant has had no regulatory penalties imposed for violations of telecommunications statutes.

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

Applicant has not been involved in any civil court proceedings with an interexchange carrier, local exchange company, or other telecommunications entity.

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

- (a) adjudged bankrupt, mentally incompetent (and not had his or her competency restored), or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, provide explanation.

None have been adjudged bankrupt, mentally incompetent, or guilty of any felony or of any crime.

- (b) granted or denied a competitive local exchange certificate in the State of Florida (this includes active and canceled competitive local exchange certificates). If yes, provide an explanation and list the certificate holder and certificate number.

None have been granted or denied a competitive local exchange certificate in the State of Florida.

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

Applicant is a registered IXC provider in the State of Florida. None are an officer, director, partner or stockholder in any other Florida certificated or registered telephone company.

18. Submit the following:

- (a) Managerial capability: resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

See Exhibit B

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

See Exhibit B

- (c) Financial capability: 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. 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.*

See Exhibit C

THIS PAGE MUST BE COMPLETED AND SIGNED

REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee. Regardless of the gross operating revenue of a company, a minimum annual assessment fee, as defined by the Commission, is required.

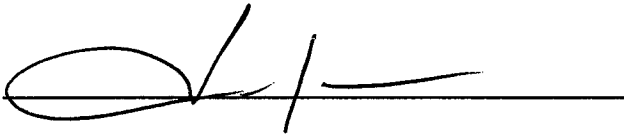
RECEIPT AND UNDERSTANDING OF RULES: I acknowledge receipt and understanding of the Florida Public Service Commission's rules and orders relating to the provisioning of competitive local exchange telecommunications company (CLEC) service in Florida.

APPLICANT ACKNOWLEDGEMENT: 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 competitive local exchange telecommunications 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."**

Company Owner or Officer

Print Name: Thomas Jacobs
Title: Director
Telephone No.: (847) 545-9000
E-Mail Address:

Signature: 

Date: 08 / 30 / 2006

EXHIBIT A

Certificate of Authority to Operate in Florida

State of Florida



Department of State

I certify the attached is a true and correct copy of the Amendment to the Application of a Foreign Corporation, filed on May 11, 1999, for PREMIERCOM, INC. which changed its name to OPEX COMMUNICATIONS, INC., an Illinois corporation authorized to transact business in Florida, as shown by the records of this office.

The document number of this corporation is F98000003076.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Eleventh day of May, 1999



CR2EO22 (1-99)

Katherine Harris
Katherine Harris
Secretary of State

PROFIT CORPORATION
APPLICATION BY FOREIGN PROFIT CORPORATION TO FILE AMENDMENT TO
APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA
(Pursuant to s. 607.1504, F.S.)

SECTION I
(1-3 MUST BE COMPLETED)

- 1. PREMIERCOM, INC.
Name of corporation as it appears on the records of the Department of State.
- 2. ILLINOIS
Incorporated under laws of
- 3. 6/1/98
Date authorized to do business in Florida

SECTION II
(4-7 COMPLETE ONLY THE APPLICABLE CHANGES)

- 4. If the amendment changes the name of the corporation, when was the change effected under the laws of its jurisdiction of incorporation? 05/03/1999
- 5. OPEX COMMUNICATIONS, INC.
Name of corporation after the amendment, adding suffix "corporation" "company" or "incorporated," or appropriate abbreviation; if not contained in new name of the corporation.

6. If the amendment changes the period of duration, indicate new period of duration.

New Duration

7. If the amendment changes the jurisdiction of incorporation, indicate new jurisdiction.

New Jurisdiction


Signature

5/15/99
Date

SEAN TRUBITT
Typed or printed name

President
Title

FILED
 99 MAY 11 AM 11:17
 TALLAHASSEE, FLORIDA
 SECRETARY OF STATE

EXHIBIT B

Management Resumes

Sean Trepeta, President

Mr. Trepeta is the former Vice President of Sales and Marketing for US Buying Group, Inc. ("USBG") where he was responsible for developing a small business buying program that included value added services such as overnight shipping, office supplies, and computer software products as well as a full line of telecommunications services. Mr. Trepeta also developed and implemented the Agent and Carrier divisions of USBG. It featured one of the finest agent programs in the country with a full line of competitively priced services and a software package for agents to manage their businesses.

Prior to joining USBG, Mr. Trepeta was with MCI Telecommunications in New York City for four years and before that with NYNEX for two years. After learning the local communications industry, Mr. Trepeta went to MCI and became a student of the long distance industry. He rose through the sales divisions to the level of Investment Major Account Manager responsible for the reseller market.

Mr. Trepeta holds a B.S. degree from the State University of New York at Cortland.

Thomas W. Jacobs, Chairman and CEO

Mr. Jacobs is the former President of USBG as well as Executive Vice President of Sheffield Systems, Inc. ("SSI"). The first is a communications company that specializes in discounted telecommunications services to the small business segment. The latter is the largest privately owned independent payphone company in the country. In these capacities, Mr. Jacobs was responsible for sales, marketing, information services, customer care, and operations. During Mr. Jacobs' tenure, USBG grew revenues from \$0 to \$24 million annually and SSI increased its payphone base by over 100 percent.

Prior to joining USBG and SSI, Mr. Jacobs was with MCI Telecommunications in New York City for eight years and RCI Long Distance (now known as Frontier) in Elmsford, New York for one year. His duties included sales of network services and management of a large support staff.

Mr. Jacobs holds a B.A. degree in Business from the State University of New York at Albany.

John Wonak, CPA, Chief Financial Officer and Secretary/Treasurer

Mr. Wonak was Chief Financial Officer for both SSI and USBG. Prior to that, Mr. Wonak had over 20 years of experience in public accounting, including several years with the Chicago office of BDO Seidman, and 10 years with his own firm, Wonak & Company, Ltd., in Schaumburg, Illinois. Mr. Wonak has had a concentration of independent telecommunications industry clients for over 12 years.

Mr. Wonak received his B.S. degree in Accounting from Northern Illinois University in 1976 and has been a CPA since 1977.

EXHIBIT C

Financial Capability

2004, 2005, 2006

Financials for Month-Ending

June 30, 2006

Assets

Current Assets

Cash - Bank One Checking	427,792.03
Petty Cash Fund	400.00
Accounts Receivable	1,248,332.62
Accounts Receivable - Unbilled Revenue	450,268.02
Accounts Receivable - NITCO	15,290.39
Reserve for Bad Debts	-112,358.26
Reserve For Dis. & Allowances	-27,809.72
Inventory- VOIP Boxes	26,403.00
Inventory - Cell Phones	8,498.00
Inventory - SIM Cards	301.00
Inventory Phone Accessories	1,710.00
Inventory - Firefly Phones	17,056.00
Inventory - Firefly Accessories	1,156.50
Prepaid Other Expense	124,566.02
Prepaid ISP Costs	1,000.00
Prepaid Mailing Costs - IMS	10,583.37
Prepaid Insurance	200.00
Prepaid Commissions - LMB	206,146.86
Prepaid Comm - LMB 7873	5,501.25
Prepaid Commissions Fionda	1,869.84
Prepaid Commissions - PhoneDog	42,321.25
Prepaid Commissions - Whitefence	19,933.80
Prepaid Commissions LD	1,343.12
Prepaid Commissions VoIP	5,589.37
Intercompany - PMC	1,774,298.03
Employee Advances Mark Andrew	584.01

Total Current Assets:

4,250,976.50

Fixed Assets

Computer Equipment	140,232.64
Accum Depr.- Computer Equipt.	-92,688.48
Computer Software	598,194.50
Accum Depreciation-Software	-566,901.56
Office Equipment	84,994.99
Accum Depr.-Office Equipment	-16,955.60
Flooring	3,953.00
Accum Depreciation-Flooring	-2,371.80
Furniture And Fixtures	89,263.18
Accum Depreciation-Furn & Fixt	-62,778.10
Phone System	225,441.84
Accum. Deprec. - Office Phones	-198,643.19
Web Site	36,246.23
Amortization-Web Site	-33,633.68
Other Fixed Assets	2,540.00
Accum. Deprec. - Other Fixed	-2,540.00

Total Fixed Assets:

204,353.97

Other Assets

Certificate of Deposit	641.34
Organization Costs	34,732.18
Amort.- Organization Costs	-34,732.18

Total Other Assets:

641.34

Total Assets:

4,455,971.81

Liabilities

Current Liabilities

Accounts Payable	1,296,262.02	
Federal W/H Tax Payable	6,945.43	
Fica W/H Tax Payable	8,378.16	
Medicare W/H Tax Payable	1,959.48	
State Withholding - IL	522.21	
State Withholding- WI	23.89	
State Withholding- MA	72.08	
Cafeteria Plan Withholding	1,770.67	
401(k) Payable	8,898.26	
Accrued Pension Plan	30,000.00	
401(k) Loan Repayment Withheld	506.34	
Accrued FUTA	219.63	
Accrued SUTA - IL	9,980.28	
Customer Prepaids	321,302.90	
Unearned Wireless Revenue	15,448.04	
Unearned VOIP Rev	12,439.43	
Accrued FCC Fees	52,327.65	
Accrued CO Property Tax	10,619.52	
Accrued Excise/Sales Taxes	585,501.47	
Accrued USF Taxes	145,856.29	
Accrued Salaries & Wages	17,532.52	
Accrued Commissions	442,140.52	
Accrued Commissions - LMB	8,595.53	
Accrued Line Charges	13,900.87	
Accrued Circuit Charges	6,374.52	
Accrued Line Charges - unbilled MRC's	16,066.63	
Accrued Wireless Charges	27,325.40	
Accrued Wireless Phone Rebate	5,630.00	
Accrued VOIP charges	3,280.29	
Accrued VOIP Box Rebate	2,433.50	
Other Accrued Expenses	33,360.89	
Accrued Vacation	11,778.30	
Deferred ISP Revenue	11,849.76	
Deferred Wireless Phone Revenue	16,744.96	
Deferred VOIP Box Revenue	3,672.26	
	<hr/>	
Total Current Liabilities:		3,129,719.70

Long-Term Liabilities

Security Deposit - 1956224	1,500.00	
Customer Deposits	56,597.55	
Contingent Liability - Global Tier Dispute	640,422.45	
	<hr/>	
Total Long-Term Liabilities:		698,520.00

Total Liabilities: 3,828,239.70

Equity

Capital Stock	100.00	
Distributions	-23,418,393.92	
PRIOR PERIOD ADJUSTMENTS	253,943.55	
Retained Earnings - Prior	23,409,045.76	
Retained Earnings-Current Year	383,036.72	
	<hr/>	

Total Equity: 627,732.11

Total Liabilities & Equity: 4,455,971.81

Income Statement
For Period 6 Ending 6/30/2006

OPEX Communications, Inc. (003)

Revenue	Year to Date	% of Revenue
Revenue Global Usage	4,826,437.17	48.59
Revenue TNCI Usage	245,988.42	2.48
Revenue Broadwing Usage	174,609.28	1.76
Revenue ANI Networks Usage	1,840,849.75	18.53
Revenue Recurring	135,570.37	1.36
Revenue Service Fees	226,509.99	2.28
Revenue Payphone Surcharge	43,748.78	0.44
Revenue Global Dedicated Usage	185,288.82	1.87
Revenue TNCI Dedicated Usage	59,669.44	0.60
Revenue Service Fees - Dedicated	193,386.52	1.95
Revenue Broadwing Dedicated Usage	36,957.57	0.37
Revenue Wholesale Usage	40,583.70	0.41
Revenue Min.Usage Fee	633,884.58	6.38
Revenue-PICC Charges	250,753.98	2.52
Revenue-Program Fee	300,916.67	3.03
Revenue Contra Program Fee	-3,557.08	-0.04
Revenue-Disconnect Fee	99,865.00	1.01
Revenue-OPEX Online	30,680.42	0.31
Revenue Conference Calling	7,527.57	0.08
Revenue Emergency Assistance	390.64	0.00
Finance Charge	21,070.04	0.21
Revenue - Consumer Buying Club	1,478.12	0.01
Agent Wireless Program fee TDMA	877.59	0.01
Rev Wireless Recurring Usage TDMA	72,390.03	0.73
Rev Wireless Recurring Usage - GSM	56,706.75	0.57
Revenue Wireless Phones	44,854.76	0.45
Rev Wireless Accessories	629.43	0.01
Rev Wireless Phones Contra	-73,722.65	-0.74
Amortization of Wireless deferred Phone rev	15,588.78	0.16
Rev Wireless Text Messagin Rec	1,825.62	0.02
Revenue Wireless Activation Fe	20,615.00	0.21
Revenue Wireless Shipp & Handl	13,241.03	0.13
Rev Wireless Usage Overage TDMA	43,976.07	0.44
Rev Wireless Text Mess GSM	1,140.94	0.01
Rev Wireless Reg Program TDMA	7,773.10	0.08
Rev Wireless Paper Invoice TDMA	1,363.15	0.01
Rev Wireless Plan Change Fee	274.45	0.00
Rev Wireless Usage Overage GSM	37,073.87	0.37
Rev Wireless Reg Program GSM	7,130.06	0.07
Rev Wireless Paper Invoice GSM	714.41	0.01
Rev Wireless Program Fee GSM	762.17	0.01
Rev Wireless Cancellation Fee	200.00	0.00
Rev Wireless Firefly Phones	6,749.25	0.07
Rev Wireless Firefly Accessories	1,068.93	0.01
Discounts- Wireless Rebates	-13,098.19	-0.13
Rev VOIP Regulatory Fee	6,491.18	0.07
Rev VOIP Recurring Usage	87,262.31	0.88
Rev VOIP Usage LD	8,566.60	0.09
Rev VOIP Box	21,876.20	0.22
Rev VOIP Box Contra	-23,651.62	-0.24
Rev VOIP Box Returns	-7,375.88	-0.07
Amortization of VoIP deferred box revenue	41,820.50	0.42
Rev VOIP Activation credit	-3,098.99	-0.03
Rev VOIP Shipping credit	-1,828.07	-0.02
Rev VOIP Activation Fee	11,156.28	0.11
Rev VOIP Shipping and Handling	7,672.08	0.08
Discounts- VOIP Box Rebates	-4,750.00	-0.05

Income Statement
For Period 6 Ending 6/30/2006

OPEX Communications, Inc. (003)

	Year to Date	% of Revenue
Rev Hosted PBX MRC	5,243.28	0.05
Rev Hosted PBX Usage	36.30	0.00
Revenue - Forfeited Customer Balances	46,536.23	0.47
Revenue - USF Admin Fee	356,916.76	3.59
Referral Discounts	-6,624.21	-0.07
Discounts - Payments	-55,078.59	-0.55
Discounts - LEC Switch Fees	-4,887.94	-0.05
Discounts And Allowances	-154,300.00	-1.55
Total Revenue:	9,932,726.72	100.00
Cost of Sales		
Line Charges - Global	2,827,536.35	28.47
Line Charges - Broadwing	113,301.91	1.14
Line Charges - TNCI	215,189.11	2.17
Line Charges Dedicated Global	144,023.16	1.45
Line Charges Dedicated TNCI	39,312.91	0.40
Line Charges Dedicated Broadwing	20,010.31	0.20
Line Charges - ANI Networks	1,016,369.61	10.23
Wireless Recurring Usage	42,749.02	0.43
Wireless Phones	48,713.00	0.49
Wireless Text Messaging Recurr	1,137.50	0.01
Wireless Usage Overage TDMA	31,734.90	0.32
Wireless Usage - GSM	25,376.66	0.26
Wireless Text Mess - GSM	749.60	0.01
Wireless Accessories	315.00	0.00
Wireless Shipping & Handling	6,527.12	0.07
Wireless Phone Contra	-61,886.83	-0.62
Amortization of Wireless Phone expense	12,305.12	0.12
VOIP Recurring Charges	27,039.79	0.27
VOIP Usage	20,161.01	0.20
VOIP Activation	4,015.00	0.04
VOIP Box	21,424.00	0.22
VOIP Box Contra	-22,857.06	-0.23
VOIP Box return	-7,358.00	-0.07
Amortization of VoIP Box Expense	39,969.81	0.40
VOIP Shipping and Handling	4,776.06	0.05
Firefly phones	6,619.00	0.07
Firefly accessories	535.00	0.01
Hosted PBX	2,459.57	0.02
Line Charges - Wholesale	28,064.45	0.28
Carrier Service Fees - Global	23,007.63	0.23
Carrier Services Fees - TNCI	19,583.50	0.20
Carrier Service Fees Broadwing	3,837.66	0.04
Carrier Service Fees - ANI Networks	29,204.60	0.29
Carrier Service Fees - Dedicated	184,352.61	1.86
Recurring & Other Charges	231,706.49	2.33
Contra Recurring - True-Up	-824.65	-0.01
Roadside emergency assistance	361.20	0.00
Bank Deposit Items Charge	9,514.22	0.10
Credit Bureau Services	9,600.68	0.10
Collection Expense	10,971.72	0.11
Salary & Wages -Cust Serv	205,997.31	2.07
Paid Personal Time - Cust Care	1,518.64	0.02
Salary & Wages - Business Support	98,769.56	0.99
Consumer Buying Club	2,874.00	0.03
OPEX Online	21,750.00	0.22
Conference Calling	5,210.71	0.05
Invoice Printing & Other Costs	129,819.23	1.31
Invoice Printing Wireless	1,341.68	0.01

Income Statement
For Period 6 Ending 6/30/2006

OPEX Communications, Inc. (003)

	Year to Date	% of Revenue
Invoice Printing VoIP	979.72	0.01
Customer Care Printing costs	6,055.60	0.06
Invoice Mailing Cost	130,954.51	1.32
Invoice Mailing Cost Wireless	1,810.77	0.02
Invoice Mailing Cost VoIP	1,348.73	0.01
Customer Service mailing costs	20,164.38	0.20
Credit Card Processing Fees	104,399.69	1.05
Data Security-Acct	1,345.00	0.01
Data Security	20,659.50	0.21
Telephone-Customer Service	33,738.10	0.34
E Fax	1,661.02	0.02
Verifications	8,163.46	0.08
FICA Expense - Cust Care	18,188.94	0.18
FUTA Expense - Cust Care	962.42	0.01
SUTA Expense - Cust Care	16,594.70	0.17
Medicare Expense - Cust Care	4,253.91	0.04
PICC Charge Expense	46,852.45	0.47
Payphone Surcharge	43,734.33	0.44
Depreciation & Amort	870.78	0.01
Sales Tax Processing Fee	33,768.59	0.34
Universal Tax Preparation Fees	4,770.00	0.05
FCC Regulatory Fees	16,680.00	0.17
FCC TRS Fee	48,473.82	0.49
Bad Debts - LD	154,333.52	1.55
Bad Debts - Wireless TDMA	42,497.36	0.43
Bad Debts - VoIP	3,312.06	0.03
Bad Debts Dedicated	35,567.70	0.36
Bad Debts - Wireless GSM	19,537.83	0.20
Total Cost of Sales:	6,418,588.76	64.62
Gross Profit:	3,514,137.96	35.38

Expenses

General & Administrative Expense

Salaries & Wages - Accounting	71,647.43	0.72
Salaries & Wages - HR	22,557.79	0.23
Salaries & Wages - Rev Assuran	30,522.17	0.31
Paid Personal Time - Acct	180.80	0.00
Paid Personal Time - RA	242.40	0.00
Paid Personal Time - IS	2,435.39	0.02
Salary & Wages - Inform Tech	146,018.45	1.47
Travel - Accounting	270.53	0.00
Travel - Human Resources	598.16	0.01
Travel - Revenue Assurance	379.10	0.00
Travel - IT	16.00	0.00
Hosting Fees & ISP	55,789.05	0.56
Web Site Security	1,942.00	0.02
Bank Service Charge	14,823.59	0.15
Contributions	217.34	0.00
Computer Supplies & Exp - Acct	452.46	0.00
Computer Supplies & Exp - HR	425.00	0.00
Computer Supplies & Exp - IT	1,571.01	0.02
Computer Supplies & Exp - CS	686.60	0.01
Software Maintenance - Acct	2,114.22	0.02
Software Maintenance - IT	38,032.65	0.38
Server Warranties - IT	1,023.18	0.01
Depreciation & Amort Expense	45,052.73	0.45
Delivery & Express	3,311.20	0.03
Remittance PO Box Fees	2,798.04	0.03

	Year to Date	% of Revenue
General & Administrative Expense		
		(Continued)
Dues And Subscriptions	2,181.97	0.02
Employee Benefits	1,006.06	0.01
Pension Plan Contribution	30,000.00	0.30
Office Equipment Rental	1,744.01	0.02
Group Health Insurance	95,286.42	0.96
Group Life Insurance	1,248.15	0.01
Group Dental Insurance	7,228.73	0.07
Insurance- LT Disability	399.24	0.00
Accounting Fees	30,036.53	0.30
Legal Fees	40,209.73	0.40
Office Supplies	8,542.43	0.09
Seminar Expense	60.00	0.00
Seminar Expense - HR	145.00	0.00
Seminar Expense-Sales	3,000.00	0.03
Office Maintenance	2,418.18	0.02
Management Fee - PMC	1,155,245.59	11.63
Office Equipment Maint. - Acct	9,365.47	0.09
Postage Expense - Acct	3,023.84	0.03
Rent Expense - Accounting	7,695.00	0.08
Rent Expense - HR	2,136.00	0.02
Rent Expense - Rev Assurance	2,400.00	0.02
Rent Expense - IT	13,110.00	0.13
Rent Expense - Customer Care	22,581.00	0.23
Stationery and Printing	673.79	0.01
Empl Meals & Entertain 100% HR	6,734.00	0.07
Employee Recruiting Expense	3,809.00	0.04
Employment Screening Expense	1,046.00	0.01
Sales & Use Tax Expense	96.00	0.00
FICA Expense - Acct	4,294.00	0.04
FICA Expense - HR	1,362.13	0.01
FICA Expense - Rev Assur	1,875.82	0.02
FICA Expense - IS	8,987.37	0.09
FUTA Expense - Acct	221.58	0.00
FUTA Expense - HR	53.40	0.00
FUTA Expense - Rev Assur	102.34	0.00
FUTA Expense - IS	253.22	0.00
SUTA Expense - Acct	3,882.70	0.04
SUTA Expense - HR	938.73	0.01
SUTA Expense - Rev Assur	1,869.55	0.02
SUTA Expense - IS	4,537.41	0.05
Medicare Expense - Acct	1,004.28	0.01
Medicare Expense - HR	318.54	0.00
Medicare Expense - Rev Assur	438.68	0.00
Medicare Expense - IS	2,101.89	0.02
Misc. Licenses and Fees	26,202.04	0.26
Local Number Portability - FCC Charges	13,512.49	0.14
CO Property Tax	3,499.98	0.04
Utilities - Electric	8,204.22	0.08
Cell Phones	30.00	0.00
Cell Phones-HR	78.42	0.00
Cell Phones Rev Assur	758.53	0.01
Cell Phones IT	459.94	0.00
Cell Phones Customer Care	1,095.32	0.01
Lodging - Revenue Assurance	293.57	0.00
Total General & Administrative Expense:	1,980,905.58	19.94
Selling Expense		

Selling Expense	(Continued)	Year to Date	% of Revenue
Salary & Wages - Sales		77,022.46	0.78
Advertising & Marketing		764.00	0.01
Travel - Sales		8,082.57	0.08
FICA Expense - Sales		5,053.09	0.05
FUTA Expense - Sales		281.35	0.00
SUTA Expense - Sales		3,708.74	0.04
Medicare Expense - Sales		1,181.76	0.01
Commissions - LD Agents		1,016,202.35	10.23
Contra Commissions - True Up		-8,051.82	-0.08
Commissions - Direct Sales		6,847.45	0.07
Commissions Wireless TDMA		7,904.66	0.08
Commissions - VOIP		15,282.71	0.15
Commissions Dedicated		43,905.61	0.44
Commissions Wireless GSM		7,116.08	0.07
Tradeshaw Expense		10,329.11	0.10
Conference Calling		1,177.34	0.01
Dues And Subscriptions - Sales		1,105.85	0.01
Rent Expense - Sales		1,140.00	0.01
Telephone Exp. - Sales		1,311.21	0.01
Cell Phones Sales		1,432.66	0.01
Meals (50% deduct) - Sales		2,482.15	0.02
Lodging - Sales		1,787.78	0.02
Total Selling Expense:		1,206,067.11	12.14
Total Expenses:		3,186,972.69	32.09
Net Income from Operations:		327,165.27	3.29
Other Income and Expense			
Interest Income		12.45	0.00
Recovery of Bank Charges		2,820.00	0.03
Recovery of Bad Debt		53,039.00	0.53
Total Other Income and Expense:		55,871.45	0.56
Earnings before Income Tax:		383,036.72	3.86
Net Income (Loss):		383,036.72	3.86

Financials for Years-Ending

December 31, 2005

and

December 31, 2004

	Year to Date	Prior Year to Date
Assets		
Current Assets		
Cash - Bank One Checking	410,826.26	550,652.03
Petty Cash Fund	400.00	400.00
Accounts Receivable	1,646,208.41	2,132,879.37
Accounts Receivable - NITCO	8,787.22	91,787.00
Accounts Receivable - Telular	0.00	180.00
Reserve for Bad Debts	-82,713.84	-87,331.22
Reserve For Dis. & Allowances	-23,544.10	-26,881.14
Due From Excelergy	0.00	295,027.22
Reserve for Excelergy	0.00	-218,378.22
Inventory - Tellular	0.00	3,141.00
Inventory - Cellsockets	0.00	1,000.00
Inventory- VOIP Boxes	35,269.00	0.00
Inventory - Cell Phones	5,362.00	0.00
Inventory - SIM Cards	1,799.00	0.00
Inventory Phone Accessories	1,370.00	0.00
Inventory - Firefly Phones	23,206.00	0.00
Inventory - Firefly Accessories	1,433.50	0.00
Prepaid Other Expense	75,024.29	350,286.53
Prepaid ISP Costs	1,000.00	0.00
Prepaid Wireless	0.00	7,613.02
Prepaid Mailing Costs - IMS	3,361.76	2,420.83
Prepaid Commissions - LMB	235,968.43	317,532.97
Prepaid Comm - LMB 7873	16,995.00	25,905.00
Prepaid Commissions Fionda	9,656.80	2,677.92
Prepaid Commissions - PhoneDog	19,281.25	0.00
Prepaid Commissions - Whitefence	15,473.20	0.00
Prepaid Commissions VoIP	7,244.38	0.00
Intercompany - PMC	2,244,449.57	1,153,801.54
Intercompany - PRG	300.58	0.00
Employee Advances Mark Andrew	578.07	0.00
Total Current Assets:	4,657,736.78	4,602,713.85
Fixed Assets		
Computer Equipment	139,719.98	137,596.10
Accum Depr.- Computer Equipt.	-79,760.06	-52,651.50
Computer Software	597,438.69	578,953.69
Accum Depreciation-Software	-560,134.87	-545,261.09
Office Equipment	35,894.63	33,690.98
Accum Depr.-Office Equipment	-12,271.91	-6,572.35
Flooring	3,953.00	3,953.00
Accum Depreciation-Flooring	-1,976.50	-1,185.90
Furniture And Fixtures	89,263.18	87,228.65
Accum Depreciation-Furn & Fixt	-56,328.35	-42,506.26
Phone System	225,441.84	225,441.84
Accum. Deprec. - Office Phones	-184,814.31	-155,121.56
Web Site	36,246.23	31,021.23
Amortization-Web Site	-32,762.90	-31,021.23
Other Fixed Assets	2,540.00	2,540.00
Accum. Deprec. - Other Fixed	-2,540.00	-2,540.00
Total Fixed Assets:	199,908.65	263,565.60
Other Assets		
Certificate of Deposit	628.89	612.33
Organization Costs	34,732.18	34,732.18
Amort.- Organization Costs	-34,732.18	-34,732.18

	Year to Date	Prior Year to Date
Total Other Assets:	628.89	612.33
Total Assets:	<u>4,858,274.32</u>	<u>4,866,891.78</u>
Liabilities		
Current Liabilities		
Accounts Payable	811,394.74	1,060,288.36
Federal W/H Tax Payable	8,975.56	7,790.15
Fica W/H Tax Payable	10,540.58	9,460.62
Medicare W/H Tax Payable	2,465.36	2,212.70
State Withholding - IL	709.37	560.71
State Withholding NY	124.53	0.00
State Withholding- WI	26.69	22.81
State Withholding- NC	0.00	33.00
State Withholding- MA	47.68	42.46
State Withholding PA	89.67	0.00
Cafeteria Plan Withholding	1,886.81	1,924.00
401(k) Payable	30,488.46	28,247.09
Accrued Pension Plan	26,213.59	39,009.92
Accrued FUTA	388.12	484.57
Accrued SUTA - IL	5,170.74	4,263.60
Accrued SUTA - NY	42.60	0.00
Accrued SUTA - NC	0.00	92.12
Accrued SUTA - MA	28.14	385.65
Accrued SUTA - PA	99.42	0.00
Customer Prepays	358,813.30	492,562.26
Unearned Wireless Revenue	11,607.99	4,665.42
Unearned VOIP Rev	15,450.20	0.00
Accrued FCC Fees	35,647.65	41,530.00
Accrued CO Property Tax	13,700.02	0.00
Accrued Excise/Sales Taxes	701,329.54	702,442.80
Accrued USF Taxes	119,539.19	13,154.60
Accrued Salaries & Wages	23,801.02	18,622.62
Accrued Commissions	387,416.84	482,304.69
Accrued Commissions - LMB	10,658.89	15,560.01
Accrued Commissions - LMB 7872	0.00	9,940.75
Accrued Line Charges	101,318.17	104,382.63
Accrued Wireless Charges	6,304.22	0.00
Accrued Wireless Phone Rebate	0.00	2,475.00
Accrued VOIP charges	3,986.15	0.00
Accrued VOIP Box Rebate	7,431.55	0.00
Other Accrued Expenses	37,517.00	54,847.03
Accrued Vacation	11,778.30	9,018.04
Deferred ISP Revenue	34,017.29	38,670.57
Deferred Wireless Phone Revenue	8,192.80	0.00
Deferred VolP Box Revenue	4,728.39	0.00
Total Current Liabilities:	<u>2,791,930.57</u>	<u>3,144,994.54</u>
Long-Term Liabilities		
Security Deposit - 1956224	1,500.00	0.00
Customer Deposits	67,539.23	47,707.79
Contingent Liability - Global Tier Dispute	278,826.45	0.00
Total Long-Term Liabilities:	<u>347,865.68</u>	<u>47,707.79</u>
Total Liabilities:	<u>3,139,796.25</u>	<u>3,192,702.33</u>
Equity		

	<u>Year to Date</u>	<u>Prior Year to Date</u>
Capital Stock	100.00	100.00
Distributions	-21,690,667.69	-20,591,088.00
Retained Earnings - Prior	22,265,177.45	16,942,551.01
Retained Earnings-Current Year	<u>1,143,868.31</u>	<u>5,322,626.44</u>
Total Equity:	<u>1,718,478.07</u>	<u>1,674,189.45</u>
Total Liabilities & Equity:	<u><u>4,858,274.32</u></u>	<u><u>4,866,891.78</u></u>

Revenue	Year to Date		Prior	
	Year to Date	% of Revenue	Year to Date	% of Revenue
Revenue Global Usage	14,957,247.66	68.70	16,742,158.44	61.94
Revenue TNCI Usage	1,423,620.06	6.54	4,802,972.63	17.77
Revenue Broadwing Usage	78,105.78	0.36	0.00	0.00
Revenue Recurring	287,849.02	1.32	317,544.55	1.17
Revenue Service Fees	200,696.45	0.92	230,753.24	0.85
Revenue Payphone Surcharge	149,112.01	0.68	105,944.55	0.39
Revenue Global Dedicated Usage	354,235.57	1.63	0.00	0.00
Revenue TNCI Dedicated Usage	23,330.93	0.11	0.00	0.00
Revenue Service Fees - Dedicated	228,703.45	1.05	0.00	0.00
Revenue Broadwing Dedicated Usage	36,036.48	0.17	0.00	0.00
Revenue Wholesale Usage	86,422.43	0.40	101,719.04	0.38
Revenue Min.Usage Fee	1,415,466.07	6.50	1,683,011.79	6.23
Revenue-PICC Charges	482,889.35	2.22	615,847.54	2.28
Revenue-Program Fee	768,092.38	3.53	803,602.94	2.97
Revenue Contra Program Fee	-31,686.80	-0.15	0.00	0.00
Revenue-Disconnect Fee	284,058.20	1.30	303,855.00	1.12
Revenue-OPEX Online	87,155.93	0.40	131,390.63	0.49
Revenue Conference Calling	9,827.54	0.05	8,435.16	0.03
Revenue Emergency Assistance	529.25	0.00	8.23	0.00
Finance Charge	59,043.80	0.27	74,954.66	0.28
Revenue - Consumer Buying Club	4,251.64	0.02	7,506.47	0.03
Agent Wireless Program fee TDMA	3,824.82	0.02	152.00	0.00
Rev Wireless Recurring Usage TDMA	202,844.98	0.93	5,120.97	0.02
Rev Wireless Recurring Usage - GSM	10,470.78	0.05	0.00	0.00
Rev Fixed Wireless	129.14	0.00	85.31	0.00
Revenue Wireless Phones	99,005.41	0.45	11,174.35	0.04
Rev Wireless Accessories	2,518.12	0.01	239.80	0.00
Rev Fix Wireless Telular	0.00	0.00	360.00	0.00
Rev Wireless Phones Contra	-24,198.38	-0.11	0.00	0.00
Rev Wireless Text Messagin Rec	1,847.66	0.01	63.24	0.00
Revenue Wireless Activation Fa	54,950.00	0.25	4,970.00	0.02
Revenue Wireless Shipp & Handl	11,666.15	0.05	655.00	0.00
Rev Wireless Usage Overage TDMA	173,025.91	0.79	6,485.00	0.02
Rev Wireless Text Mess GSM	107.85	0.00	0.00	0.00
Rev Wireless Reg Program TDMA	16,208.50	0.07	447.50	0.00
Rev Wireless Paper Invoice TDMA	2,547.20	0.01	101.49	0.00
Rev Wireless Plan Change Fee	893.21	0.00	39.92	0.00
Rev Wireless Usage Overage GSM	21,771.88	0.10	0.00	0.00
Rev Wireless Firefly Phones	10,528.83	0.05	0.00	0.00
Rev Wireless Firefly Accessories	1,481.55	0.01	0.00	0.00
Discounts - Wireless Rebates	-30,275.00	-0.14	-3,000.00	-0.01
Rev VOIP Regulatory Fee	7,135.58	0.03	0.00	0.00
Rev VOIP Recurring Usage	95,412.99	0.44	0.00	0.00
Rev VOIP Usage LD	4,339.02	0.02	0.00	0.00
Rev VOIP Box	76,485.82	0.35	0.00	0.00
Rev VOIP Box Contra	-91,174.91	-0.42	0.00	0.00
Rev VOIP Box Returns	-14,132.46	-0.06	0.00	0.00
Rev VOIP Activation Fee	43,005.66	0.20	0.00	0.00
Rev VOIP Shipping and Handling	28,138.43	0.13	0.00	0.00
Discounts - VOIP Box Rebates	-15,124.32	-0.07	0.00	0.00
Revenue - Forfeited Customer Balances	80,749.69	0.37	108,216.44	0.40
Rev - Forfeited Customer Balances Prior Year	0.00	0.00	356,078.13	1.32

	Year to Date	% of Revenue	Prior Year to Date	% of Revenue
Forfeited USF Tax withheld	0.00	0.00	581,930.50	2.15
Revenue - USF Admin Fee	720,519.08	3.31	521,747.11	1.93
Referral Discounts	-14,147.21	-0.06	-17,452.41	-0.06
Discounts - Payments	-163,242.23	-0.75	-236,521.48	-0.88
Discounts - LEC Switch Fees	-56,925.22	-0.26	-8,641.69	-0.03
Discounts And Allowances	-393,700.00	-1.81	-231,000.00	-0.85
Total Revenue:	21,771,675.73	100.00	27,030,956.05	100.00
Cost of Sales				
Line Charges - Global	8,146,552.43	37.42	7,899,833.65	29.23
Line Charges - Broadwing	43,426.80	0.20	0.00	0.00
Line Charges - TNCI	1,140,651.41	5.24	2,715,954.05	10.05
Line Charges - Purchase Dis Qw	-24,956.45	-0.11	-110,348.65	-0.41
Line Charges Dedicated Global	188,202.48	0.86	0.00	0.00
Line Charges Dedicated TNCI	15,332.99	0.07	0.00	0.00
Line Charges Dedicated Broadwing	21,488.43	0.10	0.00	0.00
Wireless Recurring Usage	125,154.82	0.57	3,291.32	0.01
Wireless Phones	91,242.00	0.42	9,090.00	0.03
Wireless Text Messaging Recurr	1,339.60	0.01	45.86	0.00
Wireless Usage Overage TDMA	96,862.47	0.44	2,435.30	0.01
Wireless Usage - GSM	9,846.05	0.05	0.00	0.00
Wireless Text Mess - GSM	167.69	0.00	0.00	0.00
Wireless Accessories	1,370.00	0.01	120.00	0.00
Wireless Shipping & Handling	8,654.02	0.04	635.00	0.00
Wireless - Fixed Wireless usage	140.39	0.00	61.85	0.00
Obsolete Inventory Write Off	4,141.00	0.02	0.00	0.00
Wireless Telular	0.00	0.00	349.00	0.00
Wireless Phone Contra	-16,005.58	-0.07	0.00	0.00
VOIP Recurring Charges	33,293.85	0.15	0.00	0.00
VOIP Usage	6,990.63	0.03	0.00	0.00
VOIP Activation	16,950.00	0.08	0.00	0.00
VOIP Box	95,104.68	0.44	0.00	0.00
VOIP Box Contra	-86,446.52	-0.40	0.00	0.00
VOIP Box return	-14,014.00	-0.06	0.00	0.00
VOIP Shipping and Handling	13,750.89	0.06	0.00	0.00
Firefly phones	9,594.00	0.04	0.00	0.00
Firefly accessories	741.50	0.00	0.00	0.00
Line Charges - Wholesale	59,541.48	0.27	70,334.16	0.26
Carrier Service Fees - Global	111,349.64	0.51	268,310.07	0.99
Carrier Services Fees - TNCI	24,648.07	0.11	27,676.53	0.10
Carrier Service Fees Broadwing	1,220.09	0.01	0.00	0.00
Carrier Service Fees - Dedicated	237,948.83	1.09	0.00	0.00
Recurring & Other Charges	578,965.85	2.66	571,244.87	2.11
Contra Recurring - True-Up	-19,076.05	-0.09	-68.00	0.00
Roadside emergency assistance	541.80	0.00	15.05	0.00
Bank Deposit Items Charge	23,501.53	0.11	29,236.51	0.11
Credit Bureau Services	14,258.59	0.07	13,319.44	0.05
Collection Expense	21,855.09	0.10	33,003.86	0.12
Salary & Wages -Cust Serv	525,631.51	2.41	663,662.68	2.46
Paid Personal Time - Cust Care	1,865.59	0.01	1,759.38	0.01
Salary and Wages - Agent Suppo	80,582.02	0.37	32,170.30	0.12
Salary & Wages - Business Support	104,910.72	0.48	0.00	0.00
Vacation Pay Expense - COS	1,431.52	0.01	1,011.11	0.00

	Year to Date	% of Revenue	Prior Year to Date	% of Revenue
Consumer Buying Club	6,020.00	0.03	6,569.00	0.02
OPEX Online	61,282.50	0.28	99,622.52	0.37
Conference Calling	6,823.62	0.03	5,838.58	0.02
Invoice Printing & Other Costs	315,269.88	1.45	363,829.10	1.35
Customer Care Printing costs	11,550.02	0.05	13,316.23	0.05
Invoice Mailing Cost	313,724.28	1.44	377,083.26	1.40
Customer Service mailing costs	35,034.79	0.16	36,270.74	0.13
Credit Card Processing Fees	213,662.04	0.98	234,351.54	0.87
Data Security	42,151.75	0.19	39,236.25	0.15
Telephone-Customer Service	62,358.48	0.29	62,255.02	0.23
E Fax	2,875.94	0.01	2,230.45	0.01
Verifications	19,645.72	0.09	19,721.00	0.07
FICA Expense - Cust Care	38,119.77	0.18	39,627.89	0.15
FUTA Expense - Cust Care	1,342.39	0.01	1,515.44	0.01
SUTA Expense - Cust Care	22,242.14	0.10	22,251.50	0.08
Medicare Expense - Cust Care	8,915.20	0.04	9,268.00	0.03
FICA Expense - Agent Support	4,922.65	0.02	1,977.52	0.01
FUTA Expense - Agent Support	205.57	0.00	18.44	0.00
SUTA Expense - Agent Support	3,890.07	0.02	225.92	0.00
Medicare Exp - Agent Support	1,151.28	0.01	462.48	0.00
PICC Charge Expense	94,082.16	0.43	145,919.86	0.54
PICC Charge Expense-Wholesale	0.00	0.00	6.87	0.00
Payphone Surcharge	149,112.01	0.68	105,944.55	0.39
Depreciation & Amort	1,741.67	0.01	0.00	0.00
Sales Tax Processing Fee	70,223.91	0.32	66,976.22	0.25
Universal Tax Preparation Fees	9,540.00	0.04	9,540.00	0.04
FCC Regulatory Fees	35,880.00	0.16	43,890.75	0.16
FCC TRS Fee	94,930.91	0.44	0.00	0.00
Bad Debts - LD	358,489.34	1.65	397,403.57	1.47
Bad Debts - Wireless TDMA	162,196.51	0.74	0.00	0.00
Bad Debts - VoIP	4,913.48	0.02	0.00	0.00
Bad Debts Dedicated	8,810.86	0.04	0.00	0.00
Total Cost of Sales:	13,859,860.80	63.66	14,338,496.04	53.04
Gross Profit:	7,911,814.93	36.34	12,692,460.01	46.96

Expenses

General & Administrative Expense

Salaries & Wages - Accounting	150,666.13	0.69	148,421.28	0.55
Salaries & Wages - HR	61,862.05	0.28	68,496.52	0.25
Salaries & Wages - Rev Assuran	57,327.02	0.26	54,413.97	0.20
Paid Personal Time - Acct	888.48	0.00	1,096.16	0.00
Paid Personal Time - HR	330.77	0.00	769.24	0.00
Paid Personal Time - RA	169.80	0.00	425.60	0.00
Paid Personal Time - IS	4,596.90	0.02	1,834.64	0.01
Vacation Pay Expense	1,328.74	0.01	-1,355.58	-0.01
Salary & Wages - Inform Tech	369,849.42	1.70	411,199.83	1.52
Travel - Accounting	859.71	0.00	1,353.95	0.01
Travel - Human Resources	1,578.93	0.01	977.29	0.00
Travel - Revenue Assurance	1,041.99	0.00	1,353.24	0.01
Travel - IT	487.79	0.00	4,199.57	0.02
Travel - Customer Care	414.12	0.00	79.31	0.00
Hosting Fees & ISP	115,287.66	0.53	124,476.21	0.46
Web Site Security	4,208.26	0.02	3,522.30	0.01

	Year to Date	% of Revenue	Prior Year to Date	% of Revenue
General & Administrative Expense				
(Continued)				
Bank Service Charge	30,956.84	0.14	39,413.65	0.15
Contributions	1,645.05	0.01	0.00	0.00
Computer Supplies & Exp - Acct	112.91	0.00	1,379.51	0.01
Computer Supplies & Exp - HR	1,347.56	0.01	362.31	0.00
Comp Supplies & Exp - Rev Assu	0.00	0.00	555.50	0.00
Computer Supplies & Exp - IT	12,965.98	0.06	10,017.55	0.04
Computer Supplies & -Sales	227.28	0.00	0.00	0.00
Computer Supplies & Exp - CS	691.98	0.00	908.82	0.00
Software Maintenance - Acct	4,833.31	0.02	4,721.47	0.02
Software Maintenance - HR	909.15	0.00	1,104.15	0.00
Software Maintenance - IT	69,916.74	0.32	67,694.51	0.25
Software Maintenance-CS	0.00	0.00	250.00	0.00
Server Warranties - IT	4,301.80	0.02	5,446.70	0.02
Depreciation & Amort Expense	91,987.34	0.42	172,010.68	0.63
Delivery & Express	9,008.18	0.04	10,629.83	0.04
Remittance PO Box Fees	5,596.08	0.03	3,943.07	0.01
Dues And Subscriptions	4,925.95	0.02	4,189.51	0.02
Dues & Subscriptions HR	199.00	0.00	270.00	0.00
Employee Benefits	17,600.53	0.08	16,285.75	0.06
Pension Plan Contribution	56,591.06	0.26	67,257.01	0.25
Office Equipment Rental	15,772.50	0.07	14,945.44	0.06
Group Health Insurance	203,654.84	0.94	176,217.63	0.65
Group Life Insurance	3,040.13	0.01	3,627.34	0.01
Group Dental Insurance	16,440.22	0.08	15,766.78	0.06
Insurance- LT Disability	959.63	0.00	887.87	0.00
Accounting Fees	37,462.37	0.17	25,855.13	0.10
Legal Fees	83,792.67	0.38	74,942.46	0.28
Office Supplies	21,185.52	0.10	16,983.55	0.06
Seminar Expense - Acct	0.00	0.00	195.00	0.00
Seminar Expense - HR	4,159.95	0.02	3,757.78	0.01
Office Maintenance	2,135.23	0.01	1,345.11	0.00
Management Fee - PMC	2,342,339.52	10.76	2,467,682.30	9.13
Office Equipment Maint. - Acct	16,899.14	0.08	15,634.79	0.06
Postage Expense - Acct	6,684.96	0.03	6,532.54	0.02
Rent Expense - Accounting	15,390.00	0.07	15,390.00	0.06
Rent Expense - HR	4,272.00	0.02	4,272.00	0.02
Rent Expense - Rev Assurance	4,800.00	0.02	4,800.00	0.02
Rent Expense - IT	26,220.00	0.12	26,220.00	0.10
Rent Expense - Customer Care	42,072.00	0.19	38,982.00	0.14
Stationery and Printing	1,309.35	0.01	2,046.98	0.01
Empl Meals & Entertain 100% HR	30,661.43	0.14	29,220.43	0.11
Employee Recruiting Expense	5,141.00	0.02	7,346.55	0.03
Employment Screening Expense	2,481.00	0.01	4,382.50	0.02
Sales & Use Tax Expense	1,995.00	0.01	31,943.23	0.12
Meals (50% deduct) - IT	103.02	0.00	0.00	0.00
FICA Expense - Acct	8,861.89	0.04	8,996.48	0.03
FICA Expense - HR	3,611.62	0.02	3,910.35	0.01
FICA Expense - Rev Assur	3,505.52	0.02	3,345.68	0.01
FICA Expense - IS	22,805.56	0.10	25,232.90	0.09
FUTA Expense - Acct	335.60	0.00	297.61	0.00
FUTA Expense - HR	180.59	0.00	96.07	0.00
FUTA Expense - Rev Assur	114.36	0.00	98.43	0.00

	Year to Date	% of Revenue	Prior Year to Date	% of Revenue
General & Administrative Expense				
(Continued)				
FUTA Expense - IS	403.13	0.00	370.49	0.00
SUTA Expense - Acct	5,825.92	0.03	4,610.85	0.02
SUTA Expense - HR	2,723.57	0.01	1,566.78	0.01
SUTA Expense - Rev Assur	2,086.97	0.01	1,575.60	0.01
SUTA Expense - IS	7,339.44	0.03	6,514.07	0.02
Medicare Expense - Acct	2,072.69	0.01	2,104.06	0.01
Medicare Expense - HR	844.73	0.00	914.58	0.00
Medicare Expense - Rev Assur	819.86	0.00	782.46	0.00
Medicare Expense - IS	5,333.46	0.02	5,900.97	0.02
Misc. Licenses and Fees	37,157.37	0.17	24,805.47	0.09
Local Number Portability - FCC Charges	23,368.35	0.11	0.00	0.00
CO Property Tax	37,547.48	0.17	0.00	0.00
Utilities - Electric	16,022.38	0.07	15,129.11	0.06
Cell Phones	1,518.73	0.01	731.86	0.00
Cell Phones-HR	338.07	0.00	229.27	0.00
Cell Phones Rev Assur	1,958.07	0.01	1,304.76	0.00
Cell Phones IT	3,045.69	0.01	2,882.84	0.01
Cell Phones Customer Care	2,969.12	0.01	2,706.70	0.01
Meals (50% deduct) - Acct	0.00	0.00	40.79	0.00
Meals (50% deduct) - HR	139.38	0.00	67.04	0.00
Meals (50% deduct) - RA	352.08	0.00	178.71	0.00
Meals & Entertain - IT	128.94	0.00	709.30	0.00
Meals & Entertain (50 %) - CS	24.98	0.00	30.00	0.00
Lodging - Acct	0.00	0.00	377.93	0.00
Lodging - HR	1,086.76	0.00	723.45	0.00
Lodging - Revenue Assurance	1,223.31	0.01	1,041.03	0.00
Lodging - IS	221.76	0.00	2,260.42	0.01
Total General & Administrative Expense:	4,167,653.37	19.14	4,336,217.02	16.04
Selling Expense				
Bonus - Sales	300.00	0.00	0.00	0.00
Salary & Wages - Sales	140,432.44	0.65	42,037.55	0.16
Advertising & Marketing	4,975.74	0.02	27,986.95	0.10
Printing	6,264.94	0.03	2,758.62	0.01
Travel - Sales	19,746.97	0.09	13,637.54	0.05
FICA Expense - Sales	8,769.00	0.04	2,508.11	0.01
FUTA Expense - Sales	295.09	0.00	146.80	0.00
SUTA Expense - Sales	2,353.54	0.01	821.94	0.00
Medicare Expense - Sales	2,050.86	0.01	586.62	0.00
Commissions - LD Agents	2,343,611.13	10.76	2,933,333.25	10.85
Contra Commissions - True Up	-30,315.38	-0.14	-27,463.27	-0.10
Commissions - Direct Sales	15,389.99	0.07	6,322.08	0.02
Commissions-Collections	6,386.28	0.03	1,198.72	0.00
Commissions Wireless TDMA	16,781.96	0.08	4,135.63	0.02
Wireless phone agent surcharge	14,870.00	0.07	0.00	0.00
Commissions - VOIP	15,024.91	0.07	0.00	0.00
Commissions Dedicated	70,171.96	0.32	0.00	0.00
Tradeshaw Expense	44,570.86	0.20	43,813.37	0.16
Promotions	16,104.09	0.07	20,409.25	0.08
Conference Calling	3,181.10	0.01	4,167.40	0.02
Computer Supplies & Exp - Sale	158.00	0.00	2,607.20	0.01
Dues And Subscriptions - Sales	491.40	0.00	599.01	0.00
Janitor	0.00	0.00	311.25	0.00

	Year to Date	% of Revenue	Prior	
			Year to Date	% of Revenue
Selling Expense	(Continued)			
Rent Expense - Sales	2,280.00	0.01	7,956.00	0.03
Telephone Exp. - Sales	2,699.31	0.01	3,324.73	0.01
Cell Phones Sales	4,271.54	0.02	2,258.80	0.01
Meals (50% deduct) - Sales	7,002.82	0.03	3,738.18	0.01
Lodging - Sales	12,506.99	0.06	3,428.33	0.01
Travel - Marketing	0.00	0.00	3,506.93	0.01
Commissions - Marketing	0.00	0.00	4,500.00	0.02
Consulting Fees - Marketing	0.00	0.00	13,411.01	0.05
Consulting - Market Research	0.00	0.00	31,419.31	0.12
Consulting - Wireless	0.00	0.00	10,000.00	0.04
Postage - Marketing	0.00	0.00	60.80	0.00
Meals & Entertain - Marketing	0.00	0.00	2,118.66	0.01
Cell Phone - Marketing	0.00	0.00	232.79	0.00
Lodging - Marketing	0.00	0.00	1,053.82	0.00
Total Selling Expense:	2,730,375.54	12.54	3,166,927.38	11.72
Total Expenses:	6,898,028.91	31.68	7,503,144.40	27.76
Net Income from Operations:	1,013,786.02	4.66	5,189,315.61	19.20
Other Income and Expense				
Interest Income	16.56	0.00	7.18	0.00
Interest Expense	0.00	0.00	-14,725.40	-0.05
Interest Expense-Acct	-606.29	0.00	0.00	0.00
Recovery of Bank Charges	8,600.00	0.04	12,660.00	0.05
Loss on Vendor Default	18.00	0.00	-218,378.22	-0.81
Assessment Fee	0.00	0.00	-1,764.39	-0.01
Other Income	0.00	0.00	830.53	0.00
Sales Tax Collection Fees	0.00	0.00	165,000.00	0.61
Sales Tax Collection Fee - Prior	30,240.00	0.14	105,007.13	0.39
Recovery of Bad Debt	92,878.00	0.43	84,674.00	0.31
Assessments	-1,063.98	0.00	0.00	0.00
Total Other Income and Expense:	130,082.29	0.60	133,310.83	0.49
Earnings before Income Tax:	1,143,868.31	5.25	5,322,626.44	19.69
Net Income (Loss):	1,143,868.31	5.25	5,322,626.44	19.69