



DEPOSIT

DATE

D209

NOV 04 1999

Jim Smith

640A East John Sims Parkway  
Niceville, FL 32578  
(850) 678-4550 • Fax (850) 729-7929

**PUBLIC SERVICE COMMISSION \*\***

**TELECOMMUNICATIONS**

**CERTIFICATION AND SERVICE EVALUATION**

**APPLICATION FORM**  
**for**  
**AUTHORITY TO PROVIDE**  
**ALTERNATIVE LOCAL EXCHANGE SERVICE**  
**WITHIN THE STATE OF FLORIDA**

991676-TX

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

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

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission  
Division of Telecommunications  
Bureau of Certification and Service Evaluation  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6600**

DOCUMENT NUMBER-DATE

13610 NOV -4 99

FPSC-RECORDS/REPORTING

## 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:

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

CASH America

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

640 E John Sims Pkwy / Po Box 1087

Niceville FL 32578

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

640 E. John Sims Pkwy / Po. Box 1087

Niceville FL 32578

\_\_\_\_\_  
\_\_\_\_\_

6. Structure of organization:

- ( ) Individual       Corporation  
( ) Foreign Corporation    ( ) Foreign Partnership  
( ) General Partnership    ( ) Limited Partnership  
( ) Other \_\_\_\_\_

7. If individual, provide:

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:

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

\_\_\_\_\_ 796000078261 \_\_\_\_\_

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

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

\_\_\_\_\_

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:

C 99 011 70000 4

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

(a) The Florida Secretary of State registration number:

\_\_\_\_\_

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

Name: \_\_\_\_\_

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

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

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

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

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

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

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: \_\_\_\_\_

14. Provide **F.E.I. Number**(if applicable): \_\_\_\_\_

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.

\_\_\_\_\_  
\_\_\_\_\_

(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.

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

(a) The application:

Name: JAMES C Smith  
Title: Pres  
Address: 640 E. John Sims Pkwy  
City/State/Zip: Newville FL 32578  
Telephone No.: 850 6784550 Fax No.: 850 729 7927  
Internet E-Mail Address: TwentyEightRed.AOL.Com  
Internet Website Address: \_\_\_\_\_

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

Name: \_\_\_\_\_  
Title: SAME  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_  
Internet E-Mail Address: \_\_\_\_\_

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

(c) Complaints/Inquiries from customers:

**Name:** \_\_\_\_\_

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

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

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

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

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

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

17. List the states in which the applicant:

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

\_\_\_\_\_  
\_\_\_\_\_ *WA*

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

\_\_\_\_\_  
\_\_\_\_\_ *NO*

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

\_\_\_\_\_  
\_\_\_\_\_ *NO*

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

NO

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

NO

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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.

NO

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18. Submit the following:

A. 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.

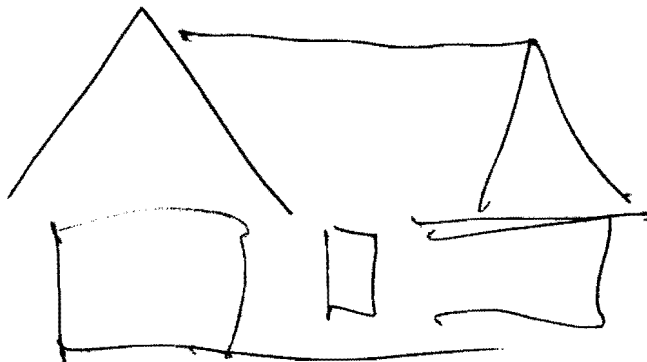
Further, the following (which includes supporting documentation) should be provided:

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.

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

C. 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.

*Item of Credit*

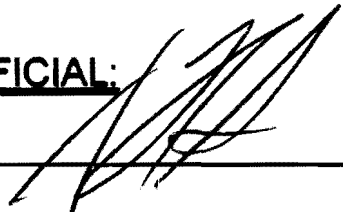




**\*\* APPLICANT ACKNOWLEDGMENT STATEMENT \*\***

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

**UTILITY OFFICIAL:**

Signature		Date	10/24/99
Title	Pres	Telephone No.	850 678 4550
Address:	640 E John Sims Pkwy	Fax No.	850 729 7929
	Niceville FL 32578		

**ATTACHMENTS:**

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT

**\*\* APPENDIX A \*\***

**CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name) \_\_\_\_\_,

(Title) \_\_\_\_\_ of (Name of Company)

\_\_\_\_\_ and current holder of Florida Public Service Commission Certificate Number # \_\_\_\_\_, have reviewed this application and join in the petitioner's request for a:

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

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_ Telephone No. \_\_\_\_\_

Address: \_\_\_\_\_ Fax No. \_\_\_\_\_

**\*\* APPENDIX B \*\***

**INTRASTATE NETWORK (if available)**

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

**1. POP: Addresses where located, and indicate if owned or leased.**

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

**2. SWITCHES: Address where located, by type of switch, and indicate if owned or leased.**

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

**3. TRANSMISSION FACILITIES: POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.**

<u>POP-to-POP</u>	<u>OWNERSHIP</u>
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____

**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:**

Signature

*[Handwritten Signature]*

Date

*10/28/99*

Title

Telephone No.

Address:

*640 E John Sims*

Fax No.

*850 6784550*  
*850 7297929*



FLORIDA DEPARTMENT OF STATE  
Katherine Harris  
Secretary of State

January 11, 1999

CASH AMERICA  
640 E. JOHN SIMS PARKWAY  
NICEVILLE, FL 32578

Subject: **CASH AMERICA**

REGISTRATION NUMBER: **G99011900004**

This will acknowledge the filing of the above fictitious name registration which was registered on January 11, 1999. This registration gives no rights to ownership of the name.

Each fictitious name registration must be renewed every five years between July 1 and December 31 of the expiration year to maintain registration. Three months prior to the expiration date a statement of renewal will be mailed.

**IT IS THE RESPONSIBILITY OF THE BUSINESS TO NOTIFY THIS OFFICE IN WRITING IF THEIR MAILING ADDRESS CHANGES.** Whenever corresponding please provide assigned Registration Number.

Should you have any questions regarding this matter you may contact our office at (850) 488-9000.

/s  
Division of Corporations

Letter No. 599A00001155

MAIL ROOM  
80-01 NW 4- AON 66  
RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION

Income Projection for local Exchange Service for November 1, 1999 to November 1, 2000

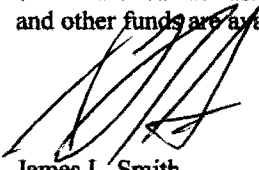
November	Local Service minimum cost (TBD) retail \$39.95	10 @ \$39.95	\$399.50
December	Local Service minimum cost (TBD) retail \$39.95	12 @ \$39.95	\$479.40
January	Local Service minimum cost (TBD) retail \$39.95	14 @ \$39.95	\$559.30
February	Local Service minimum cost (TBD) retail \$39.95	16 @ \$39.95	\$639.20
March	Local Service minimum cost (TBD) retail \$39.95	18 @ \$39.95	\$719.10
April	Local Service minimum cost (TBD) retail \$39.95	21 @ \$39.95	\$838.95
May	Local Service minimum cost (TBD) retail \$39.95	24 @ \$39.95	\$958.80
June	Local Service minimum cost (TBD) retail \$39.95	27 @ \$39.95	\$1,078.65
July	Local Service minimum cost (TBD) retail \$39.95	31 @ \$39.95	\$1,238.45
August	Local Service minimum cost (TBD) retail \$39.95	34 @ \$39.95	\$1,358.30
September	Local Service minimum cost (TBD) retail \$39.95	37 @ \$39.95	\$1,478.15
October	Local Service minimum cost (TBD) retail \$39.95	41 @ \$39.95	\$1,637.95
November	Local Service minimum cost (TBD) retail \$39.95	44 @ \$39.95	\$1,757.80

October 29, 1999

Local Exchange Service for Cash America.

This letter is to serve as notice that Cash America has the financial capability to provide and maintain the service requested. There is also sufficient capital available to meet the lease or ownership agreement.

Cash America has sufficient capital, \$25,000.00 cash on hand, a line of credit in the amount of \$65,000.00 and other funds are available as needed.



James L. Smith  
President

Cash America  
640 East John Sims Parkway  
Niceville, FL 32578

(850)678-5999

Form 2688

Application for Additional Extension of Time To File U.S. Individual Income Tax Return

OMB No. 1545-0068

1998

Department of the Treasury Internal Revenue Service

See instructions on page 2. You MUST complete all items that apply to you.

Form fields for taxpayer information: Name (JAMES L. SMITH), Social Security Number, Filing status (P.O. BOX 1087), and Home address (NICEVILLE, FL 32588).

Please fill in the Return Label at the bottom of this page.

- 1 I request an extension of time until OCTOBER 15, 19 99 to file Form 1040EZ, Form 1040A, Form 1040, Form 1040NR-EZ, or Form 1041 for the calendar year 1998, or other tax year ending 18.
2 Explain why you need an extension. You must give an adequate explanation.

UNABLE TO COMPLETE RETURN DUE TO INCOMPLETE RECORDS AND INFORMATION.

- 3 Have you filed Form 4868 to request an automatic extension of time to file for this tax year? Yes No
If you checked "No," we will grant your extension only for undue hardship. Fully explain the hardship in item 2. Attach any information you have that helps explain the hardship.

If you expect to have to file a gift or generation-skipping transfer (GST) tax return, complete line 4.

- 4 If you or your spouse plan to file a gift or GST tax return (Form 709 or 709-A) for 1998, generally due by April 15, 1999, see the instructions and check here. Yourself Spouse

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature and Date fields for Taxpayer, Spouse, and Preparer (DANNY H. MCCALLISTER, 8/3/99).

Please fill in the Return Label below with your name, address, and social security number. The IRS will complete the Notice to Applicant and return it to you. If you want it sent to another address or to an agent acting for you, enter the other address and add the agent's name.

(Do not detach)

Notice to Applicant

To Be Completed by the IRS

- We HAVE approved your application. However, we have granted a 10-day grace period to This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return.
We HAVE NOT approved your application. After considering the information you provided in item 2 above, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
We cannot consider your application because it was filed after the due date of your return.
Other

Director

Date

Return Label (Please type or print) (Agents: Always include taxpayer's name)

Return Label fields: Taxpayer's name (DANNY H. MCCALLISTER), Taxpayer's social security number, Spouse's social security number, Address (808 W. BURDESHAW ST., DOTHAN, AL. 36303).



SCHEDULE C (Form 1040)

Profit or Loss From Business (Sole Proprietorship)

OMB No. 1545-0074

1998

Attachment Sequence No. 09

Department of the Treasury Internal Revenue Service

Partnerships, joint ventures, etc., must file Form 1065 or Form 1065-B. Attach to Form 1040 or Form 1041. See instructions for Schedule C (Form 1040).

Name of proprietor: JAMES L. SMITH. Social security number (SSN): [redacted]. Principal business: USED AUTO SALES. Business name: FLORIDA AUTO SALES. Business address: 600 JOHN SIMS PKWY, NICEVILLE, FL 32578. Accounting method: Cash. Did you materially participate? Yes. If you started or acquired this business during 1998, check here: No.

Part I Income table with 7 rows. Line 1: 426,533.00. Line 2: Returns and allowances. Line 3: 426,533.00. Line 4: 344,714.00. Line 5: 81,759.00. Line 6: Other income. Line 7: 81,759.00.

Part II Expenses table with 31 rows. Line 8: 4,212.00. Line 9: Bad debts. Line 10: Car and truck expenses. Line 11: Commissions and fees. Line 12: Depreciation. Line 13: 4,799.00. Line 14: Employee benefit programs. Line 15: 3,966.00. Line 16: Interest. Line 17: 500.00. Line 18: 3,702.00. Line 19: Pension and profit-sharing plans. Line 20: Rent or lease. Line 21: Repairs and maintenance. Line 22: 2,005.00. Line 23: Taxes and licenses. Line 24: Travel, meals, and entertainment. Line 25: 6,247.00. Line 26: Utilities. Line 27: 30,385.00. Line 28: 61,816.00. Line 29: 19,943.00. Line 30: Expenses for business use of your home. Line 31: 19,945.00.

Schedule C (Form 1040) 1998

FAS 1998

Page 2

Part III Cost of Goods Sold (see page C-7)

33	Method(s) used to value closing inventory:	a <input checked="" type="checkbox"/> Cost	b <input type="checkbox"/> Lower of cost or market	c <input type="checkbox"/> Other (attach explanation)
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	20,190.00	
36	Purchases less cost of items withdrawn for personal use	36	293,390.00	
37	Cost of labor. Do not include any amounts paid to yourself	37	20,789.00	
38	Materials and supplies	38		
39	Other costs <i>AUTO DETAILING, REPAIR, RECONDITIONING AND PARTS</i>	39	29,419.00	
40	Add lines 35 through 39	40	363,821.00	
41	Inventory at end of year	41	19,047.00	
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42	344,774.00	

Part IV Information on Your Vehicle. Complete this part ONLY if you are claiming car or truck expenses on line 10 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-4 to find out if you must file.

- 43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ *1/1/98*
- 44 Of the total number of miles you drove your vehicle during 1998, enter the number of miles you used your vehicle for:
  - a Business
  - b Commuting
  - c Other
- 45 Do you (or your spouse) have another vehicle available for personal use?  Yes  No
- 46 Was your vehicle available for use during off-duty hours?  Yes  No
- 47a Do you have evidence to support your deduction?  Yes  No
  - b If "Yes," is the evidence written?  Yes  No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

<i>TELEPHONE</i>	<i>12,397.00</i>
<i>TAGS, TAXES AND FEES</i>	<i>9,204.00</i>
<i>HAULING AND TOWING</i>	<i>3,321.00</i>
<i>GAS AND OIL</i>	<i>4,121.00</i>
<i>MISCELLANEOUS</i>	<i>1,342.00</i>
48 Total other expenses. Enter here and on page 1, line 27	48 <i>30,385.00</i>

SCHEDULE C (Form 1040)

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

199

Department of the Treasury Internal Revenue Service (89)

Partnerships, joint ventures, etc., must file Form 1065.

Attachment Sequence No. 09

Attach to Form 1040 or Form 1041.

See instructions for Schedule C (Form 1040).

Name of proprietor

JAMES L. SAUTH

Social security number (SSN)

A Principal business or profession, including product or service (see page C-1)

AUTO LEASING

B Enter principal busn. code

8813

C Business name, if no separate business name, leave blank.

PRICE KING RENT-A-CAR

D Employer ID no. (EIN), if any

E Business address, City, state, ZIP

640 JOHN SIMS PKWY NICEVILLE, FL 32578

F Accounting method: (1) Cash (2) Accrual (3) Other (specify)

(1) X Cash (2) Accrual (3) Other (specify)

G Did you "materially participate" in the operation of this business during 1997? If "No," see page C-2 for limit on losses

X Yes No

H If you started or acquired this business during 1997, check here

Income

Table with 7 rows for income calculation: 1 Gross receipts or sales (78,725.00), 2 Returns and allowances, 3 Subtract line 2 from line 1 (78,725.00), 4 Cost of goods sold, 5 Gross profit (78,725.00), 6 Other income, 7 Gross income (78,725.00)

Part II Expenses. Enter expenses for business use of your home only on line 30.

Table with 27 rows for expenses: 8 Advertising (5,229.00), 9 Bad debts, 10 Car and truck expenses, 11 Commissions and fees, 12 Depletion, 13 Depreciation (9,523.00), 14 Employee benefit programs, 15 Insurance (5,574.00), 16 Interest, 17 Legal and professional services (1,050.00), 18 Office expense (960.00), 19 Pension & profit-sharing plans, 20 Rent or lease, 21 Repairs and maintenance, 22 Supplies (972.00), 23 Taxes and licenses (1,975.00), 24 Travel, meals, & entertainment, 25 Utilities (4615.00), 26 Wages, 27 Other expenses (20,961.00)

28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns (56,519.00)

29 Tentative profit (loss). Subtract line 28 from line 7 (21,906.00)

30 Expenses for business use of your home. Attach Form 8829

31 Net profit or (loss). Subtract line 30 from line 29 (21,906.00)

- If a profit, enter on Form 1040, line 12, and ALSO on Schedule SE, line 2 (statutory employees, see page C-5). Estates and trusts, enter on Form 1041, line 3.
If a loss, you MUST go on to line 32.

- If you have a loss, check the box that describes your investment in this activity (see page C-5).
If you checked 32a, enter the loss on Form 1040, line 12, and ALSO on Schedule SE, line 2 (statutory employees, see page C-5). Estates and trusts, enter on Form 1041, line 3.
If you checked 32b, you MUST attach Form 6198.

32a X All investment is at risk.
32b Some investment is not at risk.

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule C (Form 1040) 1997

Schedule C (Form 1040) 1998

PRICE KING RENT-A-CAR 1998

Page 2

Cost of Goods Sold (see page C-5)

33 Method(s) used to value closing inventory:  Cost  Lower of cost or market  Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation  Yes  No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation. 35

36 Purchases less cost of items withdrawn for personal use. 36

37 Cost of labor. Do not include salary paid to yourself. 37

38 Materials and supplies. 38

39 Other costs. 39

40 Add lines 35 through 39. 40

41 Inventory at end of year. 41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4. 42

Information on Your Vehicle. Complete this part ONLY if you are claiming car or truck expenses on line 10 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-3 to find out if you must file.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶

44 Of the total number of miles you drove your vehicle during 1997, enter the number of miles you used your vehicle for:  
 a Business \_\_\_\_\_ b Commuting \_\_\_\_\_ c Other \_\_\_\_\_

45 Do you (or your spouse) have another vehicle available for personal use?  Yes  No

46 Was your vehicle available for use during off-duty hours?  Yes  No

47a Do you have evidence to support your deduction?  Yes  No

b If "Yes," is the evidence written?  Yes  No

Other Expenses. List below business expenses not included on lines 8-26 or line 30.

TAGS AND TITLES	1,349.00
FRANCHISE FEE	2,529.00
FRANCHISE AMORTIZATION	332.00
CHARGE CARD DISCOUNTS	854.00
MISCELLANEOUS	1,244.00
WASH AND DETAIL	4,565.00
COMMISSIONS	7,500.00
SALES TAXES	2,593.00
<b>48 Total other expenses. Enter here and on page 1, line 27</b>	<b>48 20,961.00</b>

True & Correct  
MA 11/3

Form **1120S**

**U.S. Income Tax Return for an S Corporation**

OMB No. 1545-0130

**1997**

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

Department of the Treasury Internal Revenue Service

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

A Date of election as an S corporation 9/1/96	Use IRS label. Otherwise, please print or type.	Name <b>TWENTY EIGHT REP, INC.</b>	C Employer identification number <b>59 3437260</b>
		Number, street, and room or suite no. (if a P.O. box, see page 9 of the instructions.) <b>640 E. JOHN SIGLS</b>	D Date incorporated <b>9/1/96</b>
B Business code no. (see Specific Instructions)	City or town, state, and ZIP code <b>NICEVILLE, FL 32578</b>	E Total assets (see Specific Instructions) <b>\$ 64,921.00</b>	

F Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change in address (4)  Amended return  
 G Enter number of shareholders in the corporation at end of the tax year

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

Income		Deductions (see page 10 of the instructions for limitations)		Tax and Payments	
1a	Gross receipts or sales	10	424,272.00	22a	Excess net passive income tax (attach schedule)
2	Cost of goods sold (Schedule A, line 8)	2	276,730.00	22b	Tax from Schedule D (Form 1120S)
3	Gross profit. Subtract line 2 from line 1c	3	147,542.00	23a	Payments: a 1997 estimated tax payments and amount applied from 1996 return
4	Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)	4		23b	Tax deposited with Form 7004
5	Other income (loss) (attach schedule)	5		23c	Credit for Federal tax paid on fuels (attach Form 4136)
6	Total income (loss). Combine lines 3 through 5	6	147,542.00	23d	Add lines 23a through 23c
7	Compensation of officers	7		24	Estimated tax penalty. Check if Form 2220 is attached <input type="checkbox"/>
8	Salaries and wages (less employment credits)	8	15,240.00	25	Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 4 of the instructions for depository method of payment
9	Repairs and maintenance	9	3,760.00	26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid
10	Bad debts	10		27	Enter amount of line 26 you want: Credited to 1996 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>
11	Rents	11	6,000.00		
12	Taxes and licenses	12	4,320.00		
13	Interest	13			
14a	Depreciation (if required, attach Form 4562)	14a	7,297.00		
14b	Depreciation claimed on Schedule A and elsewhere on return	14b			
14c	Subtract line 14b from line 14a	14c	7,297.00		
15	Depletion (Do not deduct oil and gas depletion.)	15			
16	Advertising	16	75.06.00		
17	Pension, profit-sharing, etc., plans	17			
18	Employee benefit programs	18			
19	Other deductions (attach schedule)	19	60,760.00		
20	Total deductions. Add the amounts shown in the far right column for lines 7 through 19	20	104,882.00		
21	Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6	21	42,659.00		

**Please Sign Here**

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

Signature of officer: *[Signature]* Date: 9/10/98 Title: \_\_\_\_\_

Preparer's signature: *[Signature]* Date: 9/10/98 Check if self-employed  Preparer's social security number: \_\_\_\_\_

Firm's name (or yours if self-employed) and address: **DANNY H. MCCALLISTER**  
**808 W. BURDESHAW CT.**  
**DOHAN, AL 36303**

EIN #: **59-3437260**  
 ZIP code: \_\_\_\_\_

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

1	Inventory at beginning of year	1	41,470.00
2	Purchases	2	221,783.00
3	Cost of labor	3	5,720.00
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) <i>AUTO DETAILING, REPAIRS, RECONDITIONING</i>	5	27,947.00
6	Total. Add lines 1 through 5	6	296,920.00
7	Inventory at end of year	7	20,190.00
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	276,730.00

- 9a Check all methods used for valuing closing inventory:
- (i)  Cost as described in Regulations section 1.471-3
  - (ii)  Lower of cost or market as described in Regulations section 1.471-4
  - (iii)  Other (specify method used and attach explanation) ▶
- b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶
- c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶
- d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. 9d
- e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation?  Yes  No
- f Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No  
If "Yes," attach explanation.

**Schedule B Other Information**

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list on page 23 of the instructions and state the corporation's principal: (a) Business activity ▶ <i>USED, AUTO SALES/AUTO LEASING</i> (b) Product or service ▶ <i>AUTOS</i>		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5 At any time during calendar year 1997, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520 or 926. See page 14 of the instructions		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter. ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 14 of the instructions) ▶ \$ <i>0</i>		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 14 of the instructions) ▶ <input type="checkbox"/>		

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.		(a) Pro rata share items	(b) Total amount
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)	1 42,659.00
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a	Gross income from other rental activities	3a
		b Expenses from other rental activities (attach schedule)	3b
		c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4	Portfolio income (loss):	
		a Interest income	4a
		b Dividend income	4b
		c Royalty income	4c
		d Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4d
Deductions		e Net long-term capital gain (loss) (attach Schedule D (Form 1120S)):	
		(1) 28% rate gain (loss) (2) Total for year	4e(2)
		f Other portfolio income (loss) (attach schedule)	4f
	5	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797):	
		a 28% rate gain (loss) b Total for year	5b
	6	Other income (loss) (attach schedule)	6
	7	Charitable contributions (attach schedule)	7
	8	Section 179 expense deduction (attach Form 4562)	8 9,212.00
	9	Deductions related to portfolio income (loss) (itemize)	9
	10	Other deductions (attach schedule)	10
Investment Interest	11a	Interest expense on investment debts	11a
		b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)
		(2) Investment expenses included on line 9 above	11b(2)
Credits	12a	Credit for alcohol used as a fuel (attach Form 6478)	12a
		b Low-income housing credit:	
		(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12b(1)
		(2) Other than on line 12b(1) for property placed in service before 1990	12b(2)
		(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b(3)
		(4) Other than on line 12b(3) for property placed in service after 1989	12b(4)
		c Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12c
		d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d
	e Credits related to other rental activities	12e	
Adjustments and Tax Preference Items	13	Other credits	13
	14a	Depreciation adjustment on property placed in service after 1986	14a
		b Adjusted gain or loss	14b
		c Depletion (other than oil and gas)	14c
		d (1) Gross income from oil, gas, or geothermal properties	14d(1)
		(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a	Type of income	
		b Name of foreign country or U.S. possession	
		c Total gross income from sources outside the United States (attach schedule)	15c
		d Total applicable deductions and losses (attach schedule)	15d
		e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e
		f Reduction in taxes available for credit (attach schedule)	15f
		g Other foreign tax information (attach schedule)	15g
Other	16	Section 59(e)(2) expenditures: a Type b Amount	16b
	17	Tax-exempt interest income	17
	18	Other tax-exempt income	18
	19	Nondeductible expenses	19
	20	Total property distributions (including cash) other than dividends reported on line 22 below	20
	21	Other items and amounts required to be reported separately to shareholders (attach schedule)	
	22	Total dividend distributions paid from accumulated earnings and profits	22
	23	Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b.	23 33,447.00


Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		1,000.00		6,921.00
2a	Trade notes and accounts receivable			4,092.00	
b	Less allowance for bad debts				4,092.00
3	Inventories				20,190.00
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets			36,496.00	
b	Less accumulated depreciation			7,297.00	29,189.00
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)			5,000.00	
b	Less accumulated amortization			471.00	4,529.00
14	Other assets (attach schedule)				
15	Total assets		1,000.00		64,921.00
Liabilities and Shareholders' Equity					
16	Accounts payable				6,262.00
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from shareholders				15,000.00
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock		1,000.00		1,000.00
23	Additional paid-in capital				
24	Retained earnings				42,659.00
25	Adjustments to shareholders' equity (attach schedule)				
26	Less cost of treasury stock		( )		( )
27	Total liabilities and shareholders' equity		1,000.00		64,921.00

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return** (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books	42,659.00	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	9,212.00
b	Travel and entertainment \$			Sec. 179 Deduction	
4	Add lines 1 through 3	42,659.00	7	Add lines 5 and 6	
			8	Income (loss) (Schedule K, line 23). Line 4 less line 7	33,447.00

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

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	0	
2	Ordinary income from page 1, line 21	42,659.00	
3	Other additions		
4	Loss from page 1, line 21	( )	
5	Other reductions Sec. 179 Deduct.	( 9,212.00 )	
6	Combine lines 1 through 5	33,447.00	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	33,447.00	

True & Correct  




TWENTY EIGHT RED, INC 59-3437260  
SCHEDULE OF OTHER DEDUCTIONS  
DECEMBER 31, 1997

1	INSURANCE	1033500	
2	PROFESSIONAL FEES	281500	
3	OFFICE SUPPLIES AND POSTAGE	332500	
4	SUPPLIES	311900	
5	UTILITIES	202900	
6	TELEPHONE	1045100	
7	TAGS, TITLES, TAXES AND FEES	873500	
8	MISCELLANEOUS	292800	
9	DUES AND PUBLICATIONS	45200	
10	BANK CHARGES	13600	
11	HAULING AND TOWING	264200	
12	GAS AND OIL	279100	
13	WASH AND CLEANING	94000	
14	CREDIT REPORTS	92000	
15	FRANCHISE FEE	260700	
16	FRANCHISE AMORTIZATION	33200	
17		<u>6076000</u>	FORM 1120S, LINE 19
18			
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Form 4562

### Depreciation and Amortization (Including Information on Listed Property)

OMB No. 1545-0172

1997

Attachment  
Sequence No. 67

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

TWENTY EIGHT PEO, INC

FORM 1120S

59-3437260

#### Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "listed property," complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	\$18,000
2	Total cost of section 179 property placed in service. See page 2 of the instructions	2	9,212.00
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	-0-
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	18,000.00
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	EQUIPMENT	9,212.00	9,212.00
7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	9,212.00
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	9,212.00
10	Carryover of disallowed deduction from 1996. See page 3 of the instructions	10	-0-
11	Business income limitation. Enter smaller of business income (not less than zero) or line 5 (see instructions)	11	18,000.00
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	9,212.00
13	Carryover of disallowed deduction to 1998. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

#### Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1997 Tax Year (Do Not Include Listed Property.)

##### Section A -- General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions.

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business/investment use only -- see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

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

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

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

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1997	17	7,291.00
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	

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

20	Listed property. Enter amount from line 26	20	
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations -- see instructions	21	16,509.00
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 203A costs	22	

For Paperwork Reduction Act Notice, see the separate instructions.

Form 4562 (1997)

SCHEDULE K-1 Shareholder's Share of Income, Credits, Deductions, etc. (Form 1120S)

OMB No. 1545-0130

See separate instructions. For calendar year 1997 or tax year beginning 1997, and ending 1997

1997

Department of the Treasury Internal Revenue Service

Shareholder's identifying number ▶ 420-02-0110

Corporation's identifying number ▶ 57 3491260

Shareholder's name, address, and ZIP code JAMES L. SMITH 640 E. JOHN SIMS PKWY. NICEVILLE, FL 32578

Corporation's name, address, and ZIP code TWENTY EIGHT RED, INC 640 E. JOHN SIMS PKWY NICEVILLE, FL 32578

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 100%
B Internal Revenue Service Center where corporation filed its return ▶ ATLANTA, GA
C Tax shelter registration number (see instructions for Schedule K-1) ▶ N/A
D Check applicable boxes: (1) Final K-1 (2) Amended K-1

Table with columns: (a) Pro rata share items, (b) Amount, (c) Form 1040 filers enter the amount in column (b) on:
Rows include: Income (Loss) 1-6, Deductions 7-10, Investment Interest 11a-b, Credits 12a-e, and Other credits 13.

JAMES L. SMITH  
TWENTY EIGHT RED, INC.  
DBA PRIGE KING RENT-A-CAR  
NICEVILLE, FL  
GENERAL LEDGER INCOME STATEMENT  
JANUARY 1, 1999 TO JULY 31, 1999

---

**INCOME**

AUTO RENTALS	36,633.75	
CASH AMERICA FEES (LESS PAST DUE)	<u>9,559.00</u>	
TOTAL INCOME		46,192.75

**EXPENSES**

ADVERTISING	1,902.00	
DEPRECIATION	4,256.58	
INSURANCE	3,185.00	
PROFESSIONAL FEES	315.00	
OFFICE SUPPLIES AND POSTAGE	147.92	
MAINTENANCE AND REPAIRS	1,007.27	
SUPPLIES	624.01	
LICENSE AND TAXES	2,010.07	
TELEPHONE AND UTILITIES	2,692.79	
TAGS AND TITLES	749.85	
MISCELLANEOUS	1,224.56	
RENT	<u>3,500.00</u>	

**TOTAL EXPENSES**21,615.05**NET INCOME**24,577.70

*True & Correct*  
*[Signature]*

JAMES L. SMITH  
TWENTY EIGHT RED, INC.  
DBA FLORIDA AUTO SALES  
NICEVILLE, FL  
GENERAL LEDGER INCOME STATEMENT  
JANUARY 1, 1999 TO JULY 31, 1999

---

INCOME		219,522.90
COST OF SALES (AUTO'S, RECONDITIONING, DETAILING)		<u>141,786.62</u>
GROSS PROFIT		77,736.28
EXPENSES		
ADVERTISING	1,832.50	
INSURANCE	1,225.00	
PROFESSIONAL FEES	4.00	
OFFICE SUPPLIES AND POSTAGE	1,800.75	
RENT	3,500.00	
SUPPLIES	1,947.21	
TAXES	1,241.30	
TELEPHONE AND UTILITIES	2,705.21	
COMMISSIONS	5,720.00	
LABOR	8,890.00	
GAS AND OIL	2,740.09	
CREDIT REPORTS	902.00	
HAULING AND TOWING	2,142.50	
MISCELLANEOUS	<u>2,244.77</u>	
TOTAL EXPENSES		<u>37,395.33</u>
NET INCOME		<u><u>40,340.95</u></u>

Form 1120S (1998)

**TWENTY EIGHT RED, INC** 59-3437260

Page 4

Schedule L Balance Sheets per Books		Beginning of tax year 11/1/98		End of tax year 12/31/98	
Assets		(a)	(b)	(c)	(d)
1	Cash		6,921.00		12,479.00
2a	Trade notes and accounts receivable	4,092.00		18,869.00	
b	Less allowance for bad debts		4,092.00		18,869.00
3	Inventories		20,190.00		32,020.00
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	36,486.00		58,028.00	
b	Less accumulated depreciation	7,297.00	29,189.00	21,619.00	36,407.00
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	5,000.00		5,000.00	
b	Less accumulated amortization	471.00	4,529.00	803.00	4,197.00
14	Other assets (attach schedule)				
15	Total assets		64,921.00		113,974.00
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable		6,262.00		8,466.00
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from shareholders		15,000.00		20,000.00
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock		1,000.00		1,000.00
23	Additional paid-in capital				
24	Retained earnings		42,659.00		14,508.00
25	Adjustments to shareholders' equity (attach schedule)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity		64,921.00		113,974.00

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return** (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books	41,849.00	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3	41,849.00	8	Income (loss) (Schedule K, line 23). Line 4 less line 7	41,849.00

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

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	33,447.00	
2	Ordinary income from page 1, line 21	41,849.00	
3	Other additions		
4	Loss from page 1, line 21		
5	Other reductions		
6	Combine lines 1 through 5	75,296.00	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	75,296.00	

True & Correct  
 MA 11/3

**TO** PEOPLES FIRST COMMUNITY BANK  
 TYPE OF CREDIT — CHECK THE APPROPRIATE BOX (Name of Lender)  
 Individual — If you check this box, provide Financial Information only about yourself  
 Joint — with \_\_\_\_\_ Relationship \_\_\_\_\_ If you check this box, provide Financial Information about yourself and the other person.

**PERSONAL FINANCIAL STATEMENT OF**

NOTE: Any willful misrepresentation could result in a violation of Federal Law (Sec. 18 U.S.C. 1014)

Name JAMES L SMITH Birth Date 4/29/57, 19\_\_\_\_ Statement Date 10/23/99, 19\_\_\_\_  
 Address 1726 N Pearl / 405 Johns Sims City NELEWILLE State / Zip FL Social Sec. No. \_\_\_\_\_  
 Home Phone 850 678 4497 No. of Dependents 0 Bus. or Occupation SALES Bus Phone 850 678 4558

**NOTE: Complete all of Section II BEFORE Section I**

**SECTION I**

ASSETS		THOU-SANDS	HUN-DREDS	CENTS	LIABILITIES		THOU-SANDS	HUN-DREDS	CENTS
1 Cash On Hand & in Banks	Sec. II - A	20			21 Notes Due to Banks	Sec. II - A			
2 Cash Value of Life Insurance	Sec. II - B	7			22 Notes Due to Relatives & Friends	Sec. II - H			
3 U.S. Gov. Securities	Sec. II - C				23 Notes Due to Others	Sec. II - H			
4 Other Marketable Securities	Sec. II - C	6			24 Accounts & Bills Payable	Sec. II - H			
5 Notes & Accounts Receivable - Good	Sec. II - D	18	869		25 Unpaid Income Taxes Due <input type="checkbox"/> Federal <input type="checkbox"/> State				
6 Other Assets Readily Convertible to Cash - Itemize					26 Other Unpaid Taxes & Interest				
7					27 Loans on Life Insurance Policies	Sec. II - B			
8					28 Contract Accounts Payable	Sec. II - H			
9					29 Cash Rent Owed				
10 TOTAL CURRENT ASSETS		51	870		30 Other Liabilities Due within 1 Year - Itemize				
11 Real Estate Owned	Sec. II - E	237			31				
12 Mortgages & Contracts Owned	Sec. II - F				32				
13 Notes & accounts Receivable - Doubtful	Sec. II - D				33 TOTAL CURRENT LIABILITIES				
14 Notes Due From Relatives & Friends	Sec. II - D				34 Real Estate Mortgages Payable	Sec. II - E	138	727	93
15 Other Securities - Not Readily Marketable	Sec. II - C				35 Liens & Assessments Payable				
16 Personal Property	Sec. II - G	70			36 Other Debts - Itemize				
17 Other Assets - Itemize					37				
18					38 TOTAL LIABILITIES		138	727	93
19					39 Net Worth (Total Assets minus Total Liabilities)				
20 TOTAL ASSETS		358	870		40 TOTAL LIABILITIES & NET WORTH		220	142	93

**ANNUAL INCOME**

**ESTIMATE OF ANNUAL EXPENSES**

Salary, Bonuses & Commissions	\$	40,000	Income Taxes	\$	2,000
Dividends & Interest	\$		Other Taxes	\$	
Rental & Lease Income (Net)	\$	475 <sup>00</sup>	Insurance Premiums	\$	4,500
Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.			Mortgage Payments	\$	
Other income - Itemize	\$		Rent Payable	\$	12,000
Provide the following information only if Joint Credit is checked above.			Other Expenses	\$	
Other Person's Salary, Bonuses & Commissions	\$			\$	
Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.				\$	
Other Income of Other Person - Itemize	\$			\$	
TOTAL	\$	40,475	TOTAL	\$	16,500

**GENERAL INFORMATION**

**CONTINGENT LIABILITIES**

Are any Assets Pledged? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (See Section II)	As Endorser, Co-maker or Guarantor	\$
Are you a Defendant in any Suits or Legal Actions? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	On Leases or Contracts	\$
(Explain)	Legal Claims	\$
Have you ever been declared Bankrupt in the last 10 years? <input type="checkbox"/> No <input type="checkbox"/> Yes	Federal - State Income Taxes	\$
(Explain)	Other -	\$

**SECTION II**

**A. CASH IN BANKS AND NOTES DUE TO BANKS (List all Real Estate Loans in Section II - E)**

NAME OF BANK	Type of Account	Type of Ownership	On Deposit	Notes Due Banks	COLLATERAL (if Any) & Type of Ownership
Peoples 1st	OK	Cash America Priceking FL Autosales	\$	\$	

Cash on Hand \$

SECTION II (continued)

B. LIFE INSURANCE (List only those Policies that you own)

COMPANY	Face of Policy	Cash Surrender Value	Policy Loan from Insurance Co.	Other Loans Policy as Collateral	BENEFICIARY
American Express	\$ 20,000	\$ 7	\$	\$	
TOTALS		\$	\$		

C. SECURITIES OWNED (including U.S. Gov't. Bonds and all other Stocks and Bonds)

Face Value - Bonds No. of Shares/Stock	DESCRIPTION Indicate those Not Registered in Your Name	Type of Ownership	COST	Market Value U.S. Gov. Sec.	Market Value Marketable Sec.	MARKET VALUE Not Readily Marketable SECURITIES	Amount Pledged to Secured Loans
	IRA					6,000	6,000
TOTALS						\$ 6,000	

D. NOTES AND ACCOUNTS RECEIVABLE (Money Payable or Owed to You Individually - Indicate by a check if Others have an Ownership Interest)

MAKER / DEBTOR	When Due	Original Amount	Balance Due Good Accounts	Balance Due Doubtful Accounts	Bal. Due Notes Rel. & Friends	SECURITY (if Any)
In house finance	Monthly Pay	\$	\$ 986.9	\$	\$	Autos
Cash America / Auto Advance	week/month		1,000.0			Autos / Cars
TOTALS			\$ 1,986.9	\$	\$	

E. REAL ESTATE OWNED (Indicate by a check if Others have an Ownership Interest)

TITLE IN NAME OF	Description & Location	Date Acquired	Original Cost	Present Value of Real Estate	Amount of Inc. Carried	MORTGAGE OR CONTRACT PAYABLE			
						Bal. Due	Payment	Maturity	To Whom Payable
Homestead -	1224 N. Park Creek	5/99	\$	\$ 25,000	\$	76,788 <sup>83</sup>	709 <sup>61</sup>		Chase
	College Park Condo	12/98	2.7M	32,000		2,151	190 <sup>06</sup>		Peoples
	Timberland Homes Co.	95		100,000	1st cont	40,628	Varies		Peoples
	Lots De Plan	92	19,000	20,000		0	0		
TOTAL				\$ 237,000		\$ 159,229 <sup>93</sup>			

F. MORTGAGES AND CONTRACTS OWNED (Indicate by a check if Others have an Ownership Interest)

Cont.	Mtgs.	MAKER Name	Address	PROPERTY COVERED	Starting Date	Payment	Maturity	Balance Due
		Rantz	20 College Park Condo		1/99	\$ 475 <sup>12</sup>		\$
TOTALS								\$

G. PERSONAL PROPERTY (Indicate by a check if Others have an Ownership Interest)

DESCRIPTION	Date When New	Cost When New	Value Today	LOANS ON PROPERTY	
				Balance Due	To Whom Payable
Automobiles - Autos for sale		\$	\$ 70,000	\$ 0	
D.K. Rental + trust					
TOTAL			\$ 70,000		

H. NOTES (Other than Bank, Mortgage and Insurance Company Loans)

ACCOUNTS AND BILLS AND CONTRACTS PAYABLE

PAYABLE TO	Other Obligors (if Any)	When Due	Notes Due To Rel. & Friends	Notes Due Others (Not Banks)	Accounts & Bills Payable	Contracts Payable	COST (if any)
TOTALS			\$				

For the purpose of procuring credit from time to time, I/we hereby authorize the foregoing as a true and correct statement of my/our financial condition. Authorization is hereby given to the Lender to verify in any manner it deems appropriate any and all items mentioned on this statement. The undersigned also agrees to notify the Lender immediately in writing of any significant change in such financial condition.

Date Signed: 11/25/99 Signature: [Signature] Signature: [Signature]

(Other Person's Appendix)



# State of Florida



## Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of TWENTY EIGHT RED, INC., a Florida corporation, filed on September 19, 1996, as shown by the records of this office.

The document number of this corporation is P96000078261.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capitol, this the  
Twentieth day of September, 1996



CR2EO22 (2-95)

A handwritten signature in cursive script, reading "Sandra B. Northam".

Sandra B. Northam  
Secretary of State

DEPOSIT DATE  
D209 NOV 04 1999

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

**DIVISION OF TELECOMMUNICATIONS**  
**BUREAU OF CERTIFICATION AND SERVICE EVALUATION**

**APPLICATION FORM**  
**for**  
**AUTHORITY TO PROVIDE**  
**ALTERNATIVE LOCAL EXCHANGE SERVICE**  
**WITHIN THE STATE OF FLORIDA**

991676-TX

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

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

Security enhanced document. See back for details.

**FLORIDA AUTO SALES**  
640 E. JOHN SIMS PKY.  
NICEVILLE, FL 32578

1223

DATE 11-3-99

63-9022/2632  
20

PAY TO THE ORDER OF

Florida Public Service Commission

\$ 250.00

two hundred fifty & <sup>no</sup> /100

DOLLARS Security features are included. Details on back.

**Peoples First**  
Florida's Community Bank  
Niceville, Florida 32578

REDACTED

*[Handwritten Signature]*

DOCUMENT NUMBER - DATE

13610 NOV-4-99

FOR

REPORTING

GUARANTY & SAFETY