

**FLORIDA PUBLIC SERVICE COMMISSION**

**APPLICATION FOR  
CERTIFICATE TO PROVIDE  
LOCAL EXCHANGE  
TELECOMMUNICATIONS SERVICES**

**BY  
MELBOURNE VENTURE GROUP, LLC**

011239-TX

DOCUMENT NUMBER-DATE

12037 SEP 25 2006

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ORIGINAL

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

**DIVISION OF REGULATORY OVERSIGHT**  
**CERTIFICATION SECTION**

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

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

Initials of person who forwarded check: *SM*

011239-

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Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).
- ◆ 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 Regulatory Oversight**  
**Certification Section**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6480**

## APPLICATION

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

( ) Original certificate (new company).

( X ) 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: MELBOURNE VENTURE GROUP, LLC

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

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

385 EAST DRIVE  
MELBOURNE, FL. 32904

5. Florida address (including street name & number, post office box, city, state, zip code):  
385 EAST DRIVE  
MELBOURNE, FL. 32904

6. Structure of organization:

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

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:

N/A

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

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

**N/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:**

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

**G01215900046**

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

(a) The Florida Secretary of State registration number:

**L01000011642**

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

Name:

Title: **N/A**

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: **N/A**

**14. Provide F.E.I. Number(if applicable): **59-3730572****

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

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation. **NONE OF THE ABOVE**

(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.

**CHRIS S. WATSON OWNED 33% OF TELECONEX, INC. HE SOLD HIS INTEREST TO JOIN MELBOURNE VENTURE GROUP, LLC.**

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

(a) The application:

Name: **John P. Biddix**

Title: **Director of Operations**

Address: **385 East Drive**

City/State/Zip: **Melbourne, FL. 32904**

Telephone No.: **321 308-2922** Fax No.: **321 729-8484**

Internet E-Mail Address: **biddixj@melbourneventure.com**

Internet Website Address: **N/A**

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

Name: **John P. Biddix**

Title: **Director of Operations**

Address: **385 East Drive**

City/State/Zip: **Melbourne, FL. 32904**

Telephone No.: **321 308-2922** Fax No.: **321 729-8484**

Internet E-Mail Address: **biddixj@melbourneventure.com**

Internet Website Address:

(c) Complaints/Inquiries from customers:

Name: **Brett Hitchins**

Title: **Customer service Manager**

Address: **385 East Drive**

City/State/Zip: **Melbourne, FL. 32904**

Telephone No.: **800 794-3835** Fax No.: **321 729-8484**

Internet E-Mail Address: **hitchinsb@melbourneventure.com**

Internet Website Address:

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

(a) has operated as an alternative local exchange company.  
**N/A none**

(b) has applications pending to be certificated as an alternative local exchange company. **N/A None**



- (c) is certificated to operate as an alternative local exchange company.  
**N/A NONE**
  
- (d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.  
**N/A NONE**
  
- (e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.  
**N/A NONE**
  
- (f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.  
**N/A NONE**

**18. Submit the following:**

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

### C. Financial capability.

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

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

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

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

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

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

**THIS PAGE MUST BE COMPLETED AND SIGNED**

**APPLICANT ACKNOWLEDGMENT STATEMENT**

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

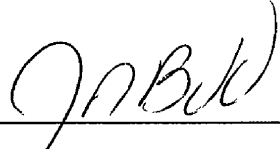
John P. Biddix

Print Name

Manager

Title

321 308-2922                      321 729-8484  
Telephone No.                      Fax No.

  
Signature

9/15/01  
Date

Address: 385 East Drive, Melbourne, FL. 32904

**THIS PAGE MUST BE COMPLETED AND SIGNED**

**AFFIDAVIT**

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

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

**UTILITY OFFICIAL:**

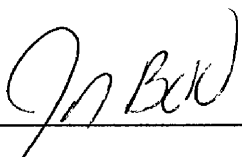
John P. Biddix

**Print Name**

Manager

**Title**

321 308-2922      321 729-8484  
**Telephone No.**      **Fax No.**

  
**Signature**

9/15/01  
**Date**

**Address: 385 East Drive, Melbourne, FL. 32904**

## 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.

POP-to-POP

OWNERSHIP

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

4) \_\_\_\_\_

# CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, Thomas E. Biddix  
President of Pre Cell Solutions / Family Phone Service, Inc

and current holder of Florida Public Service Commission Certificate Number # 5265  
have reviewed this application and join in the petitioner's request for a:

( ) sale

( X ) transfer

( ) assignment

of the above-mentioned certificate.

## UTILITY OFFICIAL:

THOMAS E. BIDDIX  
Print Name

PRESIDENT  
Title

321 308 2900  
Telephone No.

### Address:

385 EAST DR  
MELBOURNE FL 32904

Signature



Date

9/15/01

Fax No.

321 729-8484



**FLORIDA DEPARTMENT OF STATE**

**Katherine Harris**

Secretary of State

July 17, 2001

STACEY FISHER  
385 EAST DRIVE  
MELBOURNE, FL 32904

The Articles of Organization for MELBOURNE VENTURE GROUP, LLC were filed on July 13, 2001, and assigned document number L01000011642. Please refer to this number whenever corresponding with this office.

In accordance with section 608.406(2), F.S., the name of this limited liability company is filed with the Department of State for public notice only and is granted without regard to any other name recorded with the Division of Corporations.

A limited liability company annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the limited liability company address changes, it is the responsibility of the limited liability company to notify this office.

Should you have any questions regarding this matter, please telephone (850) 245-6051, the Registration Section.

Tammi Cline  
Document Specialist  
Division of Corporations

Letter Number: 701A00041861



FLORIDA DEPARTMENT OF STATE  
Katherine Harris  
Secretary of State

August 3, 2001

SWIFTTEL  
385 EAST DRIVE  
MELBOURNE, FL 32904

Subject: **SWIFTTEL**

REGISTRATION NUMBER: **G01215900046**

This will acknowledge the filing of the above fictitious name registration which was registered on August 3, 2001. This registration gives no rights to ownership of the name.

Each fictitious name registration must be renewed every five years between January 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.

/vs  
Division of Corporations

Letter No. 701A00044933



**2000-2001**

BREVARD COUNTY  
OCCUPATIONAL LICENSE

200151450

ROD NORTHCUTT, Tax Collector, Brevard County,  
Titusville, Florida 32780

SUBJECT TO COUNTY ZONING RESTRICTIONS

ACCOUNT NUMBER

**EXPIRES SEPTEMBER 30, 2001**

LICENSE PERIOD OCTOBER 1, 2000 - SEPTEMBER 30, 2001  
LICENSE SHOULD BE DISPLAYED ON PREMISES

ISSUED PURSUANT AND SUBJECT TO FLORIDA STATUTES AND BREVARD COUNTY ORDINANCES. ISSUANCE DOES NOT CERTIFY  
COMPLIANCE WITH ZONING OR OTHER LAWS. THIS LICENSE MUST BE POSTED CONSPICUOUSLY IN PLACE OF BUSINESS.

THE PERSON(S), OR ENTITY BELOW:

MELBOURNE VENTURE  
GROUP LLC  
(RE-SALE OF AIR TIME)  
385 EAST DR  
MELBOURNE

FL

32904

IS LICENSED AS INDICATED FOR  
THE FOLLOWING LOCATION.

385 EAST DR  
UNINCORP DIST 5

AMOUNT DUE ON THIS TRANSACTION: \$

44.60

OWNED BY:

MELBOURNE VENTURE GROUP LLC  
PARTNERSHIP

UPON A CHANGE OF OWNERSHIP OR LOCATION,  
LICENSE SHOULD BE TRANSFERRED WITHIN 30 DAYS. NOTIFY TAX COLLECTOR UPON CLOSING OF BUSINESS.

07/18/01 \$ 44.60  
10:37am CR 000199 V#629303  
11 200151450 666 B#6198  
R.Northcutt, Tax Collector

**OPERATING AGREEMENT**

**OF**

**Melbourne Venture Group, LLC**

**ADOPTED**

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**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**  
**FOR:**  
**Melbourne Venture Group, LLC**

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THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (the Agreement) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2001 by and among:

**Stacey D. Biddix, John P. Biddix,**

and each individual or business entity as shall be subsequently admitted to the Company. These individuals and/or business entities shall be known as and referred to as "Members" and individually as a "Member." WHEREAS, the parties have formed a Limited Liability Company named above through their initial registered agent John P. Biddix pursuant to the laws of the State of Florida.

NOW, in consideration of the conditions and mutual covenants contained herein, and for good and valuable consideration, the parties agree upon the following terms and conditions:

**ARTICLE I: COMPANY FORMATION**

1. The members hereby form and organize the company as a Limited Liability Company subject to the provisions of the Florida Limited Liability Company Act in effect as of this date. Articles of Organization shall be filed with the Florida Secretary of State.
2. The members agree to execute this Operating Agreement and hereby acknowledge for good and valuable consideration receipt thereof. It is the intention of the members that this Operating Agreement shall be the sole source of agreement of the parties.

In the event any provision of this operating Agreement is prohibited or rendered ineffective under the laws of Florida, this Operating Agreement shall be considered amended to conform to the **Florida** Limited Liability Company Act. The invalidity of any provision of this Operating Agreement shall not affect the subsequent validity of any other provisions of this Operating Agreement.

3. NAME. The name of the company shall be **Melbourne Venture Group, LLC**. The business of the company shall be conducted under that name or such trade or fictitious names as the members may determine.
  4. DATE OF FORMATION. This Operating Agreement shall become effective upon its filing with and acceptance by the appropriate state agency.
  5. REGISTERED AGENT AND OFFICE. The company's initial registered agent and registered office shall be **John P. Biddix**
- 

**385 East Drive, Melbourne, FL. 32904**

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\_\_\_\_\_. Managing members may change the registered agent or registered office at any time, by filing the necessary documents with the appropriate state agency. Should managing members fail to act in this regard, any member may file such notice of change in registered agent or registered office.

6. TERM. The company shall continue for a period of thirty (30) years from the date of formation unless:
  - A. The term is extended by amendment of the Operating Agreement. Members shall have the right to continue the business of the Company and may exercise that right by the unanimous vote of the remaining Members within ninety (90) days after the occurrence of the event described below.
  - B. The company is dissolved by a majority vote of the membership.
  - C. The death, resignation, expulsion, retirement, bankruptcy, incapacity or any other event that terminates the continued membership of a Member of the Company.
  - D. Any event which makes it unlawful for the business of the Company to be carried on by the Members.
  - E. Any other event causing the dissolution of a Limited Liability Company under the laws of the state of Florida.

## **ARTICLE II: BUSINESS PURPOSE**

It is the purpose of the Company to engage in the telecommunications business. The foregoing purposes and activities will be interpreted as examples only and not as limitations, and nothing therein shall be deemed as prohibiting the Company from extending its activities to any related or otherwise permissible lawful business purpose which may

become necessary, profitable or desirable for the furtherance of the company objectives expressed above.

### **ARTICLE III: CAPITAL CONTRIBUTIONS**

1. INITIAL CONTRIBUTIONS. Each Member shall contribute to the Company capital prior to or simultaneously with, execution of this Agreement. Each Member shall have made initial capital contributions in the following amounts:

<b>Name of Member</b>	<b>Value of Capital Contribution</b>	<b>% Interest in LLC</b>
Stacey D. Biddix	\$1.00	85 %
John P. Biddix	\$1.00	15 %

No interest shall accrue on initial capital contribution.

2. ADDITIONAL CAPITAL CONTRIBUTIONS. If management decides that additional capital contributions are necessary for operating expenses or to meet other obligations, notice must be sent to each Member setting forth each Member's share of the total contribution. Such notice must be in writing and delivered to the Member at least ten (10) business days prior to the date the contribution is due. Any such additional capital contribution is strictly voluntary and any such commitment is to be considered a loan of capital by the Member to the Company. Such additional capital contribution does not in any way increase percentage of membership interest. This loan shall bear interest at   2   points above the current prime rate. Any loan under this subsection shall be paid in full before any distributions are made under Article IV.
3. THIRD PARTY BENEFICIARIES. Nothing in the foregoing sections is intended to benefit any creditor or third party to whom obligations are owed without the expressed written consent of the Company or any of its Members.
4. CAPITAL ACCOUNTS. A capital account shall be established by the Company for each Member. The capital account shall consist of:

- a. The amount of the Member's Capital Contributions to the Company including the fair market value of any property so contributed to the Company or distributed by the Company to the Member.
- b. Member's share of net profits or net losses and of any separate allocations of income, gain (including unrealized gain), loss or deduction. The maintenance of capital accounts shall at all times be in accordance with the requirements of state law.

5. ADDITIONAL PROVIISONS:

- a. Capital accounts shall be non-interest bearing accounts.
- b. Until the dissolution of the company, no Member may receive Company property in return for Capital contributions.
- c. The liability of any member for the losses or obligations incurred by the Company shall be limited to: Payment of capital contributions when due, *pro rata* share of undistributed Company assets and any to the extent required by law, any previous distributions to that Member from the Company.

#### **ARTICLE IV: PROFITS, LOSSES ALLOCATIONS AND DISTRIBUTIONS**

1. ALLOCATIONS. Net profits, losses, gains, deductions and credits from operations and financing shall be distributed among the Members in proportion to their respective interest and at such time as shall be determined by the Members.
2. DISTRIBUTIONS. Management may make distributions annually or more frequently if there is excess cash on hand after providing for appropriate expenses and liabilities. Such interim distributions are allocated to each member according to percentage of membership interest.

#### **ARTICLE V; MANAGEMENT**

1. MANAGING MEMBERS. The names and addresses of Managing Members are:

**John P. Biddix, 385 East Drive, Melbourne, Fl. 32904**

**Stacey D. Biddix, 385 East Drive, Melbourne, FL. 32904**

Managing Members shall make decisions regarding he usual affairs of the Company, A majority vote of the membership shall name as many managers as the Membership deem necessary and the membership shall

elect one Chief Operating Manager who is responsible for carrying out the decisions of the managers.

2. NUMBER OF MANAGERS. The membership may elect one, but not less than one manager.
3. TERM OF OFFICE. The term of office is not contractual but continues until:
  - a. A fixed term of office, as designated by the membership, expires.
  - b. The manager is removed with or without cause, by a majority vote of the membership.
  - c. The dissociation of such manager.
4. AUTHORITY OF MANAGERS. Only managing members and authorized agents shall have the power to bind the Company. Each managing member is authorized on the Company's behalf to:
  - a. Purchase, or otherwise acquire, sell, develop, pledge, convey, exchange, lease or otherwise dispose of Company assets wherever located.
  - b. Initiate, prosecute and defend any proceeding on behalf of the Company.
  - c. Incur and secure liabilities and obligations on behalf of the Company.
  - d. Lend, invest or re-invest company assets as security for repayment. Money may be lent to members, employees and agents of the Company.
  - e. Appoint officers and agents, and hire employees. It is also the province of management to define duties and establish levels of compensation. Management compensation will be determined by majority Membership vote.
  - f. Execute and deliver all contracts, conveyances, assignments, leases, subleases, franchise and licensing agreements, promissory notes, loans, security agreements or any other kind relating to Company business.
  - g. Establish pensions, trusts, life insurance, incentive plans or any variation thereof, for the benefit of any or all current or former employees, members and agents of the Company.
  - h. Make charitable donations in the Company's name.
  - i. Seek advice from members not part of elected management, although, such advice need not be heeded.
  - j. Supply, upon the request of any Member, information about the Company or any of its activities including but not limited to, access to company records for the purpose of inspecting and copying company books, records and materials in the possession of management. The Requesting Member shall be

3. **TMP.** A Tax Matter Partner shall be designated by the management of the company as designated by the IRS Code.
4. **YEARS.** The fiscal and tax years of the Company shall be chosen by management.
5. **ACCOUNTANT.** An independent accountant shall be selected by management.

## **ARTICLE VII: MEMBER DISSOCIATION**

1. Upon the first occurrence of any of the following events, a person shall cease to be a member of the Company:
  - a. The bankruptcy of the member.
  - b. The death or court-ordered adjudication of incapacity of the member.
  - c. The withdrawal of a member with the consent of a majority vote of the remaining membership.
  - d. The dissolution and winding up of the non-corporate business member including the termination of a trust.
  - e. The filing of a Certificate of Dissolution by the corporate member.
  - f. The complete liquidation of an estate's interest in the LLC.
  - g. The expulsion of the member with the majority consent of the remaining membership.
  - h. The expiration of the term specified in Article I, section 6.
2. **OPTION TO PURCHASE INTEREST.** In the event of dissociation of a Member, the Company shall have the right to purchase the former Member's interest at current fair market value.

## **ARTICLE VIII: DISPOSITION OF MEMBERSHIP INTERESTS**

1. **PROHIBITIONS.**
  - a. No membership interest, be it a sale, assignment, exchange, transfer, mortgage, pledge or grant, shall be disposed of if the disposition would result in the dissolution of the Company without full compliance with all appropriate state and federal laws.
  - b. No member may in any way alienate all or part of his membership interest in the Company be it through assignment, conveyance, encumbrance or sale, without the prior written consent of the majority of the remaining members. Such consent may be given, withheld or delayed as the remaining members see fit.



2. PERMISSIONS. A Member may assign his membership interest in the Company subject to the provisions in this article. The assignment of membership interest does not in itself entitle the assignee to participate in the management of the Company nor is the assignee entitled to become a member of the Company. The assignee is not a substitute member but only an assignee of membership interest and as such, is entitled to receive the income and distributions the assigning member would have otherwise received.
3. SUBSTITUTE MEMBERSHIP. Only upon the unanimous consent of the remaining members may an assignee of membership interest become a substitute member and be entitled to all rights associated with the assignor. Upon such admission, the substitute member is subject to all restrictions and liabilities of a Member.

## **ARTICLE IX: MEETINGS**

1. VOTING. All members shall have the right to vote on all of the following:
  - a. The dissolution of the Company.
  - b. The merger of the Company
  - c. Any transaction involving any potential conflict of interest.
  - d. An amendment to the Articles of Organization or to the Operating Agreement.
  - e. The transfer or disposition of all Company assets outside the ordinary course of business.
2. REQUIRED VOTE. Unless a greater vote is required by statute or the Articles of organization, an affirmative vote of the majority of the membership shall be required.
3. MEETINGS.
  - a. The manager (s) shall hold an annual meeting at a time and place of their choosing.
  - b. Special meetings of the membership may be called at any time by the manager(s) or by at least ten (10%) of the membership interest of all members. Written notice of such meeting must be provided at least sixty (60) business days prior and not later than ten (10) days before the date of the meeting. A member may elect to participate in any meeting via telephone.
4. CONSENT. In the absence of an annual or special meeting and in the absence of a vote, any action required to be taken may be permitted with the written consent of the members having not less

than the minimum number of votes required to authorize such action at a meeting.

### ARTICLE X: DISSOLUTION AND TERMINATION

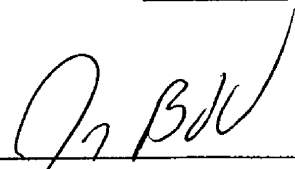
In the event a dissolution event occurs the remaining membership shall have the option to elect to continue the company as defined by Article I, Section 6.

1. MERGER. In the event the election to continue the company following a dissolution event is not obtained, a majority vote of the remaining members may elect to reconstitute the Company through merger with and into another Limited Liability Company pursuant to applicable state law.
2. WINDING UP. If the members do not elect to continue the Company or reconstitute it, the Manager or other person selected by a majority vote of the membership shall wind up the Company.
3. FINAL DISTRIBUTIONS. After all Company assets have been liquidated and all Company debts have been paid, the proceeds of such liquidation shall be distributed to members in accordance with their capital account balance. Liquidation proceeds shall be paid within 30 days of the end of the Company's taxable year or, if later, within 30 days after the date of liquidation.
4. DISSOLUTION. Upon completion of the winding up period, the Manager or other person selected shall file with the Secretary of State the Certificate of Dissolution or its equivalent and any other appropriate documents as required by law.

IN WITNESS WHEREOF, the parties hereto make and execute this Operating Agreement on the dates set below their names, to be effective on the date first above written.

Signed and agreed this 1<sup>st</sup> day of August, 2001.

BY:

Manager: 

Manager: 

Member: \_\_\_\_\_

Member: \_\_\_\_\_


**LETTER OF COMMITMENT**

**August 01, 2001**

**Re: Capital commitment for Melbourne Venture Group, LLC**

**To whom it may concern:**

**I, Stacey D. Biddix commit to provide up to \$150,000 in working capital for Melbourne Venture Group, LLC. These funds will be distributed as needed and will come primarily from our other private investments. The money will be loaned in the form of a note with interest to be set at the time of dispersement.**

  
Stacey D. Biddix

9/1/01  
Date

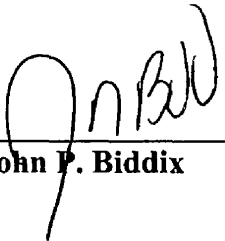
**LETTER OF COMMITMENT**


**August 01, 2001**

**Re: Capital commitment for Melbourne Venture Group, LLC**

**To whom it may concern:**

**I, John P. Biddix commit to provide up to \$20,000 in working capital as well as my time and expertise for Melbourne Venture Group, LLC. These funds will be distributed as needed and will come primarily from our other private investments. The money will be loaned in the form of a note with interest to be set at the time of dispersement.**

  
\_\_\_\_\_  
**John P. Biddix**

  
\_\_\_\_\_  
**Date**

### Financial Capability

Melbourne Venture Group, LLC is a new venture therefore we do not have 3 years of audited financial statements. Enclosed in Exhibit H is our current business plan and Pro forma. It includes Balance sheet projections, Income statement Projections and Statements of retained Earnings. The principles of Melbourne Venture Group, LLC have committed to providing start up capital in excess of \$170,000. Attached in Exhibit C is a schedule of commitment by the principles for this line of credit. In addition, we have an excellent working relationship with the Harbor Federal, a highly regarded banking institution. In addition to capital funding we have signed an agreement with Western Union for 50/50 coop advertising for the next 3 years. We have also secured a lease on an 8000 square ft building in which we have sub leased a portion that will totally cover our rent costs for the future. Melbourne Venture Group, LLC currently operates a 24 seat call center in which we provide services to other CLEC as well as clientele in the prepaid wireless industry. The income from these additional services aids greatly in reducing our overhead and adding beneficial dollars to the bottom line.

### Credit References:

Steve Watson  
Teleconex, Inc.  
4100 Barrancas Ave  
Pensacola, FL. 32507  
850 455-8898 ext 201

Norma Ferris  
Dual Point Communications, Inc.  
385 East Drive  
Melbourne, FL. 32904  
321 308-2900

Kevin Powers  
Phonetec, LLP  
330 North A Street  
Building 1, Suite 108  
Midland, TX 79705  
321 917-0009

Keith Walters  
Telecommunications Consultant  
16111 4<sup>th</sup> St. East  
Reddington Beach, FL. 33708  
727 463-6121



**Harbor  
Federal**

Viera/Baytree Office  
100 Capron Trail  
Melbourne, Florida 32940  
Telephone: (321) 242-7661

August 6, 2001

Florida Public Service Commission  
Division of Regulatory Oversight  
Certification Section  
2540 Shumard Oak Blvd.  
Tallahassee, Fl. 32399

To whom it may concern:

Melbourne Venture Group, LLC is in good standing with our institution. In addition we have had an on going relationship with its principles for several years.

We look forward to working with them on this and other endeavors.

Very truly yours,

Sharon L. Dondiego  
Vice President  
Branch Manager



Aug-17-01 10:08A pre-paid solutions, inc.

**MELBOURNE VENTURE GROUP, LLC**

385 East Drive  
Melbourne, FL. 32904  
321 308-2922

August 01, 2001

Steve Watson  
Teleconex, Inc  
4100 Barrancas Ave  
Pensacola, FL. 32507

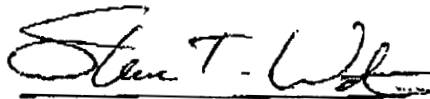
Re: Call Center Agreement

Steve;

As per our discussions, it is agreed we will provide customer service for Teleconex at the rate of \$1,724.00 per week. Please initial and return. Services are to be prepaid. If we can be of any further assistance please do not hesitate to call.

Sincerely,

John P. Biddix  
Director of Operations



Steve Watson  
President, Teleconex, Inc

8/01/2001  
Date

Melbourne Venture Group, LLC.  
385 East Drive  
Melbourne, FL 32904  
321 308-2900  
Fax 321 729-8484

July 18, 2001

Mr. John Lowery  
Phontec  
3300 North A Street  
Building 1, Suite108  
Midland, TX 79705

Re: Agreement to furnish office space and call center services.

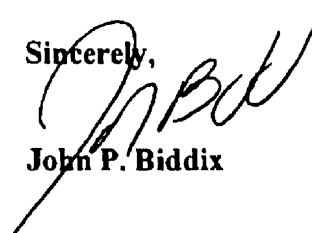
On August 1, 2001 Melbourne Venture Group, LLC will be operating out of 385 East Drive in Melbourne Florida. We are going to be leasing office space. We are willing to provide you office space consisting of one private office and the use of secretarial services, conference rooms and other common facilities. Included also will be duplicating, local and long distance services. In consideration for these services we ask that you pay \$1,000 in advance each month.

In addition we are going to be operating our own customer service and call center. We also agree to furnish Phonetec call center and customer support services. The charge for these services will be \$3,500 per month in advance.

All payment must be received in our office by the first of each month. Payments received after the fifth of each month are subject to late fees as allowed by Florida law.

If you agree with the pricing and terms please sign and return a copy via fax.

Sincerely,

  
John P. Biddix

  
John Lowery

7/25/01  
Date

*See Exhibit A-1,  
a floor plan  
outlining  
space  
for  
Phontec*



## STACEY D. BIDDIX

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890 Loggerhead Island Dr. \* Satellite Beach, FL 32937 \* (321) 777-1773  
Biddix@melbourneventure.com

- OBJECTIVE** Seeks a position in the telecommunications industry that fully utilizes my skills and abilities, is intellectually challenging, and offers the opportunity for continuous professional growth.
- EDUCATION**
- 5/2001 – Present **University of Central Florida**, Orlando, Florida  
*MBA Management Information Systems*
- 1/1998 – 12/1999 **University of Central Florida**, Orlando, Florida  
*BSBA Finance*  
Honors: Golden Key National Honor Society, Dean's List
- 1/1995 – 12/1996 **Brevard Community College**, Melbourne, Florida  
*AS Chemical Instrumentation*  
Honors: Phi Theta Kappa Honor Society, Dean's List
- 8/1991 – 12/1994 **Brevard Community College**, Melbourne, Florida  
*AA General*  
Honors: Dean's List
- EXPERIENCE**
- 7/2001- Present **Melbourne Venture Group, LLC**, Melbourne, Florida  
*Manager*  
Responsibilities include: organization of new company, acquisition of capital, and business planning. Duties include shaping company structure to capitalize on current markets and promote expansion as outlined in current business plans; manage and oversee accounting, marketing, and sales departments to ensure efficient and effective use of resources; hold weekly meeting with department heads to strategize and develop new and effective means of gaining market share and increase profitability.
- 8/1999 – 4/2001 **Merrill Lynch**, Melbourne, Florida  
*Intern, Client Associate*  
Responsibilities included: organizing and cold calling for seminars; scanning client lists for potential investment opportunities; maintaining customer accounts; providing excellent customer service and establishing good relationships with clients.
- 2/1990 – 8/1999 **Publix Supermarkets, Incorporated**, Satellite Beach and Melbourne Beach, Florida  
*Office Staff, Job Class Trainer, Cashier*  
Responsibilities included: performing daily bookkeeping procedures; maintaining office accountability; preparing daily deposits; monitoring cashiers and front service associates and coordinating schedules; ensuring that associates have been properly trained; instructing associates of the correct policies and procedures; performing ATM functions; maintaining good relationships with customers.
- COMPUTER SKILLS** Microsoft Office 2000 (Word, Excel, PowerPoint)
- REFERENCES** Available on request

**John P. Biddix**  
1860 Long Iron Drive #1026  
Rockledge, FL. 32904  
321 632-8409

**OBJECTIVE:** To obtain a challenging position with a stable company which will allow me to utilize my skills and experience, with opportunities toward professional advancement.

**PROFESSIONAL  
EXPERIENCE:**

**MELBOURNE VENTURE GROUP, LLC**

**July 2001- Present**

**Manager/Director Of Operations/ Carrier Relations/ Regulatory Compliance**

Duties include management of CLEC operations, accounts receivable monitoring, review and audit of carrier bills, handle all correspondence with PUC / PSC's, prepare regulatory documents, negotiate carrier agreements, review and negotiate contracts, develop and implement programs and procedures for CLEC, implement federal, state , and local tax program, expand program into other states.

**DUAL POINT COMMUNICATIONS, INC.**

**March 1998 – July 2001**

**Pre-Cell Solutions, Inc Division**

**Director Of Operations/ Carrier Relations/ Regulatory Compliance**

Duties include management of CLEC operations, accounts receivable monitoring, review and audit of carrier bills, handle all correspondence with PUC / PSC's, prepare regulatory documents, negotiate carrier agreements, review and negotiate contracts, develop and implement programs and procedures for CLEC, implement federal, state , and local tax program, expand program into other states.

**March 1998 – July 2001**

**Pre Paid Solutions, Inc Division**

**Director Of Operations/ Carrier Relations**

Duties included organizing and managing MIN database, MIN assignment, development and implementation of procedures for nationwide prepaid cellular program, negotiation of 16 carrier agreements, review and audit carrier bills, review and negotiate contracts and other legal documents, provide budgeting and forecasting.

**S.D.S. PITTSBURGH, INC.**

**November 1998 – March 1998**

**President**

Primary responsibilities included start up organization of new company, acquisition of capital, and business planning. Objective of company was to provide freight and logistical support for local wholesale produce industry.

**PROFESSIONAL  
EXPERIENCE:**

**ROTO-ROOTER SERVICES COMPANY**

**September 1997 – November 1998**

**Regional Commercial Account Manager**

Primary responsibilities included sales and negotiation of preventative maintenance agreements to commercial and industrial customer base of over \$500,000 in the southwestern Pennsylvania region. Additional responsibilities included sales of drain cleaning chemicals as well as training of plumbing technicians and telemarketing personnel in advanced sales techniques. Achieved Regional and National Account Manager of the Month for August 1998.

**BANKERS LIFE & CASUALTY, INC.**

**MARCH 1996 – SEPTEMBER 1997**

**Insurance Agent / Field Trainer**

Responsible for all marketing activities related to sales of senior insurance products. Duties included telemarketing, product orientation and field sales cycle training. Received New Agent Achievement Award in May 1996 and career Path award in November 1996. Achieved regional five status in the Summer of 1997 Sales Campaign.

**ASSOCIATED CONSTRUCTION MANAGEMENT, INC.**

**June 1991 – March 1996**

**President**

Primary duties included management of all projects, estimating, job costing, contract negotiations, draw requests and approval of payables. Company specialized in the North American construction of dog tracks, large equestrian estates and airports.

**Project Manager**

**June 1990 – June 1991**

Provided on site planning, organizing, staffing, direction and control. These duties included value engineering, cash flow projections and progress reports. All projects were completed on time and under budget.

**C.L. WHITESIDE, INC.**

**January 1998 – June 1990**

**Design and Layout**

Responsibilities included assisting in the lay out of three five-story condominiums from the ground up to completion. Established control lines, column lines, column heights and other related measurements.

**EDUCATION:**

**B.A. Degree in Enterprise Economics**

Florida Atlantic University

**CLEC 101**

**Bell South LENS Training**

Bell South Training Facility in Atlanta

**Managing Time and Activities**

Bankers Sales Success System

**Converting Leads to Appointments**

Donald Rungee

**Exploring Personal Markets**

The Life Underwriting Training council

**Estate Tax Planning**

Underwriters Brokerage Service

**Successful Home Building Seminar**

Home Building Institute, Inc

**REFERENCES:**

Available upon request.

CONFIDENTIAL RESUME OF  
**CHRIS WATSON**  
kczoe@hotmail.com

2595 Canterbury Circle  
Rockledge, FL 32955

Home 321.633.4064  
Cell 321.917.0011

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**SALES & MANAGEMENT PROFESSIONAL**

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A creative, results oriented professional (executive?) with a solid background in Sales, Marketing, and Management. Recognized leadership and organizational abilities complimented by a strong sense of self-motivation and a keen understanding of all aspects of business management.

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**EXPERIENCE & ACCOMPLISHMENTS**

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**DUAL POINT COMMUNICATIONS**

06/2000-present

(NYSE ticker: TDCM) Melbourne, FL

President/General Manager CLEC Division

*Dual Point is a non-facility based provider of prepaid telecommunications services specializing in prepaid home dial tone & prepaid cellular sales & technology development.*

- Responsible for all aspects of the CLEC 'start-up' organization's business procedures in order to conform with Board of Directors initiatives & business plan, including the following;
- Developed and implemented Corporate Business Plan for CLEC division, budget, customer service center & reporting structure and sales procedure to launch prepaid home dial tone division.
- Developed monthly Senior Management & Board of Directors presentations. Included numerous operational statistics, margin analyses and trending analyses. Created process for management to monitor current operations and financial activity on a monthly .
- Implemented systems to facilitate the organization's growth through selection of provisioning, customer service & billing software. Results included improved efficiencies in customer service and provisioning as well as more accurate billing solutions & financial reporting.
- Manage the following departments and personnel:
  - 4 Vice Presidents of Sales
  - 3 Directors of Operations, Melbourne, Pensacola & San Antonio
  - 1 Customer Service Manager as well as Customer Service department
  - Several Account & Provisioning Managers
- Aid growth of company from pre-IPO phase of ten employees to 100+ over a one-year period.
- Review & Analyze Profit & Loss statements with Chief Operating Officer on a monthly basis.
- Review business procedures, vendor relationships & sales activity with C.O.O. monthly. Adjust the above listed as necessary to conform to business plan and increase sales.
- Primary contact for regulatory bodies and industry trade organizations. Ensure full compliance with all PUC authorities as well as federal, state and municipal tax authorities.

**TELECONEX, Pensacola Florida**

02/1996 – 06/2000

Vice President Operations

*Non-Facilities based provider of prepaid home dial tone services specializing in credit challenged market.*

- Raised capital to fund business plan
- Developed Business Plan
- Successfully negotiated contracts with wire-line carriers such as Alltel, Bell South, GTE & Sprint.
- Obtained certification through PUC
- Worked with 50 States to obtain certification.
- Worked with PUC to implement tariff structure.
- Formulated P & L Analysis
- Developed customer base of 1,200 customers during first year of business. Business unit grew to 6,000 customers in four years.
- Developed manual business procedures to form and maintain business.
- Researched and implemented automated software system currently used to manage existing customer base.
- Developed customer service and provisioning procedures
- Established industry presence and achieved market recognition by developing an advertising campaign rooted in television, radio and various print publications as well as industry trade shows.
- Pivotal member of management in merger/acquisition negotiations with Dual Point Communications. Negotiations resulted in a definitive planned merger agreement to bring TeleConex from a privately held corporation to a Nasdaq listed wholly owned subsidiary.

**COLEMAN CORPORATION, Pensacola Florida**

1996

Assistant to Appraiser

- Data entry
- Comp photos
- Structural/Building Analyzing
- Developed Market Competition Reports
- Worked with real estate specific software such as MLS
- Obtained Real Estate Appraiser License in 1996

**Education**

University Of Connecticut 1988-1990

Oral Roberts University 1991-1994

Advertising & Public Relations and Minor in Business Administration

**Will provide references upon request.**

**Brett J. Hitchins**  
140 Harding Avenue  
Cocoa Beach, Florida 32931  
(321) 868-6810 email: [bkh@metrolink.net](mailto:bkh@metrolink.net)

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### **PROFESSIONAL SUMMARY**

A highly motivated professional and team oriented manager with a successful background in customer service management and training. 5 years progressive management experience combined with 3+ years of bilingual account management and sales.

'Personnel Management                      'Account Management      'Project Management  
'Business to Business Sales              'Training                      'Product Assessment and Implementation

### **PROFESSIONAL EXPERIENCE**

#### ***Customer Service Manager – Melbourne Venture Group, Melbourne, Florida – August 1, 2001 – Present***

Responsible for Distributor Account Management as well as assessing customer service needs for both cellular and CLEC products and implementing process, staffing and training.

- Work directly with the Vice President of Sales to enlist and manage communications distributors and assist clients in product use, marketing, and roll out program initiatives.
- Coordinate the staffing, training, and telephony needs of a 21 position call center, including service manuals for cellular and home dialtone dealers and end users.

#### ***Customer Service Manager – Dual Point Communications (Pre-Cell Solutions, Inc.), Melbourne, Florida – March 2000 – July 31, 2001***

Responsible for Distributor Account Management as well as assessing customer service and sales needs for both cellular and home dialtone products and implementing process, staffing and training for a publicly traded company.

- Work directly with the Vice President of Sales to enlist and manage communications distributors and assist clients in product use, marketing, and roll out program initiatives.
- Coordinate the staffing, training, and telephony needs of a 21 position call center, including service manuals for cellular and home dialtone dealers and end users.
- Actively work with Carriers to expand business development, assess customer needs, and establish Customer Relations Process.
- Maintain international and domestic carrier relations to ensure network and exchange availability in all markets.
- Directly support all executive and investor clients.

#### ***ACCOUNT EXECUTIVE - The Talking Phone Book, Melbourne, Florida – September 1999 – February 2000***

Responsible for sales, business development, and designing directory and on-line advertising for Independent Directory Publisher.

- Serviced existing accounts by educating how to use advertising budget to obtain 100% market coverage.
- Developed custom ad programs designed for industry specific customers.
- Completed sales campaign in Brevard County with 20% of leads closed successfully.

#### ***MANAGER OF OPERATIONS - Excell Agent Services, Rockledge, Florida – August 1996 – August 1999***

Responsible for managing team of 30 operators to provide directory assistance for AT&T, developing operator performance incentives, and ensuring 90% accuracy of data

- Assisted in opening the world's largest Directory Assistance Call Center, while coordinating and participating in training staff of 450 operators for AT&T Double O Info Service.
- Managed team of 34 operators to achieve the highest production level in Florida Center (average of over 100,000 calls per month) while maintaining top 5% in customer service standards.

## Exhibit B

### Marketing Co-Op Plans

Pursuant to paragraph 2(a) of the SwiftPay Terms and Conditions, Western Union and Client agree to engage in the following co-op activities and guaranteed minimums.

Client has informed Western Union that it intends to utilize the Western Union SwiftPay service as the exclusive service for its customers to make service deposits and other payments to Client.

Based on Client's representations, Western Union agrees to provide co-op marketing funds to support Client's efforts to market and promote the SwiftPay service as a payment form for Client's services. Co-op funding amounts and Client's guaranteed minimum commitment shall be as follows:

- For each and every \$10,000 in co-op marketing funds provided or expended by Western Union, Client guarantees and shall elect one of the following minimum transaction volumes for over a period of three (3) years or 36 months:
  1. 300 transactions per month (beginning month following media release); or
  2. 5,000 transactions annually (12 month period beginning with the first full month of activity)

If Client fails to meet its elected minimum transaction volume, then Client shall pay Western Union an amount equal to the elected transaction minimum minus actual transaction volume multiplied by Six Dollars (\$6). Western Union shall invoice Client for such amounts on a monthly or annual basis, as the case may be. Such invoices shall be paid within thirty (30) days of receipt.

Based on usage and success, Western Union will review and discuss any applicable changes in co-op funding amounts.

Date: 7/20/01

Initials  7-30-01

LANDLORD: Thomas E Biddix,

TENANT: Melbourne Venture Group, LLC

**PROPERTY ADDRESS:**

385 East dr  
Melbourne, FL. 32904

**RENTAL AMOUNT:** Commencing August 1, 2001,  
Tenant agrees to pay Landlord the sum of \$ 3000.00 per month in advance on the 1st day of each calendar month. Said rental payment shall be delivered by Tenant to Landlord or his designated agent to the following location:

890 Loggerhead Island Drive

Rent must be actually received by Landlord, or designated agent, in order to be considered in compliance with the terms of this agreement. If rent is not paid by the 5<sup>th</sup> of each month a late fee of \$100.00 will be assessed.

**TERM:** The premises are on a Lease tenancy ending July 30, 2002

**DEPOSITS:** Tenant shall pay the Landlord the following Deposits, which may or not be refundable. To qualify as a Refundable Deposit, the premises must be left in the same condition (considering reasonable wear and tear), as when Tenant moved in.

Security Deposit \$ 0 which is refundable

Said Deposits are to be held and disbursed for Tenant damages to the premises (if any) as provided by law. Tenant may NOT use All or Any Part of said deposits for rent owed. Within 14 days of the Tenant vacating the premises, Landlord shall furnish Tenant a written statement indicating any amounts deducted, as permitted by law, and returning the balance to the Tenant. Tenant agrees that no interest whatsoever will accrue on said deposits. If Tenant fails to furnish a forwarding address to Landlord, then Landlord shall mail said statement and any deposit refunded, to the leased premises.

**INITIAL PAYMENT:** Tenant shall pay, in the form of guaranteed funds, and prior to occupancy the following:

Total of all Deposits \$ 0  
1st Month Rent \$ 3000  
Total of all Money Due \$ 3000



**SUBLETTING OR ASSIGNING:** Landlord agrees to let tenant sublet

**UTILITIES:** Tenant shall pay for all utilities and/or services supplied to the premises with the following exception(s):  
Pool and Lawn

**CONDITION OF PREMISES:** Tenant acknowledges that the premises have been

inspected. Tenant acknowledges that said premises have been cleaned and all items, fixtures, appliances, and appurtenances are in complete working order. Tenant promises to keep the premises in a neat and sanitary condition and to immediately reimburse Landlord for any sums necessary to repair any item, fixture or appurtenance that needed service due to Tenant, or Tenant invitee, misuse or negligence. Tenant shall be responsible for the cleaning or repair to any plumbing fixture where a stoppage has occurred. Tenant shall also be responsible for repair or replacement of the garbage disposal where the cause has been a result of bones, grease, pits, or any other item which normally causes blockage of the mechanism.

**ALTERATIONS:** Tenant shall not make any alterations to the premises, including but not limited to installing aerials, lighting fixtures, dishwashers, washing machines, dryers or other items without first obtaining written permission from Landlord. Tenant shall not change or install locks, paint or wallpaper said premises without Landlord's prior written consent. Tenant shall not place placards, signs, or other exhibits in a window or any other place where they can be viewed by other residents or by the general public.

**LATE CHARGE / BAD CHECKS:** If Landlord has not received any rent payment within 5 days after rent becomes due pursuant to the provisions of this lease, Tenant shall pay to Landlord a late fee of \$ 100 in addition to the monthly rent then due.

This LATE FEE shall commence on the 6th day of the month and accrue until payment and accumulative LATE FEES are received by Landlord.

If rent is not paid when due and landlord issues a ( Notice To Pay Rent Or Quit ), Tenant must tender cash or cashiers check only. If Tenant tenders a check, which is dishonored by a banking institution, then Tenant shall only tender cash or cashiers check for all future payments. This shall continue until such time as written consent is obtained from Landlord . In addition, Tenant shall be liable in the sum of \$ 50 for each check issued by Tenant that is returned to Landlord, from Landlord's bank, not paid for any reason.

check issued by Tenant that is returned to Landlord, from Landlords bank, not paid for any reason.

**NOISE AND DISRUPTIVE ACTIVITIES:** Tenant or their guests and invitees shall not disturb, annoy, endanger or inconvenience other tenants of the building, neighbors, the Landlord or his agents, or workmen nor violate any law, nor commit or permit waste or nuisance in or about the premises. Further, Tenant shall not do or keep anything in or about the premises that will obstruct the public spaces available to other residents. Lounging or unnecessary loitering on the front steps, public balconies or the common hallways that interferes with the convenience of other residents is prohibited.

**LANDLORD'S RIGHT OF ENTRY:** Landlord may enter and inspect the premises during normal business hours and upon reasonable advance notice of at least 24 hours to Tenant. Landlord is permitted to make all alterations, repairs and maintenance that in Landlords judgment is necessary to perform. In addition Landlord has all rights to enter pursuant to laws of the jurisdiction. If the work performed requires that Tenant temporarily vacate the unit, then Tenant shall vacate for this temporary period upon being served a notice by Landlord. Tenant agrees that in such event Tenant will be solely compensated by a corresponding reduction in rent for those many days that Tenant was temporarily displaced. If the work to be performed requires the cooperation of Tenant to perform certain tasks, then those tasks shall be performed upon serving 24 hours written notice by Landlord .

**REPAIRS BY Landlord :** Where a repair is the responsibility of the Landlord , Tenant must notify Landlord with a written notice stating what item needs servicing or repair. Tenant must give Landlord a reasonable opportunity to service or repair said item. Under No circumstances may Tenant withhold rent unless said item constitutes a substantial breach of the warrantee of habitability as stated in laws of the jurisdiction.

**PETS:** No dog, cat, bird, fish or other pet or animal of any kind may be kept on or about the premises without Landlords written consent.

**FURNISHINGS:** No liquid filled furniture of any kind may be kept on the premises without Landlords written consent.

**TERMINATION OF LEASE / RENTAL AGREEMENT:** If this lease is based on a fixed term, pursuant to paragraph 2, then at the expiration of said fixed term this lease shall become a month to month tenancy upon the approval of Landlord. Where said term is a month to month tenancy, either party may terminate this tenancy by the serving of a 30 day written notice.

**POSSESSION:** If premises cannot be delivered to Tenant on the agreed date due to loss, total or partial destruction of the premises, or failure of previous tenant to vacate, either party may terminate this agreement upon written notice to the other party at their last known address. It is acknowledged that either party shall have no liability to each other except that all sums paid to Landlord will be immediately refunded to Tenant.

**ABANDONMENT:** It shall be deemed a reasonable belief by the Landlord that an abandonment of the premises has occurred where rent has been unpaid for 30 consecutive days and the Tenant has been absent from unit for 30 consecutive days. In that event, Landlord may serve written notice pursuant to the Civil Code of the jurisdiction. If Tenant does not comply with the requirements of said notice, the premises shall be deemed abandoned.

**WAIVER:** Landlord's failure to require compliance with the conditions of this agreement, or to exercise any right provided herein, shall not be deemed a waiver by Landlord of such condition or right. Landlord's acceptance of rent with knowledge of any default under agreement by Tenant shall not be deemed a waiver of such default, nor shall it limit Landlord's rights with respect to that or any subsequent right. It is further agreed between the parties that the payment of rent at any time shall not be a waiver to any legal action, unless Landlord specifically acknowledges in writing that this constitutes a waiver to said legal action.

**VALIDITY / SEVERABILITY:** If any provision of this agreement is held to be invalid, such invalidity shall not affect the validity or enforceability of any other provision of this agreement.

**ATTORNEY FEES:** In the event action is brought by any party to enforce any terms of this agreement or to recover possession of the premises, the prevailing party shall recover from the other party reasonable attorney fees.

**NOTICES:** All notices to the tenant shall be deemed served upon mailing by first class mail, addressed to the Tenant, at the subject premises or upon personal delivery to the premises whether or not Tenant is actually present at the time of said delivery. All notices to the Landlord shall be served by mailing first class mail or by personal delivery to:  
890 Loggerhead Island Drive, Satellite Beach, FL 32937

**PERSONAL PROPERTY OF TENANT:** Once Tenant vacates the premises, all personal

property left by the tenant shall be stored by the Landlord for 30 days. If within that time period, Tenant does not claim said property, Landlord may dispose of said items in any manner Landlord chooses.

**APPLICATION:** All statements in Tenant's application must be true or this will constitute a material breach of this lease.

**ENTIRE AGREEMENT:** This Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written. The Agreement may be modified or amended in writing, if it is signed by the party obligated under the amendment. Tenant acknowledges that Tenant has read and understood this agreement and has been furnished a duplicate original.

Dated July 18, 2001 Time 9:30 AM

LANDLORD [Signature] Phone 321 308-2900

Address 890 LOGGERS HEAD ISLAND PK, SARASOTA BEACH, FL 32937

Dated July 18, 2001 Time 9:30 AM

TENANT [Signature] Phone 321 308 2922

Address 385 EAST DR MELBOURNE FL 32904

TENANT \_\_\_\_\_ Phone \_\_\_\_\_

LANDLORD: Melbourne Venture group, LLC,

TENANT: Dual Point Communications, Inc

**PROPERTY ADDRESS:**

385 East dr  
Melbourne, FL. 32904

**RENTAL AMOUNT:** Commencing August 1, 2001,  
Tenant agrees to pay Landlord the sum of \$ 2000.00 per month in advance on the 1st day of each calendar month. Said rental payment shall be delivered by Tenant to Landlord or his designated agent to the following location:

**385 East Dr, Melbourne, FL. 32904**

Rent must be actually received by Landlord, or designated agent, in order to be considered in compliance with the terms of this agreement. If rent is not paid by the 5<sup>th</sup> of each month a late fee of \$100.00 will be assessed.

**TERM:** The premises are on a Lease tenancy ending July 30, 2002

**DEPOSITS:** Tenant shall pay the Landlord the following Deposits, which may or not be refundable. To qualify as a Refundable Deposit, the premises must be left in the same condition (considering reasonable wear and tear), as when Tenant moved in.

Security Deposit \$ 0 which is refundable

Said Deposits are to be held and disbursed for Tenant damages to the premises (if any) as provided by law. Tenant may NOT use All or Any Part of said deposits for rent owed. Within 14 days of the Tenant vacating the premises, Landlord shall furnish Tenant a written statement indicating any amounts deducted, as permitted by law, and returning the balance to the Tenant. Tenant agrees that no interest whatsoever will accrue on said deposits. If Tenant fails to furnish a forwarding address to Landlord, then Landlord shall mail said statement and any deposit refunded, to the leased premises.

**INITIAL PAYMENT:** Tenant shall pay, in the form of guaranteed funds, and prior to occupancy the following:

Total of all Deposits \$ 0

1st Month Rent \$ 2000.00

Total of all Money Due \$ 2000.00

**SUBLETTING OR ASSIGNING:** Tenant agrees not to assign or sublet the premises, or any part thereof, without first obtaining written permission from Landlord.

**UTILITIES:** Tenant shall pay for all utilities and/or services supplied to the premises with the following exception(s):  
Pool and Lawn

**CONDITION OF PREMISES:** Tenant acknowledges that the premises have been inspected. Tenant acknowledges that said premises have been cleaned and all items, fixtures, appliances, and appurtenances are in complete working order. Tenant promises to keep the premises in a neat and sanitary condition and to immediately reimburse Landlord for any sums necessary to repair any item, fixture or appurtenance that needed service due to Tenant, or Tenant invitee, misuse or negligence. Tenant shall be responsible for the cleaning or repair to any plumbing fixture where a stoppage has occurred. Tenant shall also be responsible for repair or replacement of the garbage disposal where the cause has been a result of bones, grease, pits, or any other item which normally causes blockage of the mechanism.

**ALTERATIONS:** Tenant shall not make any alterations to the premises, including but not limited to installing aerials, lighting fixtures, dishwashers, washing machines, dryers or other items without first obtaining written permission from Landlord. Tenant shall not change or install locks, paint or wallpaper said premises without Landlord's prior written consent. Tenant shall not place placards, signs, or other exhibits in a window or any other place where they can be viewed by other residents or by the general public.

**LATE CHARGE / BAD CHECKS:** If Landlord has not received any rent payment within 5 days after rent becomes due pursuant to the provisions of this lease, Tenant shall pay to Landlord a late fee of \$ 100 in addition to the monthly rent then due. This LATE FEE shall commence on the 6th day of the month and accrue until payment and accumulative LATE FEES are received by Landlord. If rent is not paid when due and landlord issues a ( Notice To Pay Rent Or Quit ), Tenant must tender cash or cashiers check only. If Tenant tenders a check, which is dishonored by a banking institution, then Tenant shall only tender cash or cashiers check for all future payments. This shall continue until such time as written consent is obtained from Landlord . In addition, Tenant shall be liable in the sum of \$ 50 for each check issued by Tenant that is returned to Landlord, from Landlord's bank, not paid for any reason.

**NOISE AND DISRUPTIVE ACTIVITIES:** Tenant or their guests and invitees shall not disturb, annoy, endanger or inconvenience other tenants of the building, neighbors, the Landlord or his agents, or workmen nor violate any law, nor commit or permit waste or nuisance in or about the premises. Further, Tenant shall not do or keep anything in or about the premises that will obstruct the public spaces available to other residents. Lounging or unnecessary loitering on the front steps, public balconies or the common hallways that interferes with the convenience of other residents is prohibited.

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**FURNISHINGS:** No liquid filled furniture of any kind may be kept on the premises without Landlord's written consent.

**TERMINATION OF LEASE / RENTAL AGREEMENT:** If this lease is based on a fixed term, pursuant to paragraph 2, then at the expiration of said fixed term this lease shall become a month to month tenancy upon the approval of Landlord. Where said term is a month to month tenancy, either party may terminate this tenancy by the serving of a 30 day written notice.

**POSSESSION:** If premises cannot be delivered to Tenant on the agreed date due to loss, total or partial destruction of the premises, or failure of

previous tenant to vacate, either party may terminate this agreement upon written notice to the other party at their last known address. It is acknowledged that either party shall have no liability to each other except that all sums paid to Landlord will be immediately refunded to Tenant.

**ABANDONMENT:** It shall be deemed a reasonable belief by the Landlord that an abandonment of the premises has occurred where rent has been unpaid for 30 consecutive days and the Tenant has been absent from unit for 30 consecutive days. In that event, Landlord may serve written notice pursuant to the Civil Code of the jurisdiction. If Tenant does not comply with the requirements of said notice, the premises shall be deemed abandoned.

**WAIVER:** Landlord's failure to require compliance with the conditions of this agreement, or to exercise any right provided herein, shall not be deemed a waiver by Landlord of such condition or right. Landlord's acceptance of rent with knowledge of any default under agreement by Tenant shall not be deemed a waiver of such default, nor shall it limit Landlord's rights with respect to that or any subsequent right. It is further agreed between the parties that the payment of rent at any time shall not be a waiver to any legal action, unless Landlord specifically acknowledges in writing that this constitutes a waiver to said legal action.

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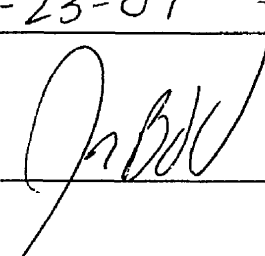
**PERSONAL PROPERTY OF TENANT:** Once Tenant vacates the premises, all personal property left by the tenant shall be stored by the Landlord for 30 days. If within that time period, Tenant does not claim said property, Landlord may dispose of said items in any manner Landlord chooses.



APPLICATION: All statements in Tenant's application must be true or this will constitute a material breach of this lease.

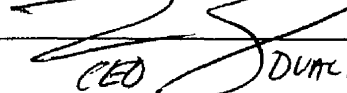
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Dated 7-23-01 Time 2:50 PM

LANDLORD  MELBOURNE VENTURE GROUP, LLC Phone 321 308 2900

Address 385 EAST DRIVE, MELBOURNE, FL 32904

Dated \_\_\_\_\_ Time \_\_\_\_\_

TENANT  THOMAS BIDIX Phone 321 308 2929  
CEO DUNE POINT COMMUNICATIONS, INC

Address ~~38~~ 385 EAST DR MELBOURNE FL 32904

TENANT \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_

LANDLORD: Melbourne Venture Group, LLC.

TENANT: Executive Marketing Group, LLC

PROPERTY ADDRESS:

385 East dr  
Melbourne, FL. 32904

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INITIAL PAYMENT: Tenant shall pay, in the form of guaranteed funds,  
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Total of all Deposits \$ 0  
1st Month Rent \$ 500  
Total of all Money Due \$ 500

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Dated 8-1-01 Time 8:30 AM

LANDLORD *Jn BDD* Phone \_\_\_\_\_

Address 385 EAST DRIVE MELBORNE FL 32904

Dated 8-1-01 Time 8:30 AM

TENANT *Jacyn B. Bordin* Phone \_\_\_\_\_

Address 385 EAST DR MELB FL 32904

LANDLORD: Melbourne Venture Group, LLC

TENANT: Bio-Board Technologies, LLC

PROPERTY ADDRESS:

385 East dr  
Melbourne, FL. 32904

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Address 385 EAST DRIVE MELBOURNE FL 32904

Dated 8-1-01 Time 8:35 AM

TENANT  Phone \_\_\_\_\_

Address 385 EAST DR MELB FL 32904

**Melbourne Venture Group, LLC.**

385 East Drive  
Melbourne, FL 32904  
321 308-2900  
Fax 321 729-8484

July 18, 2001

Mr. John Lowery  
Phontec  
3300 North A Street  
Building 1, Suite108  
Midland, TX 79705

Re: Agreement to furnish office space and call center services.

On August 1, 2001 Melbourne Venture Group, LLC will be operating out of 385 East Drive in Melbourne Florida. We are going to be leasing office space. We are willing to provide you office space consisting of one private office and the use of secretarial services, conference rooms and other common facilities. Included also will be duplicating, local and long distance services. In consideration for these services we ask that you pay \$1,000 in advance each month.

In addition we are going to be operating our own customer service and call center. We also agree to furnish Phonetec call center and customer support services. The charge for these services will be \$3,500 per month in advance.

All payment must be received in our office by the first of each month. Payments received after the fifth of each month are subject to late fees as allowed by Florida law.

If you agree with the pricing and terms please sign and return a copy via fax.

Sincerely,

John P. Biddix

John Lowery

Date

7/25/01

*See Exhibit A-1,  
a floor plan  
outlining  
space  
for phontec's  
part for*

Melbourne Venture Group, LLC  
October, 2001

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**Confidentiality Agreement**

The undersigned reader acknowledges that the information provided by Melbourne Venture Group, LLC in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Melbourne Venture Group, LLC.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to Melbourne Venture Group, LLC.

Upon request, this document is to be immediately returned to Melbourne Venture Group, LLC.

---

Signature Date

---

Name (typed or printed)

This is a business plan. It does not imply an offering of securities.

## 1.0 Executive Summary

**Melbourne Venture Group, LLC. formed August 2001 as a prepaid telecommunications company will provide specialized telecommunications products & services to a niche market within the Eastern United States. This extensive and lucrative market consists of customers who are in need products such as residential local dial tone, long distance, internet and cellular services. The customers within these markets are unable to subscribe to these services through traditional sources due to bad credit or lack of funds required for a large deposit. Offering a solution for this growing customer base, Melbourne Venture Group, LLC will provide these services through a non traditional avenue; prepaid home dial tone, prepaid long distance, prepaid internet and prepaid cellular services.**



## **1.1 Mission**

**Melbourne Venture Group, LLC will offer a reliable prepaid telecommunications product line throughout the Eastern United States.**

**It is the mission of the Company to provide the highest level of customer service and product quality to its financially disadvantaged customers. The Company will position itself to provide a dependable and efficient prepaid product line while promoting customer retention through its partnership with Western Union SwiftPay. Through this unique partnership, the Company will offer a trouble-free and uncomplicated method for the customer to make monthly payments to retain their prepaid services on a consistent basis without interruption.**

## 2.0 Company Summary

Melbourne Venture Group, LLC will provide prepaid telecommunication services throughout the Eastern United States. Having established a co-op advertising partnership agreement with Western Union Swift Pay, Melbourne Venture Group, LLC will promote it's 'SwiftTel' prepaid home dial tone product as a solution to those customers needing a home phone line but lacking the financial capability to obtain the line through traditional sources; i.e. Ma & Baby Bell's. In keeping with their agreement with Western Union SwiftPay, Melbourne Venture Group, LLC will direct it's customers to any Western Union SwiftPay location to pay for new activations as well as continued monthly service, no other form of payment will be accepted, thus ensuring prompt and immediate payment to Melbourne Venture Group, LLC.

Melbourne Venture Group, LLC will launch a full scale direct marketing advertising campaign utilizing television, print, transit, and radio media's, a direct mail campaign will also be utilized once a substantial customer base has been established to encourage friends, family and acquaintances of SwiftTel customers to activate their home phone service with SwiftTel.

It is the goal of Melbourne Venture Group, LLC to provide it's customers the highest quality, most reliable effortless products in the marketplace. The following products will be offered by Melbourne Venture Group, LLC:

- \* Prepaid Home Dial Tone Services throughout the Eastern United States
- \* Prepaid Long Distance Services
- \* Prepaid Internet Services
- \* Prepaid Wireless Services

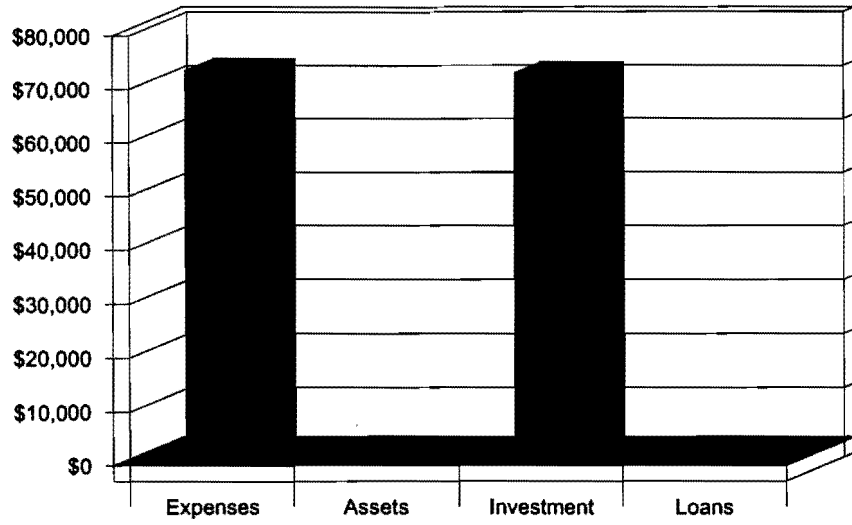
## 2.1 Company Ownership

Melbourne Venture Group, LLC was created as a Florida Limited Liability Company based in Brevard County, owned by its principal investors and principal operators.

## 2.2 Company Locations and Facilities

Melbourne Venture Group, LLC is located at 385 East Drive Melbourne, Florida. The company has several lease agreements to utilize the 10,000 square foot facility.

### Start-up



**Table 2.2: Start-up**

Start-up Plan	
<u>Start-up Expenses</u>	
Legal for Certification in Florida	\$1,400
PUC certification filing fee	\$250
Legal for Trade Mark	\$1,500
BST LOC	\$10,000
BST BILL	\$11,000
Excleron	\$3,300
Advertising	\$10,000
Establish Name and Logo	\$300
Development of TV commercial	\$2,600
Develop Bus Cards	\$3,000
Develop Posters	\$3,000
Expensed equipment Phone System	\$4,000
Marketing Solutions set fee	\$1,500
Tax Partners Set up	\$2,000
Prepay Advertisement	\$10,000
Provisioning Reps	\$8,000
Cell Phones and Pagers	\$600
Total Start-up Expense	\$72,450
<u>Start-up Assets Needed</u>	
Cash Requirements	\$0
Other Short-term Assets	\$0
Total Short-term Assets	\$0
Long-term Assets	\$0
Total Assets	\$0
Total Start-up Requirements:	\$72,450
Left to finance:	\$600
<u>Start-up Funding Plan</u>	
<u>Investment</u>	
Other	\$0
Investor 1	\$71,850
Other	\$0
Total investment	\$71,850
<u>Short-term Liabilities</u>	
Unpaid Expenses	\$0
Short-term Loans	\$0
Interest-free Short-term Loans	\$0
Subtotal Short-term Liabilities	\$0
Long-term Liabilities	\$0
Total Liabilities	\$0
Loss at Start-up	(\$71,850)
Total Capital	\$0
Total Capital and Liabilities	\$0
Checkline	\$0

### **3.0 Services**

**Melbourne Venture Group, LLC will offer residential prepaid dial tone, long distance, internet and wireless services. Each service will be provided with individual pricing plans and feature options.**

**Residential dial tone services will provide unlimited access to local calling areas as well as optional features such as, call waiting, call forwarding, three way calling, speed dial, call return, call block, repeat dial and caller i.d.**

**Long Distance services will offer the customer the ability to prepay for long distance service at competitive rates. This service will allow the customer to manage or budget a block of long distance time every month.**

**Internet Services will allow the customer unlimited access to the internet as well as a personalized e-mail address.**

**Wireless services will be provided based on service area availability. Melbourne Venture Group, LLC will offer a nationwide prepaid PCS product that will give free long distance, free roaming, free voice mail, free activation, free caller id and free 10 minutes of airtime.**

## 4.0 Market Analysis Summary

Melbourne Venture Group, LLC will introduce their prepaid home dial tone product under the brandname of 'SwiftTel', they will be focusing on the credit challenged market across the Eastern United States. This market makes up 10 to 15 percentage of the overall population in the Eastern United States. The market is mostly made of of single mom's, service industry workers, and renters.

Lower-income urban residents are often overlooked by advertisers, yet, they concentrate in large numbers in specific geographic areas, spend freely on many products & services and will comparison shop for those product & services. Melbourne Venture Group/SwiftTel will be instituting a large scale direct market campaign geared directly toward the following market segments ; ethnic, female with children and white males who are money-management challenged.

## 4.1 Target Market Segment Strategy

Prepaid home dial tone is a solid business opportunity which generates nearly 100% of leads, sales and revenues through advertising campaigns, therefore, the marketing and advertising objectives of Melbourne Venture Group, LLC/SwiftTel are three-fold;

1. Plan media platforms to reach female adults 21-35 with an income of less than \$25,000, single family ethnic urban populations 21-45 with a total household income less then \$30,000 and white males 21-27 who have poor money-management skills.
2. Utilize all media to become a consistent and constant presence to gain maximum reach and frequency to the target markets. All advertising will promote Western Union/SwiftPay locations as an effortless and quick method of paying their monthly bill, thereby, ensuring higher customer retention.
3. Establish a fluctuating, yet steady advertising schedule to provide adequate exposure each and every month in established markets while expanding into new and growing urban markets.

Melbourne Venture Group, LLC/SwiftTel plans to utilize traditional media outlets to reach it's target market. The media outlets chosen for the SwiftTel campaign will include; :30second Television Commercials, Weekly Classified Newspapers such as South Florida's "The Flyer"and "Pennysaver", Transit Poster /Billboard Advertising as well as window poster placement in Western Union SwiftPay Agent locations.

Television commercials will focus on the day-time television watcher with promotions on such programs as; Ricki Lake, Judge Mathis, People's Court, Montel Williams, Judge Judy and Divorce Court. Melbourne Venture Group, LLC/SwiftTel will also utilize large cable systems in major urban areas focusing a promotions campaign on stations such as; B.E.T. (Black Entertainment Television), FX, and U.S.A. To reach the secondary market of younger white males 25-27, :30 second spots will be shown on M.T.V and ESPN2.

City Transit systems are also a vital part of the advertising efforts of Melbourne Venture Group, LLC and will be heavily utilized. 62% of all transit system riders are between 21-40yrs. old, 53% are female. The average annual income of transit rider is under \$30,000, 29% are Hispanic, 18% are Black and 50% are Caucasian. SwiftTel will promote it's product through the use of Interior Bus Cards throughout each city's fleet of buses. To create consistency, at least 50%of each fleet will be showing the SwiftTel posters.

Newspapers and Magazines commonly referred to as "Weekly's" will be used to promote the product primarily the Caucasian & Hispanic segments. The ad will be placed in weekly's with a circulation of approximately 500,000-1,000,000. The ad will be designed to promote the ease and affordability of the product along with the partnership with Western Union/SwiftPay. SwiftPay locations will be promoted as pay locations for monthly phone bills and new activations/transfers.

Melbourne Venture Group, LLC/SwiftTel's advertising campaign will be light-hearted, the need to laugh is universal. It is our opinoin that to produce a serious tv & print ad will only promote & sell a negative message. Prepaid home dial tone should not be viewed with a negative connotation, we hope to promote it as an alternative to a temporarily bad financial situation.



## 5.0 Financial Plan

Growth will be financed through monthly cash flow and revenue's. While this growth & funding plan may require slower growth than is attainable per their aggressive marketing & sales strategy, Melbourne Venture Group, LLC believes this will position and establish the Company more solidly for the future. It is the goal of the Company to acquire a customer base which will slowly, but surely, become it's best selling & marketing tools.

The Company believes a happy and committed customer base, however long it takes create that base, will far outway the allure of an immediate, unprofitable and unorganized growth pattern which has been proven to be the death of many prepaid telecommunication companies.

## 5.1 Projected Profit and Loss

Our projected profit and loss is shown on the following table, with sales increasing almost 2 million the first year to more than 4 million the third. The company becomes profitable by March 2002.



**Table 5.1: Profit and Loss**

Profit and Loss (Income Statement)	FY2002	FY2003	FY2004
Sales	\$4,376,598	\$6,080,932	\$7,673,929
Direct Cost of Sales	\$2,665,412	\$3,587,781	\$4,476,410
Rent for Bio Board	\$0	\$0	\$0
Rent for Dual point	\$0	\$0	\$0
Rent for Phontec	\$0	\$0	\$0
Phontec Call Center fee	\$0	\$0	\$0
Rent for Excutive Marketing	\$0	\$0	\$0
	-----	-----	-----
Total Cost of Sales	\$2,665,412	\$3,587,781	\$4,476,410
Gross Margin	\$1,711,186	\$2,493,151	\$3,197,519
Gross Margin %	39.10%	41.00%	41.67%
Operating expenses:			
Advertising/Promotion	\$190,000	\$250,000	\$300,000
Travel	\$12,000	\$12,000	\$12,000
Bank Charges	\$1,800	\$1,800	\$1,800
Payroll Expense	\$475,745	\$604,038	\$684,018
Payroll Burden	\$95,149	\$120,808	\$136,804
Depreciation	\$0	\$0	\$0
LD for PhonTec	\$2,400	\$4,000	\$5,000
LD for Dualpoint	\$2,400	\$2,400	\$2,400
LD for Excutive Marketing	\$600	\$600	\$600
LD for Bio Board	\$600	\$600	\$600
Long Distance Cost	\$156,000	\$200,000	\$250,000
Utilities	\$14,400	\$15,000	\$16,000
Insurance	\$14,400	\$14,400	\$14,400
Rent	\$60,000	\$60,000	\$60,000
Computer Equipment Charges	\$6,000	\$6,000	\$6,000
Exceleron ASP Fee	\$11,000	\$12,000	\$15,000
Exceleron	\$78,000	\$100,000	\$180,000
Internet Cost	\$12,000	\$12,000	\$12,000
Auto Allowance	\$6,000	\$6,000	\$6,000
Tax Partners	\$28,800	\$28,800	\$28,800
Office Supplies	\$6,000	\$6,000	\$6,000
Certification Fees	\$18,000	\$0	\$0
Advertising for employees	\$1,200	\$1,200	\$1,200
Year end taxes	\$1,200	\$1,200	\$1,200
Postage	\$94,000	\$130,000	\$180,000
	-----	-----	-----
Total Operating Expenses	\$1,287,694	\$1,588,846	\$1,919,822
Profit Before Interest and Taxes	\$423,492	\$904,305	\$1,277,698
Interest Expense Short-term	\$0	\$0	\$0
Interest Expense Long-term	\$0	\$0	\$0
Taxes Incurred	\$55,054	\$117,560	\$166,101
Extraordinary Items	\$0	\$0	\$0
Net Profit	\$368,438	\$786,745	\$1,111,597
Net Profit/Sales	8.42%	12.94%	14.49%

## 5.2 Projected Cash Flow

Cash flow projections are critical to our success. The monthly cash flow is shown in the illustration, with one bar representing the cash flow per month, and the other the monthly balance. The annual cash flow figures are included here and the more important detailed monthly numbers are included in the appendices.

## Cash

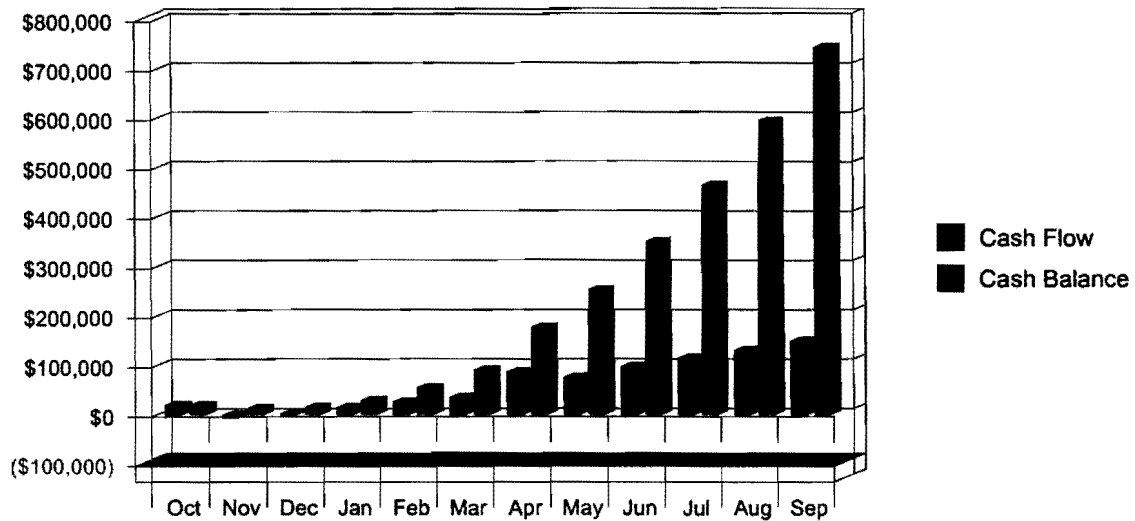


Table 5.2: Cash Flow

Pro-Forma Cash Flow	FY2002	FY2003	FY2004
Net Profit	\$368,438	\$786,745	\$1,111,597
Plus:			
Depreciation	\$0	\$0	\$0
Change in Accounts Payable	\$443,458	(\$104,344)	\$104,919
Current Borrowing (repayment)	\$0	\$0	\$0
Increase (decrease) Other Liabilities	\$0	\$0	\$0
Long-term Borrowing (repayment)	\$0	\$0	\$0
Capital Input	\$0	\$0	\$0
Subtotal	\$811,896	\$682,401	\$1,216,516
Less:	FY2002	FY2003	FY2004
Change in Accounts Receivable	\$68,398	\$26,636	\$24,896
Change in Other Short-term Assets	\$0	\$0	\$0
Capital Expenditure	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal	\$68,398	\$26,636	\$24,896
Net Cash Flow	\$743,498	\$655,765	\$1,191,620
Cash Balance	\$743,498	\$1,399,263	\$2,590,883

## 5.3 Projected Balance Sheet

The balance sheet in the following table shows managed but sufficient growth of net worth, and a sufficiently healthy financial position. The monthly estimates are included in the appendices.

**Table 5.3: Balance Sheet**

## Pro-forma Balance Sheet

Assets			
Short-term Assets	FY2002	FY2003	FY2004
Cash	\$743,498	\$1,399,263	\$2,590,883
Accounts Receivable	\$68,398	\$95,034	\$119,930
Other Short-term Assets	\$0	\$0	\$0
<b>Total Short-term Assets</b>	<b>\$811,896</b>	<b>\$1,494,297</b>	<b>\$2,710,813</b>
Long-term Assets			
Capital Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
<b>Total Long-term Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Assets</b>	<b>\$811,896</b>	<b>\$1,494,297</b>	<b>\$2,710,813</b>
Liabilities and Capital			
	FY2002	FY2003	FY2004
Accounts Payable	\$443,458	\$339,114	\$444,033
Short-term Notes	\$0	\$0	\$0
Other Short-term Liabilities	\$0	\$0	\$0
<b>Subtotal Short-term Liabilities</b>	<b>\$443,458</b>	<b>\$339,114</b>	<b>\$444,033</b>
<b>Long-term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$443,458</b>	<b>\$339,114</b>	<b>\$444,033</b>
Paid in Capital	\$71,850	\$71,850	\$71,850
Retained Earnings	(\$71,850)	\$296,588	\$1,083,333
Earnings	\$368,438	\$786,745	\$1,111,597
<b>Total Capital</b>	<b>\$368,438</b>	<b>\$1,155,183</b>	<b>\$2,266,780</b>
<b>Total Liabilities and Capital</b>	<b>\$811,896</b>	<b>\$1,494,297</b>	<b>\$2,710,813</b>
<b>Net Worth</b>	<b>\$368,438</b>	<b>\$1,155,183</b>	<b>\$2,266,780</b>

**5.4 Business Ratios**

Please refer to chart below.

**Table 5.4: Ratios**

Ratio Analysis				
	FY2002	FY2003	FY2004	Industry Profile
Sales Growth	0.00%	138.94%	126.20%	0.00%
<b>Percent of Total Assets</b>				
	FY2002	FY2003	FY2004	Industry Profile
Accounts Receivable	8.42%	6.36%	4.42%	0.00%
Inventory	0.00%	0.00%	0.00%	0.00%
Other Short-term Assets	0.00%	0.00%	0.00%	100.00%
Total Short-term Assets	100.00%	100.00%	100.00%	100.00%
Long-term Assets	0.00%	0.00%	0.00%	0.00%
Total Assets	100.00%	100.00%	100.00%	100.00%
<b>Other Short-term Liabilities</b>				
	0.00%	0.00%	0.00%	0.00%
Subtotal Short-term Liabilities	54.62%	22.69%	16.38%	0.00%
Long-term Liabilities	0.00%	0.00%	0.00%	0.00%
Total Liabilities	54.62%	22.69%	16.38%	0.00%
Net Worth	45.38%	77.31%	83.62%	100.00%
<b>Percent of Sales</b>				
	FY2002	FY2003	FY2004	Industry Profile
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	39.10%	41.00%	41.67%	0.00%
Selling, General & Administrative Expenses	30.68%	28.06%	27.18%	0.00%
Advertising Expenses	4.34%	4.11%	3.91%	0.00%
Profit Before Interest and Taxes	9.68%	14.87%	16.65%	0.00%
<b>Ratios</b>				
	FY2002	FY2003	FY2004	Industry Profile
Current	1.83	4.41	6.10	0.00
Quick	1.83	4.41	6.10	0.00
Total Debt to Total Assets	54.62%	22.69%	16.38%	0.00%
Pre-Tax Return on Net Worth	114.94%	78.28%	56.37%	0.00%
Pre-Tax Return on Assets	52.16%	60.52%	47.13%	0.00%

Table 5.1 Profit and Loss

Profit and Loss (Income Statement)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY2002	FY2003	FY2004
Sales	\$78,971	\$128,634	\$173,436	\$214,724	\$252,985	\$288,761	\$385,026	\$452,717	\$514,409	\$574,654	\$628,297	\$683,984	\$4,376,598	\$6,080,932	\$7,673,929
Direct Cost of Sales	\$62,357	\$86,833	\$110,419	\$131,606	\$151,789	\$169,595	\$245,065	\$278,828	\$311,890	\$343,163	\$372,001	\$401,864	\$2,665,412	\$3,587,781	\$4,476,410
Rent for Bio Board	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent for Dual point	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent for Phontec	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Phontec Call Center fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent for Executive Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$62,357	\$86,833	\$110,419	\$131,606	\$151,789	\$169,595	\$245,065	\$278,828	\$311,890	\$343,163	\$372,001	\$401,864	\$2,665,412	\$3,587,781	\$4,476,410
Gross Margin	\$16,614	\$41,800	\$63,017	\$83,117	\$101,196	\$119,165	\$139,961	\$173,890	\$202,519	\$231,491	\$256,297	\$282,120	\$1,711,186	\$2,493,151	\$3,197,519
Gross Margin %	21.04%	32.50%	36.33%	38.71%	40.00%	41.27%	36.35%	38.41%	39.37%	40.28%	40.79%	41.25%	39.10%	41.00%	41.67%
Operating expenses:															
Advertising/Promotion	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$190,000	\$250,000	\$300,000
Travel	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000	\$12,000	\$12,000
Bank Charges	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800	\$1,800	\$1,800
Payroll Expense	\$33,672	\$33,672	\$38,673	\$38,673	\$38,673	\$38,673	\$38,673	\$42,007	\$42,007	\$43,674	\$43,674	\$43,674	\$475,745	\$604,038	\$684,018
Payroll Burden	\$6,734	\$6,734	\$7,735	\$7,735	\$7,735	\$7,735	\$7,735	\$8,401	\$8,401	\$8,735	\$8,735	\$8,735	\$95,149	\$120,808	\$136,804
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LD for PhonTec	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400	\$4,000	\$5,000
LD for Dualpoint	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400	\$2,400	\$2,400
LD for Executive Marketing	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600	\$600	\$600
LD for Bio Board	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600	\$600	\$600
Long Distance Cost	\$2,000	\$4,000	\$6,000	\$8,000	\$10,000	\$12,000	\$14,000	\$16,000	\$18,000	\$20,000	\$22,000	\$24,000	\$156,000	\$200,000	\$250,000
Utilities	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400	\$15,000	\$16,000
Insurance	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400	\$14,400	\$14,400
Rent	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000	\$60,000	\$60,000
Computer Equipment Charges	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	\$6,000	\$6,000
Exceleron ASP Fee	\$750	\$750	\$750	\$750	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,000	\$12,000	\$15,000
Exceleron	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$12,000	\$78,000	\$100,000	\$180,000
Internet Cost	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000	\$12,000	\$12,000
Auto Allowance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	\$6,000	\$6,000
Tax Partners	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$28,800	\$28,800	\$28,800
Office Supplies	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	\$6,000	\$6,000
Certification Fees	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000	\$0	\$0
Advertising for employees	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$1,200	\$1,200
Year end taxes	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$1,200	\$1,200
Postage	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$8,000	\$9,000	\$11,000	\$13,000	\$15,000	\$17,000	\$94,000	\$130,000	\$180,000
Total Operating Expenses	\$70,806	\$74,806	\$84,808	\$88,808	\$93,058	\$107,058	\$112,058	\$120,058	\$125,058	\$132,059	\$137,059	\$142,059	\$1,287,694	\$1,588,846	\$1,919,822
Profit Before Interest and Taxes	(\$54,192)	(\$33,006)	(\$21,791)	(\$5,690)	\$8,139	\$12,108	\$27,903	\$53,831	\$77,460	\$99,432	\$119,238	\$140,061	\$423,492	\$904,305	\$1,277,698
Interest Expense Short-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense Long-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	(\$7,045)	(\$4,291)	(\$2,833)	(\$740)	\$1,058	\$1,574	\$3,627	\$6,998	\$10,070	\$12,926	\$15,501	\$18,208	\$55,054	\$117,560	\$166,101
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$47,147)	(\$28,715)	(\$18,958)	(\$4,951)	\$7,081	\$10,534	\$24,276	\$46,833	\$67,390	\$86,506	\$103,737	\$121,853	\$368,438	\$786,745	\$1,111,597
Net Profit/Sales	-59.70%	-22.32%	-10.93%	-2.31%	2.80%	3.65%	6.30%	10.34%	13.10%	15.05%	16.51%	17.82%	8.42%	12.94%	14.49%

Table 5.2 Cash Flow

Pro-Forma Cash Flow															
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY2002	FY2003	FY2004
Net Profit	(\$47,147)	(\$28,715)	(\$18,958)	(\$4,951)	\$7,081	\$10,534	\$24,276	\$46,833	\$67,390	\$86,506	\$103,737	\$121,853	\$368,438	\$786,745	\$1,111,597
Plus:															
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Accounts Payable	\$74,570	\$27,170	\$25,268	\$23,734	\$22,820	\$28,121	\$71,795	\$35,786	\$35,787	\$34,042	\$31,679	\$32,686	\$443,458	(\$104,344)	\$104,919
Current Borrowing (repayment)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase (decrease) Other Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Borrowing (repayment)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Input	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$27,422	(\$1,545)	\$6,310	\$18,783	\$29,901	\$38,654	\$96,071	\$82,619	\$103,177	\$120,548	\$135,416	\$154,539	\$811,896	\$682,401	\$1,216,516
Less:															
Change in Accounts Receivable	\$7,789	\$4,898	\$4,419	\$4,366	\$3,826	\$3,578	\$9,627	\$6,769	\$6,169	\$6,025	\$5,364	\$5,569	\$68,398	\$26,636	\$24,896
Change in Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$7,789	\$4,898	\$4,419	\$4,366	\$3,826	\$3,578	\$9,627	\$6,769	\$6,169	\$6,025	\$5,364	\$5,569	\$68,398	\$26,636	\$24,896
Net Cash Flow	\$19,633	(\$6,443)	\$1,891	\$14,417	\$26,075	\$35,077	\$86,444	\$75,850	\$97,008	\$114,524	\$130,051	\$148,971	\$743,498	\$655,765	\$1,191,620
Cash Balance	\$19,633	\$13,190	\$15,082	\$29,498	\$55,573	\$90,650	\$177,094	\$252,944	\$349,952	\$464,476	\$594,527	\$743,498	\$743,498	\$1,399,263	\$2,590,883

Table 5.3 Balance Sheet

Pro-forma Balance Sheet

Assets	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY2002	FY2003	FY2004
<b>Short-term Assets</b>															
Cash	\$19,633	\$13,190	\$15,082	\$29,498	\$55,573	\$90,650	\$177,094	\$252,944	\$349,952	\$464,476	\$594,527	\$743,498	\$743,498	\$1,399,263	\$2,590,883
Accounts Receivable	\$7,789	\$12,687	\$17,106	\$21,472	\$25,299	\$28,876	\$38,503	\$45,272	\$51,441	\$57,465	\$62,830	\$68,398	\$68,398	\$95,034	\$119,930
Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Short-term Assets</b>	<b>\$27,422</b>	<b>\$25,877</b>	<b>\$32,188</b>	<b>\$50,971</b>	<b>\$80,872</b>	<b>\$119,526</b>	<b>\$215,597</b>	<b>\$298,216</b>	<b>\$401,393</b>	<b>\$521,941</b>	<b>\$657,357</b>	<b>\$811,896</b>	<b>\$811,896</b>	<b>\$1,494,297</b>	<b>\$2,710,813</b>
<b>Long-term Assets</b>															
Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Long-term Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Assets</b>	<b>\$27,422</b>	<b>\$25,877</b>	<b>\$32,188</b>	<b>\$50,971</b>	<b>\$80,872</b>	<b>\$119,526</b>	<b>\$215,597</b>	<b>\$298,216</b>	<b>\$401,393</b>	<b>\$521,941</b>	<b>\$657,357</b>	<b>\$811,896</b>	<b>\$811,896</b>	<b>\$1,494,297</b>	<b>\$2,710,813</b>
<b>Liabilities and Capital</b>															
Accounts Payable	\$74,570	\$101,740	\$127,008	\$150,742	\$173,562	\$201,683	\$273,478	\$309,264	\$345,051	\$379,093	\$410,772	\$443,458	\$443,458	\$339,114	\$444,033
Short-term Notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Short-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Short-term Liabilities</b>	<b>\$74,570</b>	<b>\$101,740</b>	<b>\$127,008</b>	<b>\$150,742</b>	<b>\$173,562</b>	<b>\$201,683</b>	<b>\$273,478</b>	<b>\$309,264</b>	<b>\$345,051</b>	<b>\$379,093</b>	<b>\$410,772</b>	<b>\$443,458</b>	<b>\$443,458</b>	<b>\$339,114</b>	<b>\$444,033</b>
<b>Long-term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$74,570</b>	<b>\$101,740</b>	<b>\$127,008</b>	<b>\$150,742</b>	<b>\$173,562</b>	<b>\$201,683</b>	<b>\$273,478</b>	<b>\$309,264</b>	<b>\$345,051</b>	<b>\$379,093</b>	<b>\$410,772</b>	<b>\$443,458</b>	<b>\$443,458</b>	<b>\$339,114</b>	<b>\$444,033</b>
Paid in Capital	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850	\$71,850
Retained Earnings	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	(\$71,850)	\$296,588	\$1,083,333
Earnings	(\$47,147)	(\$75,863)	(\$94,821)	(\$99,771)	(\$92,691)	(\$82,157)	(\$57,881)	(\$11,048)	\$56,342	\$142,848	\$246,585	\$368,438	\$368,438	\$786,745	\$1,111,597
<b>Total Capital</b>	<b>(\$47,147)</b>	<b>(\$75,863)</b>	<b>(\$94,821)</b>	<b>(\$99,771)</b>	<b>(\$92,691)</b>	<b>(\$82,157)</b>	<b>(\$57,881)</b>	<b>(\$11,048)</b>	<b>\$56,342</b>	<b>\$142,848</b>	<b>\$246,585</b>	<b>\$368,438</b>	<b>\$368,438</b>	<b>\$1,155,183</b>	<b>\$2,266,780</b>
<b>Total Liabilities and Capital</b>	<b>\$27,422</b>	<b>\$25,877</b>	<b>\$32,188</b>	<b>\$50,971</b>	<b>\$80,872</b>	<b>\$119,526</b>	<b>\$215,597</b>	<b>\$298,216</b>	<b>\$401,393</b>	<b>\$521,941</b>	<b>\$657,357</b>	<b>\$811,896</b>	<b>\$811,896</b>	<b>\$1,494,297</b>	<b>\$2,710,813</b>
<b>Net Worth</b>	<b>(\$47,147)</b>	<b>(\$75,863)</b>	<b>(\$94,821)</b>	<b>(\$99,771)</b>	<b>(\$92,691)</b>	<b>(\$82,157)</b>	<b>(\$57,881)</b>	<b>(\$11,048)</b>	<b>\$56,342</b>	<b>\$142,848</b>	<b>\$246,585</b>	<b>\$368,438</b>	<b>\$368,438</b>	<b>\$1,155,183</b>	<b>\$2,266,780</b>