

ORIGINAL

**FAIR FINANCIAL LLC d/b/a
MidState Telecommunications**

P. O. Box 706
404 NORTH GALLATIN ROAD
MADISON, TN 37116-0706
(800) 794-9711

October 1, 2001

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850

011346-TX

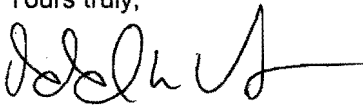
Sir:

Enclosed you will please find our check number 20934 in the amount of \$250.00 to cover the cost of filing for authority to provide alternative local exchange service. In addition you will please find an original and seven (7) copies of our filing and tariff.

Please stamp one copy with the docket number and return it to us in the self-addressed postage paid envelope.

Your assistance in this matter is greatly appreciated.

Yours truly,



Donald Estep
General Manager

DISTRIBUTION CENTER
01 OCT -8 PM 2:21

- APP _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- LEG _____
- OPC _____
- PAI _____
- RGO _____
- SEC _____
- SER _____
- OTH _____

DOCUMENT NUMBER-DATE

12797 OCT-8

FPSC-COMMISSION CLERK

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:

AM

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the matter of the Application of)
Fair Financial L.L.C. d/b/a)
MidState Telecommunications)
For a Certificate of Authority to provide Alternative)
Local Exchange Service on a resold basis to)
Residential pre-paid flat rate local exchange)
Customers throughout the State of Florida)

PSC Docket No. 011346-TX

**APPLICATION OF FAIR FINANCIAL L.L.C. d/b/a
MIDSTATE TELECOMMUNICATIONS**

INTRODUCTION

Pursuant to Florida Public Service Commission General Rules and the Federal Telecommunications Act of 1996 ("Federal Act" or "ACT"), Fair Financial L.L.C. d/b/a MidState Telecommunications ("Applicant" or "Company") respectfully seeks a Certificate of Authority to provide Alternative Local Exchange Service on a resold basis to residential prepaid flat rate local exchange customers throughout the State of Florida.

The Commission has adopted a policy allowing competition in the local telecommunications market, recognizing that it is the public interest to develop effective competition to insure that all consumers – business and residential - will have access to high quality, low cost, and innovative telecommunications services. The Federal Act was also adopted to promote competition and reduce regulation in order to secure lower prices and higher quality telecommunications services for the American populace.

Approval of this application will further the purposes of the Federal Act and will promote competition in the State of Florida. Therefore, the Applicant respectfully requests that the Commission grant it a Certificate of Authority to provide Alternative Local Exchange Service on a resold basis to residential prepaid flat rate local exchange

DOCUMENT NUMBER-DATE

12797 OCT-85

FPSC-COMMISSION CLERK

customers throughout the State of Florida.

In support thereof, the Applicant provides the Commission the following:

1. Florida Public Service Commission Application.
2. Applicant Acknowledgement Statement.
3. Affidavit of Applicant.
4. Exhibit 1 Florida Secretary of State Certificate of Good Standing
5. Exhibit 2 Florida Secretary of State Registration of Fictitious Name
6. Exhibit 3 Listing of the Members of the Limited Liability Company
7. Exhibit 4 Resumes of the Members of the Limited Liability Company
8. Exhibit 5 Applicant's 1998 Financial Statements
9. Exhibit 6 Applicant's 1999 Financial Statements
10. Exhibit 7 Applicant's 2000 Financial Statements
11. Exhibit 8 Applicant's Explanation of Financial Capability
12. Exhibit 9 Applicant's Year To Date Financial Statements as of August 31, 2001
13. Exhibit 10 Applicant's 2001 Proforma Financial Statements
14. Exhibit 11 Applicant's 2002 Proforma Financial Statements
15. Exhibit 12 Applicant's 2003 Proforma Financial Statements
16. Exhibit 13 Applicant's Pre-Filed Testimony
17. Exhibit 14 Applicant's Proposed Tariff

APPLICATION

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

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

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

Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

FAIR FINANCIAL L.L.C.

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

MIDSTATE TELECOMMUNICATIONS

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

P. O. BOX 706
404 NORTH GALLATIN ROAD
MADISON, TENNESSEE
37116-0706

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

The Applicant does not maintain an office in the State of Florida.

6. Structure of organization:

- Individual Corporation
 Foreign Corporation Foreign Partnership
 General Partnership Limited Partnership
 Other Foreign Limited Liability Company

7. If individual, provide: The Applicant is a Foreign Limited Liability Company.

Name: NOT APPLICABLE

Title: NOT APPLICABLE

Address: NOT APPLICABLE

City/State/Zip: NOT APPLICABLE

Telephone No.: NOT APPLICABLE Fax No.: NOT APPLICABLE

Internet E-Mail Address: NOT APPLICABLE

Internet Website Address: NOT APPLICABLE

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

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

NOT APPLICABLE. The Applicant is a Foreign Limited Liability Company

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

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

The Applicant is a Foreign Limited Liability Company. The Secretary of State number assigned to the Applicant is M01000002084. A copy of the Secretary of State Certificate of Good Standing is attached hereto as Exhibit "1".

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:

The Applicant is a Foreign Limited Liability Company. The Secretary of State number assigned to the Applicant for its fictitious name is G01253900406. A copy of the Secretary of State Resistration Certificate is attached hereto as Exhibit "2".

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

The Applicant is a Foreign Limited Liability Company.

(a) The Florida Secretary of State registration number:

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

The Applicant is a Foreign Limited Liability Company. A listing of the Members of the LLC are attached hereto as Exhibit "3".

13. If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

The Applicant is a Foreign Limited Liability Company.

(a) The Florida registration number:

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

The Federal Employer Identification Number of the Applicant is 62-1709870.

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.

The Applicant and/or the Members of the LLC have not been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, and there are no such actions pending against the LLC and/or it Members.

(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.

The Applicant and/or the Members of the LLC have not been an officer, director, partner or stockholder in any other Florida certificated telephone company.

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

(a) The liason to the Commission regarding this application is:

Name: Donald Estep

Title: General Manager

Address: P.O. BOX 706
404 North Gallatin Road

City/State/Zip: Madison, Tennessee 37116-0706

Telephone No.: (800) 794-9711

Fax No.: (800) 794-9711

Internet E-Mail Address: None

Internet Website Address: None

(b) The official point of contact for the ongoing operations of the company is:

Name: Donald Estep

Title: General Manager

Address: P.O. BOX 706
404 North Gallatin Road

City/State/Zip: Madison, Tennessee 37116-0706

Telephone No.: (800) 794-9711

Fax No.: (800) 794-9711

Internet E-Mail Address: None

Internet Website Address: None

(c) The official point of contact for complaints/inquiries from customers is:

Name: Donald Estep

Title: General Manager

Address: P.O. BOX 706
404 North Gallatin Road

City/State/Zip: Madison, Tennessee 37116-0706

Telephone No.: (800) 794-9711

Fax No.: (800) 794-9711

Internet E-Mail Address: None

Internet Website Address: None

17. List the states in which the applicant:

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

The Applicant has and still operates in Tennessee and Kentucky.

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

The Applicant has applications pending in Mississippi and Alabama. The Applicant will file applications in Georgia, Arkansas and Texas before year end.

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

The Applicant is certified and/or authorized to operate in Tennessee and Kentucky.

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

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

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

The Applicant has not had regulatory penalties imposed for violations of telecommunications statutes.

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

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

18. Submit the following:

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

The resumes of the Members of the LLC are attached hereto as Exhibit "4"

- 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.

The resumes of the Members of the LLC are attached hereto as Exhibit "4". The Applicants Reseller Agreement with BellSouth requires that BellSouth maintain service and facilities up to the demarcation point. The Reseller Agreement will be filed with the Commission by BellSouth.

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 Compiled Financial Statements of the Applicant for 1998, 1999 and 2000 are included with Exhibits "5", "6" and "7" respectively which are attached hereto.

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:

The Applicants unaudited financial statements including balance sheet, income statement and cash flow for 1998, 1999 and 2000 are attached hereto as Exhibits "5", "6" and "7" respectively. Each page of the Company financial statements is signed by Donald Estep the General Manager of the LLC his signature affirms that the statements are true and correct.

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.

The Applicant has attached hereto a written explanation of its financial capability to provide and maintain the proposed service while meeting its lease obligations. This explanation is attached hereto as Exhibit "8". In addition the Applicant has attached hereto its Year-to-Date (August 2001) Financial Statements and its Proforma Financial Statements for 2001, 2002 and 2003 as Exhibit "9", "10", "11" and "12" respectively.

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.

The Applicant is a Non-Facilities based Reseller of the services of BellSouth. The Applicant does not own, lease or maintain any facilities in the State of Florida.

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

The Applicant is a Non-Facilities based Reseller of the services of BellSouth. The Applicant does not own, lease or maintain any facilities in the State of Florida.

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


The Applicant is a Non-Facilities based Reseller of the services of BellSouth. The Applicant does not own, lease or maintain any facilities in the State of Florida.

AFFIDAVIT

By my signature below, I Donald Estep, 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."

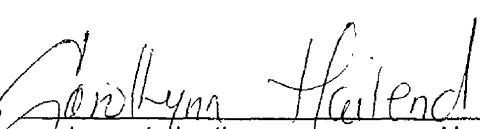
UTILITY OFFICIAL:

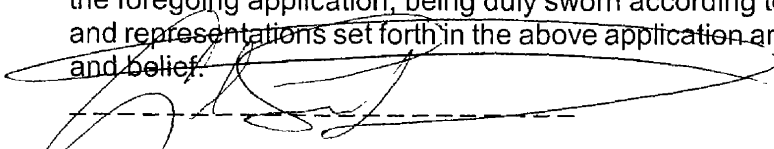


Donald Estep Signature

October 01, 2001
Date

General Manager
P. O. Box 706
404 North Gallatin Road
Madison, Tennessee
37116-0706

On this 1st day of October 2001 before me,  a Tennessee Notary Public, appeared Donald M. Estep known to me to be the person named in, and who executed the foregoing application, being duly sworn according to law, deposes and says that the statements and representations set forth in the above application are true and correct to the best of his knowledge and belief.



Notary Public

My Commission Expires on 8/24/2003

(SEAL)

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:



Donald Estep Signature

General Manager

P. O. Box 706

404 North Gallatin Road

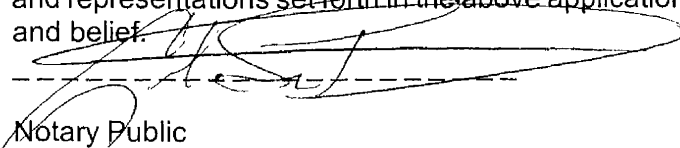
Madison, Tennessee

37116-0706

October 01, 2001

Date

On this 1st day of October 2001 before me, Cornel Lynn Haidend a Tennessee Notary Public, appeared Donald M. Estep known to me to be the person named in, and who executed the foregoing application, being duly sworn according to law, deposes and says that the statements and representations set forth in the above application are true and correct to the best of his knowledge and belief.



Notary Public

My Commission Expires on 8242003

(SEAL)

EXHIBIT 1

FLORIDA CERTIFICATE OF GOOD
STANDING

State of Florida



Department of State

I certify from the records of this office that FAIR FINANCIAL LLC, is a Tennessee limited liability company authorized to transact business in the State of Florida, qualified on September 10, 2001.

The document number of this limited liability company is M01000002084.

I further certify that said limited liability company has paid all fees due this office through December 31, 2001, and its status is active.

I further certify that said limited liability company has not filed a Certificate of Withdrawal.

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



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

EXHIBIT 2

FLORIDA REGISTRATION OF FICTITIOUS
NAME



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

September 18, 2001

MIDSTATE TELECOMMUNICATIONS
P.O. BOX 706
MADISON, TN 37116-0706

Subject: **MIDSTATE TELECOMMUNICATIONS**

REGISTRATION NUMBER: **G01253900406**

This will acknowledge the filing of the above fictitious name registration which was registered on September 10, 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.

Enclosed is your certificate(s) as requested.

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

Reinstatement Section
Division of Corporations

Letter No. 801A00052187

EXHIBIT 3

MEMBERS OF THE LIMITED LIABILITY
COMPANY

FAIR FINANCIAL L.L.C. d/b/a MidState Telecommunications

List of Members

I. Donald M. Estep

- A. Title General Manager
- B. Ownership 51%
- C. Home Address
224 Spy Glass Way
Hendersonville, Tennessee 37075
Telephone (615) 826-6687
- D. Business Address
P. O. Box 706
404 North Gallatin Road
Madison, Tennessee 37116-0706
Telephone (800) 794-9711
Facsimile (800) 794-9711

II. LAMILLA F. ESTEP

- A. Title Secretary
- B. Ownership 49%
- C. Home Address
224 Spy Glass Way
Hendersonville, Tennessee 37075
Telephone (615) 826-6687
- D. Business Address
P. O. Box 706
404 North Gallatin Road
Madison, Tennessee 37116-0706
Telephone (800) 794-9711
Facsimile (800) 794-9711

EXHIBIT 4

RESUMES OF THE MEMBERS OF THE
LIMITED LIABILITY COMPANY

DONALD ESTEP

224 Spy Glass Way
Hendersonville, TN 37075
(615) 826-6687

PROFESSIONAL EXPERIENCE

- FAIR FINANCIAL LLC** NASHVILLE, TENNESSEE 1997-Present
10-97 **Owner, General Manager**
- Created Title Loan and Check Advance Company.
 - Profitable, cash flow positive and debt free.
- MIDSTATE TELECOMMUNICATIONS** 1999-Present
11-99 **Owner, General Manager**
- Began local prepaid telephone service.
 - Certified local provider in Tennessee and Kentucky
- THORN AMERICAS, INC.** WICHITA, KANSAS 1996-1997
08-96 **Vice President of Check Cashing**
- Began new Check Cashing Division for Thorn Americas, Inc.
 - Designed and developed check cashing kiosk concept.
 - Complete Profit & Loss responsibility.
- BILL'S DOLLAR STORE INC.** JACKSON, MISSISSIPPI 1995-1996
6-95 **Vice President of Store Operations**
- Total operating responsibility for 455 stores in 13 states.
 - Joined Chapter 11 company to turn around field organization.
 - Developed and implemented strategic operational plan to; maintain fully stocked stores; enhance merchandise presentation; reduce stocking time; improve daily recovery; assure proper store staffing; and position field organization to emerge from court protection.
 - Restructured Regional and District Manager positions and responsibilities to assure support of overall company objectives.
 - Teamed with GMM to redirect merchandising and advertising strategy.
 - Approved all new store sites, leases and optional renewals.
 - Facilitated MIS conversion of 450 stores to ISP/POS systems in less than six months.
 - Created Store Training Department to provide instruction on PLU, automated replenishment, perpetual inventories, system generated markdowns and daily Store Manager responsibilities.
 - Founded Policy and Procedure Department to provide uniform communication and understanding of company standards.
 - Conducted seminars for Regional and District Managers to convey company's plan of reorganization and store operations role in fulfilling the plan.

VALUE MERCHANTS INC. MILWAUKEE, WISCONSIN 1991-1995
9-92 **Vice President of Store Operations**

- Complete operating responsibility for 409 stores, operating in 47 states and Puerto Rico.
- Reduced comparable store payroll by 17%, while maintaining store operational and merchandise presentation standards.
- Revised merchandise replenishment methods improving runs and decreasing the percentage of dead stock.
- Restructured field organization to improve store supervision, training and profitability of stores.

3-91 **Director of Loss Prevention**

- Created company's first Loss Prevention Department, reducing shortage from over 6% to 2.5%.
- Developed Policy and Procedure Department that established and communicated operational standards and disciplines allowing the store count to grow from 107 to 409 in two years.
- Established an Internal Audit Department to monitor compliance to store operating standards, warehousing/distribution procedures and financial controls.

HECKS/L.A. JOE NITRO, WEST VIRGINIA 1987-1991
6-90 **Vice President of Store Operations**

- Overall operating responsibility for 52 stores.
- Opened 15 new stores in 5 weeks from signing of lease.'
- Converted the stores to a new off price marketing concept.

12-87 **Director of Loss Prevention**

- Member of turnaround team that saved this Chapter 11 company.
- Reduced shortage from over 8% to less than 3%.

MEIJER STORES INC. GRAND RAPIDS, MICHIGAN 1986-1987
3-86 **Softlines Merchandise Manage**

- Improved store softlines sales ranking from 12th to 5th.
- Increased sales to \$10.5 million.

SELF EMPLOYED COLUMBUS, OHIO 1981-1986

- Owner-operator of Toney's Market and Brother's Pizzeria.
- Operating partner of Sweets Ice Cream and Candy Shoppe.

GOLD CIRCLE STORES COLUMBUS, OHIO 1971-1981

- Regional Operations Manager.
- Director of Store Operations, Food Service, Gas Stations and Pharmacy.
- Director of Loss Prevention.

LAMILLA ESTEP

224 Spy Glass Way
Hendersonville, TN 37075
(615) 826-6687

PROFESSIONAL EXPERIENCE

- FAIR FINANCIAL LLC** NASHVILLE, TENNESSEE 1997-PRESENT
Owner, Secretary
- Created Title Loan and Check Advance Company.
- MIDSTATE TELECOMMUNICATIONS** NASHVILLE, TENNESSEE 1998-PRESENT
Owner, Secretary
- Helped to create local prepaid telephone company.
- LAMILLA DESIGNS** JACKSON, MISSISSIPPI 1995-1996
Owner
- Created a Fine Table Linens Manufacturing Company.
 - Sold to Major Department Store Chains.
- VALUE MERCHANTS INC.** MILWAUKEE, WISCONSIN 1990-1995
Director Of Merchandising
- Built Visual Merchandising department responsible for planning all store merchandising. This department worked with the buying division in product development and package design.
 - Developed an Advertising Department accountable for the creation and purchasing of media for print and radio to be used in Everything's A Dollar, Play Outlet USA and The \$5 & \$ 10 Store's.
- CALDOR** NORWALK, CONNECTICUT 1989-1990
Regional Merchandise Manager
- Accountable for the inventory levels maintained and the overall merchandising of the sales floor. Planned sales merchandise needs in stores and was accountable for all markdown dollars.
- CONSUMER DISTRIBUTING INC.** EDISON, NEW JERSEY 1987-1989
Director of Visual Merchandising
- Created overall concepts to change catalog showrooms into discount department stores, know as Consumers Express.
 - Responsible for planograms based on sales analysis and all operational requirements in Consumers Express and Catalog Showrooms.
 - Designed and purchased all fixtures, displays and graphics.
- MCCRORY STORES** YORK, PENNSYLVANIA 1986-1987
Merchandise Presentation Specialist
- Key member of a newly created department to develop planograms and new merchandising concepts for this retail variety chain.
 - Created planograms after detailed analysis of mark-up, sales per square foot, stockroom requirements, payroll percentage and maintenance criteria.
- MONTGOMERY WARD** CHICAGO, ILLINOIS 1980-1986
Merchandise Presentation Specialist
- Designed planograms and presentation standards for the Housewares, Furniture, Sporting Goods, Paint, Hardware, Bedding and Bath departments.

EXHIBIT 5

1998 FINANCIAL STATEMENTS

FAIR FINANCIAL, LLC.
Balance Sheet
December 31, 1998

ASSETS

Current Assets		
Checking Account 1ST AMERICAN	\$	3,784.30
2nd First American Account		88,000.00
Cash in store one		2,588.51
Accounts Receivable-Title Loan		51,351.05
Accounts Receivable-Check Adva		13,600.00
Security Deposits		370.00

Total Current Assets		159,693.86
Property and Equipment		
Signs		11,197.62
Computer Equipment		7,674.77
Accum. Depreciation-Signs		<11,197.62>
Accum Depreciation-Computers		<7,674.77>

Total Property and Equipment		0.00
Other Assets		
Total Other Assets		0.00
Total Assets	\$	159,693.86

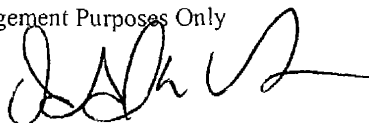
LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable-Other	\$	9,284.39

Total Current Liabilities		9,284.39
Long-Term Liabilities		
Total Long-Term Liabilities		0.00
Total Liabilities		9,284.39
Capital		
Partner's Contribution		20,000.00
Partner's Draw		<20,000.00>
Beginning Equity		66,293.37
Net Income		84,116.10

Total Capital		150,409.47
Total Liabilities & Capital	\$	159,693.86

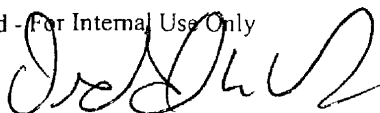
Unaudited - For Management Purposes Only



FAIR FINANCIAL, LLC.
Statement of Cash Flow
For the twelve Months Ended December 31, 1998

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ <9,042.20>	\$ 84,116.10
Adjustments to reconcile net income to net cash provided by operating activities		
Accum. Depreciation-Furniture	0.00	0.00
Accum. Depreciation-Machinery	0.00	0.00
Accum. Depreciation-Signs	0.00	0.00
Accum. Depreciation-Company a	0.00	0.00
Accum. Depreciation-Leasehold	0.00	0.00
Accum. Depreciation-Computers	0.00	5,747.98
New Cars (Make)	0.00	0.00
New Trucks (Make)	0.00	0.00
Demos	0.00	0.00
Used Cars	0.00	0.00
Used Trucks	0.00	0.00
Other Vehicular Units	0.00	0.00
Parts	0.00	0.00
Major Accessories (Tires-Batt	0.00	0.00
Body and Paint Materials	0.00	0.00
Gas-Oil, Grease, and Compound	0.00	0.00
Labor in Process	0.00	0.00
Sublet Inventory	0.00	0.00
Other Merchandise	0.00	0.00
Accounts Receivable-Title Loan	<5,677.36>	<24,974.05>
Accounts Receivable-Check Adva	<2,575.00>	<3,125.00>
Factory Warranty Claims Receiv	0.00	0.00
Contracts Receivable	0.00	0.00
Other Receivables	0.00	0.00
Allowance for Doubtful Account	0.00	0.00
Prepaid Expenses	0.00	0.00
Security Deposits	0.00	0.00
Other Current Assets	0.00	0.00
Accts Payable-FFE	0.00	0.00
Accounts Payable-Other	9,284.39	9,284.39
Current Portion Long-Term Debt	0.00	0.00
Accrued Expenses Payable	0.00	0.00
Credit Card Payable	0.00	0.00
Other Current Liabilities	0.00	0.00
Sales Tax Payable	0.00	0.00
Wages Payable	0.00	0.00
Federal W/H Tax Payable	0.00	0.00
401-K Deductions	0.00	0.00
FICA Employee Tax Payable	0.00	0.00
Medicare Employee Tax Payable	0.00	0.00
FICA Employer Tax Payable	0.00	0.00
Medicare Employer Tax Payable	0.00	0.00
State W/H Tax Payable	0.00	0.00
SUTA Payable	0.00	0.00
FUTA Payable	0.00	0.00
Income Tax Payable	0.00	0.00
Local W/H Tax Payable	0.00	0.00
Total Adjustments	1,032.03	<13,066.68>
Net Cash provided by Operations	<8,010.17>	71,049.42
Cash Flows from investing activities		
Used For		
Furniture and Fixtures	0.00	0.00
Machinery and Shop Equipment	0.00	0.00
Signs	0.00	0.00
Company and Service Vehicles	0.00	0.00
Leasehold Improvements	0.00	0.00
Computer Equipment	0.00	<5,747.98>
Land	0.00	0.00

Unaudited - For Internal Use Only



FAIR FINANCIAL, LLC.
Statement of Cash Flow
For the twelve Months Ended December 31, 1998

Organization Costs	0.00	0.00
Accumulated Amortization-Orga	0.00	0.00
Finance Reserve-Deferred	0.00	0.00
Cash Value Life Insurance	0.00	0.00
Notes and Accounts-Officers	0.00	0.00
Recourse Contracts-Deferred	0.00	0.00
Other Noncurrent Assets	0.00	0.00

Net cash used in investing	0.00	<5,747.98>


Cash Flows from financing activities		
Proceeds From		
Long Term Note Payable	0.00	0.00
Mortgage Payable	0.00	0.00
Partner's Contribution	0.00	20,000.00
Partner's Draw	0.00	0.00
Used For		
Long Term Note Payable	0.00	0.00
Mortgage Payable	0.00	0.00
Partner's Contribution	0.00	0.00
Partner's Draw	0.00	<20,000.00>

Net cash used in financing	0.00	0.00

Net increase <decrease> in cash	\$ <8,010.17>	\$ 65,301.44

Summary		
Cash Balance at End of Period	\$ 94,372.81	\$ 94,372.81
Cash Balance at Beginning of Period	<102,382.98>	<29,071.37>
	-----	-----
Net Increase <Decrease> in Cash	\$ <8,010.17>	\$ 65,301.44
	-----	-----

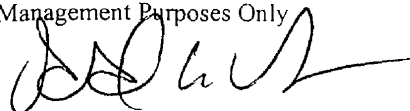
Unaudited - For Internal Use Only.



FAIR FINANCIAL, LLC.
Income Statement
For the Twelve Months Ending December 31, 1998

	Current Month		Year to Date	
Revenues				
Title Loan Interest	\$ 904.66	6.45	\$ 11,484.05	6.66
Title Loan Administrative Fees	8,570.29	61.08	109,988.79	63.81
Title Loan Family Club	0.00	0.00	0.00	0.00
Check Advance Fees	3,547.50	25.28	36,939.25	21.43
NSF Check Surcharge	0.00	0.00	0.00	0.00
Used Cars-Retail	0.00	0.00	0.00	0.00
Repo'd Cars Auctioned	0.00	0.00	6,371.67	3.70
Title Loan Late Fees	465.15	3.32	858.43	0.50
Title Loan Other Income	447.00	3.19	4,627.21	2.68
Misc Income	0.00	0.00	165.00	0.10
Lien Filing Fee	96.00	0.68	1,716.47	1.00
Labor	0.00	0.00	0.00	0.00
Sublet Work	0.00	0.00	0.00	0.00
Lube-Gas, Oil, Compounds, and Other Income	0.00	0.00	230.00	0.13
Purchase Discounts	0.00	0.00	0.00	0.00
Purchase Discounts	0.00	0.00	0.00	0.00
Check Advance Discount	0.00	0.00	0.00	0.00
Title Loans Interest Discount	0.00	0.00	0.00	0.00
Title Loans Admin Fee Discount	0.00	0.00	0.00	0.00
Total Revenues	14,030.60	100.00	172,380.87	100.00
 Cost of Sales				
Lien Filing Fees	115.00	0.82	1,050.00	0.61
Purchases-Parts for Repo Cars	815.71	5.81	1,609.34	0.93
Purchases-Used Cars	0.00	0.00	0.00	0.00
Purchases-Used Trucks	0.00	0.00	0.00	0.00
Make Keys for Title Loan Autos	0.00	0.00	83.24	0.05
NSF Fees by Payer Bank	20.00	0.14	268.00	0.16
NSF Check Returned	230.00	1.64	8,080.00	4.69
NSF Check Collected	<371.27>	2.65	<4,399.65>	2.55
Title Loans Defaulted	5,865.28	41.80	15,963.51	9.26
Defaulted Title Loans Collecte	0.00	0.00	<2,982.73>	1.73
Title Loans Repo Fee	675.00	4.81	4,931.00	2.86
Title Loans Repo Storage Fee	25.00	0.18	909.26	0.53
Total Cost of Sales	7,374.72	52.56	25,511.97	14.80
 Gross Profit	6,655.88	47.44	146,868.90	85.20
 Expenses				
Auto Expenses	219.65	1.57	1,657.17	0.96
Advertising and Promotion	10,137.50	72.25	18,034.95	10.46
Insurance	388.48	2.77	1,296.96	0.75
Professional Fees--Legal	108.25	0.77	2,341.62	1.36
Maintenance and Repairs	214.29	1.53	1,206.17	0.70
Office Supplies	593.11	4.23	5,350.46	3.10
Bank Charges	3.00	0.02	129.00	0.07
Professional Fees--Accountant	350.00	2.49	1,050.00	0.61
Professional Salaries-Nonbilla	0.00	0.00	0.00	0.00
Wages Expense	0.00	0.00	0.00	0.00
Cash (over)/short	0.05	0.00	107.24	0.06
Interest Income	0.00	0.00	0.00	0.00
Postage	20.25	0.14	318.64	0.18
Licenses	20.00	0.14	1,520.00	0.88
Printing and Reproduction	0.00	0.00	0.00	0.00
Security Services--ADT	137.45	0.98	491.90	0.29
Contributions	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	0.00
Depreciation Exp.-Furniture a	0.00	0.00	0.00	0.00
Depreciation Exp.-Machinery a	0.00	0.00	0.00	0.00
Depreciation Exp.-Signs	0.00	0.00	0.00	0.00
Depreciation Exp.-Company and	0.00	0.00	0.00	0.00
Depreciation Exp -Leasehold I	0.00	0.00	0.00	0.00
Depreciation Exp -Computers	0.00	0.00	5,747.98	3.33

For Management Purposes Only



FAIR FINANCIAL, LLC.
Income Statement
For the Twelve Months Ending December 31, 1998

Amortization Expense-Organiza	0.00	0.00	0.00	0.00
Rent-Equipment	0.00	0.00	0.00	0.00
Rent-Office	3,000.00	21.38	17,025.00	9.88
Telephone	364.41	2.60	4,248.02	2.46
Bad Debt Expense	0.00	0.00	0.00	0.00
Utilities	141.64	1.01	1,591.49	0.92
Subscriptions	0.00	0.00	0.00	0.00
Travel	0.00	0.00	630.20	0.37
Meals	0.00	0.00	0.00	0.00
Entertainment	0.00	0.00	0.00	0.00
Other Expenses	0.00	0.00	6.00	0.00
FICA	0.00	0.00	0.00	0.00
Medicare	0.00	0.00	0.00	0.00
FUTA	0.00	0.00	0.00	0.00
SUTA	0.00	0.00	0.00	0.00
Income Taxes	0.00	0.00	0.00	0.00
Total Expenses	15,698.08	111.88	62,752.80	36.40
Net Income	\$ <9,042.20>	64.45	\$ 84,116.10	48.80

For Management Purposes Only



FINANCIAL STATEMENTS-INCOME TAX

of
FAIR FINANCIAL LLC
For the Period Ended December 31, 1998

See Accompanying Accountant's Compilation Report

JAMES M. BANDY
CERTIFIED PUBLIC ACCOUNTANT
246 WILSON PIKE CIRCLE, P. O. BOX 515
BRENTWOOD, TENNESSEE 37027

PHONE (615) 373-4349

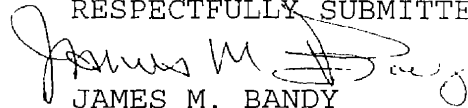
TO THE PARTNERS
FAIR FINANCIAL LLC
BRENTWOOD, TENNESSEE

I HAVE COMPILED THE ACCOMPANYING STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY - INCOME TAX BASIS OF FAIR FINANCIAL LLC (AN LLC PARTNERSHIP) AS OF December 31, 1998, AND THE RELATED STATEMENTS OF REVENUES AND EXPENSES - INCOME TAX BASIS FOR TWO YEARS THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THE FINANCIAL STATEMENTS HAVE BEEN PREPARED ON THE ACCOUNTING BASIS USED BY THE COMPANY FOR INCOME TAX PURPOSES, WHICH IS A COMPREHENSIVE BASIS OF ACCOUNTING OTHER THAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT (THE OWNERS). I HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS (THE OWNERS HAVE) ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES ORDINARILY INCLUDED IN FINANCIAL STATEMENTS PREPARED ON THE INCOME TAX BASIS OF ACCOUNTING. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMPANY'S ASSETS, LIABILITIES, EQUITY, REVENUES, AND EXPENSES. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

RESPECTFULLY SUBMITTED,



JAMES M. BANDY
CERTIFIED PUBLIC ACCOUNTANT

January 6, 1999

FAIR FINANCIAL LLC
STATEMENT OF ASSETS-INCOME TAX BASIS
December 31, 1998

Assets

Current Assets

CHECKING ACCOUNT 1ST AMERICAN	\$	3,784.30
2ND 1ST AMERICAN ACCOUNT		88,000.00
CASH IN STORE		2,588.51
ACCOUNTS RECEIVABLE-TITLE LOAN		51,351.05
ACCOUNTS RECEIVABLE-CHECK ADVA		13,600.00
SECURITY DEPOSITS		<u>370.00</u>

Total Current Assets \$ 159,693.86

Fixed Assets

SIGNS		11,197.62
COMPUTER EQUIPMENT		7,674.77
ALLOWANCE FOR DEPRECIATION-SIG		(11,197.62)
ALLOWANCE FOR DEPRECIATION-COM		<u>(7,674.77)</u>

Total Assets \$ 159,693.86

See Accompanying Accountant's Compilation Report

FAIR FINANCIAL LLC
STATEMENT-LIABILITIES & EQUITY-INCOME TAX BASIS
December 31, 1998

Liabilities and Equity

Current Liabilities		
ACCOUNTS PAYABLE	\$ <u>9,284.39</u>	
Total Current Liabilities		\$ 9,284.39
Equity		
CAPITAL	66,293.37	
Current Income (Loss)	<u>84,116.10</u>	
Total Equity		<u>150,409.47</u>
Total Liabilities & Equity		\$ <u><u>159,693.86</u></u>

See Accompanying Accountant's Compilation Report

FAIR FINANCIAL LLC
STATEMENT OF REVENUE & EXPENSES-INCOME TAX BASIS
For the Period Ended December 31, 1998

	12 Months Ended <u>Dec. 31, 1998</u>	<u>Pct</u>
Revenue		
TITLE LOAN INTEREST	\$ 11,484.05	6.66
TITLE LOAN ADMINISTRATIVE FEES	109,988.79	63.81
CHECK ADVANCE FEES	36,939.25	21.43
REPOD CARS AUCTIONED	6,371.67	3.70
TITLE LOAN LATE FEES	858.43	0.50
TITLE LOAN OTHER INCOME	4,627.21	2.68
MISC. INCOME	165.00	0.10
LIEN FILING FEE	1,716.47	1.00
OTHER INCOME	<u>230.00</u>	<u>0.13</u>
Total Revenue	172,380.87	100.00
Cost of Sales		
LIEN FILING FEES	1,050.00	0.61
PURCHASES-PARTS FOR REPO CARS	1,609.34	0.93
MAKE KEYS FOR TITLE LOAN AUTOS	83.24	0.05
NSF FEES BY PAYER BANK	268.00	0.16
NSF CHECK RETURNED	8,080.00	4.69
NSF CHECK COLLECTED	(4,399.65)	(2.55)
TITLE LOANS DEFAULTED	15,963.51	9.26
DEFAULTED TITLE LOANS COLLECTE	(2,982.73)	(1.73)
TITLE LOANS REPO FEE	4,931.00	2.86
TITLE LOANS REPO STORAGE FEE	<u>909.26</u>	<u>0.53</u>
Total Cost of Sales	<u>25,511.97</u>	<u>14.80</u>
Gross Profit	146,868.90	85.20
Operating Expenses		
ADVERTISEMENT AND PROMOTION	18,034.95	10.46
AUTO EXPENSE	1,657.17	0.96
BANK CHARGES	129.00	0.07
CASH OVER	107.24	0.06
DEPRECIATION-COMPUTERS	5,747.98	3.33
INSURANCE	1,296.96	0.75
POSTAGE	318.64	0.18
PROFESSIONAL FEES-LEGAL	2,341.62	1.36
PROFESSIONAL FEES-ACCOUNTANT	1,050.00	0.61
RENT-OFFICE	17,025.00	9.88
REPAIRS	1,206.17	0.70
OTHER EXPENSES	6.00	0.00
OFFICE SUPPLIES	5,350.46	3.10
SECURITY SERVICES-ADT	491.90	0.29
TAXES - GENERAL	1,520.00	0.88
TELEPHONE	4,248.02	2.46
TRAVEL & ENTERTAINMENT	630.20	0.37
UTILITIES	<u>1,591.49</u>	<u>0.92</u>

See Accompanying Accountant's Compilation Report

	12 Months Ended Dec. 31, 1998	Pct
Total Expenses	<u>62,752.80</u>	<u>36.40</u>
Net Income (Loss)	\$ <u><u>84,116.10</u></u>	<u><u>48.80</u></u>

See Accompanying Accountant's Compilation Report

FAIR FINANCIAL LLC
STATEMENT OF REVENUE & EXPENSES-INCOME TAX BASIS
For the Period Ended December 31, 1998

	12 Months Ended Dec. 31, 1998	Pct	12 Months Ended Dec. 31, 1997	Pct	
Revenue					
TITLE LOAN INTEREST	\$ 11,484.05	6.66	\$ 591.88	10.26	
TITLE LOAN ADMINISTRATIV	109,988.79	63.81	3,692.04	64.03	
CHECK ADVANCE FEES	36,939.25	21.43	1,383.58	23.99	
REPOD CARS AUCTIONED	6,371.67	3.70	0.00	0.00	
TITLE LOAN LATE FEES	858.43	0.50	0.00	0.00	
TITLE LOAN OTHER INCOME	4,627.21	2.68	0.00	0.00	
MISC. INCOME	165.00	0.10	14.00	0.24	
LIEN FILING FEE	1,716.47	1.00	85.00	1.47	
OTHER INCOME	230.00	0.13	0.00	0.00	
	Total Revenue	172,380.87	100.00	5,766.50	100.00
Cost of Sales					
LIEN FILING FEES	1,050.00	0.61	187.00	3.24	
PURCHASES-PARTS FOR REPO	1,609.34	0.93	0.00	0.00	
MAKE KEYS FOR TITLE LOAN	83.24	0.05	24.10	0.42	
NSF FEES BY PAYER BANK	268.00	0.16	14.00	0.24	
NSF CHECK RETURNED	8,080.00	4.69	345.00	5.98	
NSF CHECK COLLECTED	(4,399.65)	(2.55)	0.00	0.00	
TITLE LOANS DEFAULTED	15,963.51	9.26	199.00	3.45	
DEFAULTED TITLE LOANS CO	(2,982.73)	(1.73)	0.00	0.00	
TITLE LOANS REPO FEE	4,931.00	2.86	0.00	0.00	
TITLE LOANS REPO STORAGE	909.26	0.53	0.00	0.00	
	Total Cost of Sales	25,511.97	14.80	769.10	13.34
	Gross Profit	146,868.90	85.20	4,997.40	86.66
Operating Expenses					
ADVERTISEMENT AND PROMOT	18,034.95	10.46	8,876.94	153.94	
AUTO EXPENSE	1,657.17	0.96	83.58	1.45	
BANK CHARGES	129.00	0.07	56.04	0.97	
CASH OVER	107.24	0.06	5.00	0.09	
DEPRECIATION-SIGNS	0.00	0.00	11,197.62	194.18	
DEPRECIATION-COMPUTERS	5,747.98	3.33	1,926.79	33.41	
INSURANCE	1,296.96	0.75	3,383.44	58.67	
POSTAGE	318.64	0.18	24.50	0.42	
PROFESSIONAL FEES-LEGAL	2,341.62	1.36	507.33	8.80	
PROFESSIONAL FEES-ACCOUN	1,050.00	0.61	700.00	12.14	
RENT-OFFICE	17,025.00	9.88	5,400.00	93.64	
REPAIRS	1,206.17	0.70	2,614.02	45.33	
OTHER EXPENSES	6.00	0.00	0.00	0.00	
OFFICE SUPPLIES	5,350.46	3.10	1,961.60	34.02	
SECURITY SERVICES-ADT	491.90	0.29	105.82	1.84	
TAXES - GENERAL	1,520.00	0.88	617.00	10.70	
TELEPHONE	4,248.02	2.46	848.42	14.71	
TRAVEL & ENTERTAINMENT	630.20	0.37	0.00	0.00	
UTILITIES	1,591.49	0.92	348.93	6.05	

See Accompanying Accountant's Compilation Report

	12 Months Ended <u>Dec. 31, 1998</u>	<u>Pct</u>	12 Months Ended <u>Dec. 31, 1997</u>	<u>Pct</u>
Total Expenses	<u>62,752.80</u>	<u>36.40</u>	<u>38,657.03</u>	<u>670.37</u>
Net Income (Loss) \$	<u>84,116.10</u>	<u>48.80</u>	\$ <u>(33,659.63)</u>	<u>(583.71)</u>

See Accompanying Accountant's Compilation Report

U.S. Partnership Return of Income

Department of the Treasury
Internal Revenue Service

For calendar year 1998, or tax year beg. _____, 1998, & ending _____, 19____

▶ See separate instructions.

1998

A Principal busn. activity LOANS B Principal product/service LOANS C NEW business code no. (see pages 25-27 of instructions)	Use the IRS label. Otherwise, please print or type.	Name of partnership, Number, street, and room or suite no., City or town, state, and ZIP code FAIR FINANCIAL LLC 404 GALLATIN ROAD NORTH MADISON, TN 37115	D Employer ID number 62-1709870 E Date business started 10/01/97 F Total assets (see pg. 10 of inst.) \$ 159,694.
---	--	---	---

G Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during tax year ▶ _____ 3

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	172,381.			
	b Less returns and allowances	1b		1c	172,381.	
	2 Cost of goods sold (Schedule A, line 8)	2				
	3 Gross profit. Subtract line 2 from line 1c	3		172,381.		
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)	4				
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5				
	6 Net gain (loss) from Form 4797, Part II, line 18	6				
	7 Other income (loss) (attach schedule)	7				
8 Total Income (loss). Combine lines 3 through 7	8				172,381.	
Deductions <small>(see page 11 of the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)	9				
	10 Guaranteed payments to partners	10				
	11 Repairs and maintenance	11		1,206.		
	12 Bad debts	12				
	13 Rent	13		17,025.		
	14 Taxes and licenses	14		1,520.		
	15 Interest	15				
	16a Depreciation (if required, attach Form 4562)	16a				
	b Less depreciation reported on Schedule A and elsewhere on return	16b			16c	
	17 Depletion (Do not deduct oil and gas depletion.)	17				
	18 Retirement plans, etc.	18				
19 Employee benefit programs	19					
20 Other deductions (attach schedule)	20				62,812.	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20.	21				82,563.	
22 Ordinary Income (loss) from trade or business activities. Subtract line 21 from line 8.	22				89,818.	

Please Sign Here

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

Signature of general partner or limited liability company member	Date
	01/06/99

Paid Preparer's Use Only	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN
Preparer's signature		414-54-5574
Firm's name (or yours if self-employed) & address	EIN	62-0727178
JAMES M BANDY CPA P O BOX 515 BRENTWOOD, TN	ZIP code	37024-0515

Schedule A Cost of Goods Sold (see page 14 of the instructions)

1	Inventory at beginning of year	1
2	Purchases less cost of items withdrawn for personal use	2
3	Cost of labor	3
4	Additional section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	Total. Add lines 1 through 5	6
7	Inventory at end of year	7
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8

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

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
a	<input type="checkbox"/> General partnership		
b	<input type="checkbox"/> Limited partnership		
c	<input checked="" type="checkbox"/> Limited liability company		
d	<input type="checkbox"/> Limited liability partnership		
e	<input type="checkbox"/> Other ▶		
2	Are any partners in this partnership also partnerships?		X
3	Is this partnership a partner in another partnership?		X
4	Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below.		X
5	Does this partnership meet ALL THREE of the following requirements?		
a	The partnership's total receipts for the tax year were less than \$250,000;		
b	The partnership's total assets at the end of the tax year were less than \$600,000; AND		
c	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065, or Item J on Schedule K-1		X
6	Does this partnership have any foreign partners?		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9	At any time during calendar year 1998, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		X
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520 or 926. See page 15 of the instructions.		X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 6 of the instructions		X

Designation of Tax Matters Partner (see page 15 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ DONALD M ESTEP Identifying number of TMP ▶ 517-50-5790

Address of designated TMP ▶ 224 SPY GLASS WAY
HENDERSONVILLE, TN 37075

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

		(a) Distributive share items	(b) Total amount
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1 89,818.
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a	Gross income from other rental activities	3a
	b	Expenses from other rental activities (attach schedule)	3b
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4	Portfolio income (loss):	
	a	Interest income	4a
	b	Ordinary dividends	4b
	c	Royalty income	4c
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d
	e	Net long-term capital gain (loss) (attach Schedule D (Form 1065)):	
	(1)	28% rate gain (loss)	4e(1)
	(2)	Total for year	4e(2)
f	Other portfolio income (loss) (attach schedule)	4f	
5	Guaranteed payments to partners	5	
6	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	
7	Other income (loss) (attach schedule)	7	
Deductions	8	Charitable contributions (attach schedule)	8
	9	Section 179 expense deduction (attach Form 4562)	9 5,748.
	10	Deductions related to portfolio income (itemize)	10
	11	Other deductions (attach schedule)	11
Credits	12a	Low-income housing credit:	
	(1)	From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12a(1)
	(2)	Other than on line 12a(1) for property placed in service before 1990	12a(2)
	(3)	From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12a(3)
	(4)	Other than on line 12a(3) for property placed in service after 1989	12a(4)
	b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c
d	Credits related to other rental activities	12d	
13	Other credits	13	
Investment Interest	14a	Interest expense on investment debts	14a
	b (1)	Investment income included on lines 4a, 4b, 4c, and 4f above	14b(1)
	(2)	Investment expenses included on line 10 above	14b(2)
Self-Employment	15a	Net earnings (loss) from self-employment	15a 89,818.
	b	Gross farming or fishing income	15b
	c	Gross nonfarm income	15c
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a
	b	Adjusted gain or loss	16b
	c	Depletion (other than oil and gas)	16c
	d (1)	Gross income from oil, gas, and geothermal properties	16d(1)
	(2)	Deductions allocable to oil, gas, and geothermal properties	16d(2)
	e	Other adjustments and tax preference items (attach schedule)	16e
Foreign Taxes	17a	Type of income	
	b	Name of foreign country or U.S. possession	
	c	Total gross income from sources outside the United States (attach schedule)	17c
	d	Total applicable deductions and losses (attach schedule)	17d
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e
	f	Reduction in taxes available for credit (attach schedule)	17f
	g	Other foreign tax information (attach schedule)	17g
Other	18	Section 59(e)(2) expenditures: a Type b Amount	18b
	19	Tax-exempt interest income	19
	20	Other tax-exempt income	20
	21	Nondeductible expenses	21
	22	Distributions of money (cash and marketable securities)	22
	23	Distributions of property other than money	23
	24	Other items and amounts required to be reported separately to partners (attach schedule)	

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17e, and 18b						1	84,070.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
	a General partners	84,070.					
b Limited partners							

Schedule L-1 Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		29,190.		94,373.
2a Trade notes and accounts receivable	36,780.		64,951.	
b Less allowance for bad debts		36,780.		64,951.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)		370.		370.
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets	13,124.		18,873.	
b Less accumulated depreciation	13,124.		18,873.	
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets		66,340.		159,694.
Liabilities and Capital				
15 Accounts payable				9,284.
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		66,340.		150,410.
22 Total liabilities and capital		66,340.		159,694.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (Not required if Question 5 on Schedule B is answered "Yes." See page 23 of the instructions.)

1 Net income (loss) per books	84,070.	6 Income recorded on books this year not included on Sch. K, lines 1-7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year:		a Tax-exempt int. \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Sch. K, lines 1 through 11, 14a, 17e, & 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17e, and 18b (itemize):		a Depr. \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5.	84,070.
5 Add lines 1 through 4	84,070.		

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1 Balance at beginning of year	66,340.	6 Distributions: a Cash	
2 Capital contributed during year		b Property	
3 Net income (loss) per books	84,070.	7 Other decreases:	
4 Other increases:		8 Add lines 6 and 7	
5 Add lines 1 through 4	150,410.	9 Balance at end of year. Subtract line 8 from line 5	150,410.

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99)

See separate instructions. Attach this form to your return.

1998

Attachment Sequence No. 67

Name(s) shown on return: FAIR FINANCIAL LLC; Business or activity to which this form relates: Form 1065 Line 16a; Identifying number: 62-1709870

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

Table with 13 rows for Section 179 election. Includes fields for maximum dollar limitation, total cost, threshold cost, reduction in limitation, dollar limitation for tax year, and carryover of disallowed deduction.

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

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1998 Tax Year (Do Not Include Listed Property.)

Section A -- General Asset Account Election

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

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

Table for Section B: General Depreciation System (GDS). Columns include classification of property, month and year placed in service, basis for depreciation, recovery period, convention, method, and depreciation deduction.

Section C -- Alternative Depreciation System (ADS) (See page 5 of the instructions.)

Table for Section C: Alternative Depreciation System (ADS). Columns include class life, recovery period, and method.

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

Table with 3 rows for Part III: 17 GDS and ADS deductions for assets placed in service in tax years beginning before 1998; 18 Property subject to section 168(f)(1) election; 19 ACRS and other depreciation.

Part IV Summary (See page 6 of the instructions.)

Table with 3 rows for Part IV: 20 Listed property; 21 Total; 22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.

Form 4562 Asset Listing, Form 1065 Line 16a

#	Description	T	Acq. Date	Pct. Used	Inv Cr.	Cost Basis	Depr Method	Conv	Est Life	Prior Depr.	Sec 179	1998 Depr
1	SIGNS	N	10/01/97	100%	N	11,198	MACRS DDB	HY	7	0	11,198	0
2	COMPUTER	N	10/01/97	100%	N	1,927	MACRS DDB	HY	5	0	1,927	0
3	COMPUTER	N	10/01/98	100%	N	5,748	MACRS DDB	HY	5	0	5,748	0
Prior Year Totals										0	13,125	
Current Year Totals											5,748	0

Supplemental Schedules
 Company: FAIR FINANCIAL LLC

1998
 EIN: 62-1709870

Form 4562 Schedules, Form 1065 Line 16a
 State Depreciation

#	Asset Description	Acq. Date	Cost Basis	ST Life	Depr Method	Conv	ST Prior	Reg. Depr	ST Depr	ST Adj
1	SIGNS	10/01/97	11,198	7	MACRS DDB	HY	0	0	0	0
2	COMPUTER	10/01/97	1,927	5	MACRS DDB	HY	0	0	0	0
3	COMPUTER	10/01/98	5,748	5	MACRS DDB	HY	0	5,748	5,748	0
Prior Year Totals							0			
Current Year Totals			18,873					5,748	5,748	0

Form 1065 - Deductions, Line 20
 Other Deductions

Description	Amount
ADVERTISEMENT	18,081.
LIEN FILING FEES	1,050.
PARTS FOR REPO CARS	1,609.
KEYS	83.
NEF FEES	268.
NSF	3,680.
TITLE LOANS REPO STORAGE FEE	909.
TITLE LOANS REPO FEE	4,931.
TITLE LOANS DEFAULTED	12,981.
AUTO	1,657.
BANK CHARGES	129.
CASH OVER	107.
INSURANCE	1,297.
POSTAGE	319.
PROFESSIONAL FEES	3,392.
OFFICE SUPPLIES	5,356.
SECURITY	492.
TELEPHONE	4,248.
TRAVEL	630.
UTILITIES	1,593.
TOTAL	62,812.

Form 1065 - Schedule L, Line 6
 Other Current Assets

Description	Beginning	Ending
DEPOSITS	370.	370.
TOTAL	370.	370.

EXHIBIT 6

1999 FINANCIAL STATEMENTS

Balance Sheet

As Of Date 12/31/99

Assets

Current Assets

Cash in Office	3,093.13
AM South Bank Checking	11,609.59
Title Loan Account Receivable	99,759.13
Advance Account Receivable	30,775.00
Prepaid Security Deposits	1,215.00

Total Current Assets

146,451.85

Fixed Assets

Furniture & Fixtures	374.04
Office Signs	22,420.24
Computer Equipment & Software	14,479.99
Accum Dep-Furniture & Fixtures	-374.04
Accum Dep-Office Signs	-22,420.24
Accum Dep-Computer Equipment	-14,479.99

Total Fixed Assets

0.00

Total Assets

\$	146,451.85
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Liabilities and Capital

Current Liabilities

Total Current Liabilities

0.00

Total Liabilities

0.00

Capital

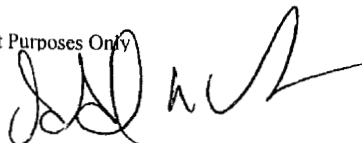
Beginning Balance Equity	150,409.47
Member's Contribution	30,000.00
Member's Draw	-208,684.48
Net Income	174,726.86

Total Capital

146,451.85

Total Liabilities and Capital

\$	146,451.85
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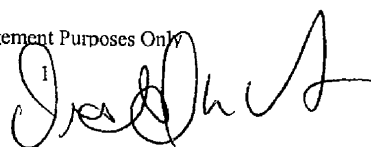


FAIR FINANCIAL LLC
Statement of Cash Flow

From 11/1/99 To 12/31/99

	Reporting Period	Year to Date
Cash Flows from Operating Activities		
Net Income	11,872.94	174,726.86
Adjustments to reconcile net income to net cash provided by Operating Activities		
Accounts Receivable	0.00	0.00
Title Loan Account Receivable	-7,989.79	-99,759.13
Advance Account Receivable	-5,473.75	-30,775.00
Prepaid Security Deposits	0.00	-1,215.00
Accum Dep-Furniture & Fixtures	0.00	374.04
Accum Dep-Office Signs	0.00	22,420.24
Accum Dep-Computer Equipment	6,205.23	14,479.99
Accounts Payable	0.00	0.00
Accounts Payable Amex	0.00	0.00
State Sales Tax Fair Financ-TN	0.00	0.00
Federal Withhold Taxes Payable	0.00	0.00
FICA Payable EE and ER	0.00	0.00
Medicare Payable EE and ER	0.00	0.00
FUTA Payable	0.00	0.00
SUTA Payable	0.00	0.00
Net cash used in Operating Activities	-7,258.31	-94,474.86
Net cash provided by Operating Activities	4,614.63	80,252.00
Cash Flows from Investing Activities		
Furniture & Fixtures	0.00	-374.04
Office Signs	0.00	-22,420.24
Computer Equipment & Software	-6,205.23	-14,479.99
Net cash used in Investing Activities	-6,205.23	-37,274.27
Cash Flows from Financing Activities		
Beginning Balance Equity	0.00	150,409.47
Member's Contribution	15,000.00	30,000.00
Member's Draw	-23,290.00	-208,684.48
Net cash used in Financing Activities	-8,290.00	-28,275.01
Net Increase <Decrease> in Cash	\$ -9,880.60	\$ 14,702.72
Summary Cash		
Cash Balance at the End of Period	14,702.72	14,702.72
Cash Balance at Beginning of Period	24,583.32	0.00
Net Increase <Decrease> in Cash	\$ -9,880.60	\$ 14,702.72

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FAIR FINANCIAL LLC
Income Statement
 From 12/1/99 To 12/31/99

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Revenues				
Title Loan Interest Income	2,268.64	6.05	20,149.66	6.27
Title Loan Admin Income	19,812.86	52.85	186,664.59	58.05
Title Loan Lien Fees Collected	112.00	0.30	2,059.64	0.64
Title Loan Late Fees Collected	2,457.66	6.56	11,340.65	3.53
Title Loan Repo Fee Collected	300.00	0.80	4,380.97	1.36
Title Loan Car Auction Income	2,212.92	5.90	14,197.05	4.42
Title Loan Other Income	0.00	0.00	445.00	0.14
Check Advance Income	9,380.63	25.02	80,660.31	25.08
Phone Card Sales	941.34	2.51	1,409.39	0.44
Phone Service Income	0.00	0.00	245.00	0.08
Total Revenues	<u>37,486.05</u>	<u>100.00</u>	<u>321,552.26</u>	<u>100.00</u>
Cost of Sales				
Title Loan Lien Filing Fees	140.00	0.37	1,303.00	0.41
Title Loan Parts for Repo Car	135.80	0.36	1,009.73	0.31
Title Loan Keys Made	0.00	0.00	25.88	0.01
Title Loan Repo Fees	950.00	2.53	7,889.93	2.45
Title Loan Repo Storage Fees	0.00	0.00	370.00	0.12
Title Loan Written Off	3,663.99	9.77	16,026.78	4.98
Title Loan Written Off Collect	-501.61	-1.34	-11,934.04	-3.71
Advance Fees by Payer Bank	0.00	0.00	132.00	0.04
Check Advances Written Off	2,275.00	6.07	13,314.25	4.14
Written Off Advance Collected	-325.00	-0.87	-4,994.32	-1.55
Phone Card Purchase	421.10	1.12	1,656.95	0.52
Fed Excise Due Not Collected	0.00	0.00	0.00	0.00
Total Cost of Sales	<u>6,759.28</u>	<u>18.03</u>	<u>24,800.16</u>	<u>7.71</u>
Gross Profit	<u>30,726.77</u>	<u>81.97</u>	<u>296,752.10</u>	<u>92.29</u>
Expenses				
Expense	0.00	0.00	0.00	0.00
Accountant Fees	1,400.00	3.73	4,770.00	1.48
Advertising/Promotions	3,365.25	8.98	16,560.08	5.15
Auto Milage & Parking Expense	144.00	0.38	1,289.00	0.40
Bank Fees	123.60	0.33	894.78	0.28
Cash (Over) / Short	230.00	0.61	261.06	0.08
Insurance - Business	728.79	1.94	5,421.45	1.69
Legal Fees	200.00	0.53	2,326.87	0.72
Licenses	595.00	1.59	2,733.49	0.85
Maintenance & Repairs	185.02	0.49	2,575.04	0.80
Office Rent	2,350.00	6.27	27,025.00	8.40

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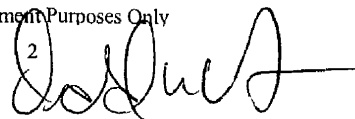


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FAIR FINANCIAL LLC
Income Statement
 From 12/1/99 To 12/31/99

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Office Supplies	1,643.63	4.38	9,558.17	2.97
SEP-IRA Members 1999	0.00	0.00	15,000.00	4.66
Payroll-Hourly Wages	1,800.00	4.80	2,880.00	0.90
Payroll-FICA Employer	111.60	0.30	178.56	0.06
Payroll-FUTA Employer	14.40	0.04	23.04	0.01
Payroll-Medicare Employer	26.10	0.07	41.76	0.01
Payroll-SUTA Employer	48.60	0.13	77.76	0.02
Postage	0.00	0.00	303.33	0.09
Security	119.80	0.32	797.76	0.25
Sales Tax Paid Not Collected	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	110.95	0.03
Telephone	458.69	1.22	6,967.00	2.17
Travel	25.62	0.07	645.02	0.20
Utilities	354.69	0.95	3,183.24	0.99
Dep Exp- Furniture	0.00	0.00	374.04	0.12
Dep Exp- Office Signs	0.00	0.00	11,222.62	3.49
Dep Exp- Computer Equipment	2,200.00	5.87	6,805.22	2.12
Total Expenses	<u><u>16,124.79</u></u>	<u><u>43.02</u></u>	<u><u>122,025.24</u></u>	<u><u>37.95</u></u>
 Net Income	 <u><u>\$ 14,601.98</u></u>	 <u><u>38.95</u></u>	 <u><u>\$ 174,726.86</u></u>	 <u><u>54.34</u></u>

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FINANCIAL STATEMENTS-INCOME TAX

of
FAIR FINANCIAL LLC
For the Period Ended December 31, 1999

See Accompanying Accountant's Compilation Report

JAMES M. BANDY
CERTIFIED PUBLIC ACCOUNTANT
246 WILSON PIKE CIRCLE, P. O. BOX 515
BRENTWOOD, TENNESSEE 37027

PHONE (615) 373-4349

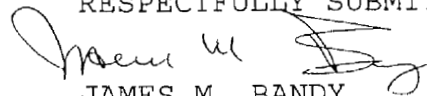
TO THE PARTNERS
FAIR FINANCIAL LLC
BRENTWOOD, TENNESSEE

I HAVE COMPILED THE ACCOMPANYING STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY - INCOME TAX BASIS OF FAIR FINANCIAL LLC (AN LLC PARTNERSHIP) AS OF December 31, 1999, AND THE RELATED STATEMENTS OF REVENUES AND EXPENSES - INCOME TAX BASIS FOR TWO YEARS THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THE FINANCIAL STATEMENTS HAVE BEEN PREPARED ON THE ACCOUNTING BASIS USED BY THE COMPANY FOR INCOME TAX PURPOSES, WHICH IS A COMPREHENSIVE BASIS OF ACCOUNTING OTHER THAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT (THE OWNERS). I HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS (THE OWNERS HAVE) ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES ORDINARILY INCLUDED IN FINANCIAL STATEMENTS PREPARED ON THE INCOME TAX BASIS OF ACCOUNTING. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMPANY'S ASSETS, LIABILITIES, EQUITY, REVENUES, AND EXPENSES. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

RESPECTFULLY SUBMITTED,



JAMES M. BANDY
CERTIFIED PUBLIC ACCOUNTANT

January 6, 2000

FAIR FINANCIAL LLC
STATEMENT-LIABILITIES & EQUITY-INCOME TAX BASIS
December 31, 1999

Liabilities and Equity

Current Liabilities

Equity

CAPITAL	150,409.47
CAPITAL PROVIDED DURING YEAR	30,000.00
MEMBER'S DRAW	(208,684.48)
Current Income (Loss)	<u>174,726.86</u>

Total Equity	<u>146,451.85</u>
--------------	-------------------

Total Liabilities & Equity	\$ <u><u>146,451.85</u></u>
----------------------------	-----------------------------

See Accompanying Accountant's Compilation Report

FAIR FINANCIAL LLC
STATEMENT OF REVENUE & EXPENSES-INCOME TAX BASIS
For the Period Ended December 31, 1999

	<u>12 Months Ended</u> <u>Dec. 31, 1999</u>	<u>Pct</u>
Revenue		
TITLE LOAN INTEREST	\$ 20,149.66	6.27
TITLE LOAN ADMINISTRATIVE FEES	186,664.59	58.05
CHECK ADVANCE FEES	80,660.31	25.08
TITLE LOAN REPO FEE COLLECTED	4,380.97	1.36
REPOD CARS AUCTIONED	14,197.05	4.42
TITLE LOAN LATE FEES	11,340.65	3.53
TITLE LOAN OTHER INCOME	445.00	0.14
TITLE LOAN LIEN FEES COLLECTED	2,059.64	0.64
CELL PHONE SALES	1,409.39	0.44
PHONE SERVICE INCOME	<u>245.00</u>	<u>0.08</u>
Total Revenue	321,552.26	100.00
Cost of Sales		
TITLE LOAN LIEN FILING FEES	1,303.00	0.41
PURCHASES-PARTS FOR REPO CARS	1,009.73	0.31
MAKE KEYS FOR TITLE LOAN AUTOS	25.88	0.01
NSF CHECK RETURNED	13,314.25	4.14
NSF CHECK COLLECTED	(4,994.32)	(1.55)
TITLE LOANS DEFAULTED	16,026.78	4.98
DEFAULTED TITLE LOANS COLLECTED	(11,934.04)	(3.71)
TITLE LOANS REPO FEE	7,889.93	2.45
TITLE LOANS REPO STORAGE FEE	370.00	0.12
ADVANCE FEES BY PAYER BANK	132.00	0.04
CELL PHONE PURCHASE	<u>1,656.95</u>	<u>0.52</u>
Total Cost of Sales	<u>24,800.16</u>	<u>7.71</u>
Gross Profit	296,752.10	92.29
Operating Expenses		
ADVERTISEMENT AND PROMOTION	16,560.08	5.15
AUTO EXPENSE	1,289.00	0.40
BANK CHARGES	894.78	0.28
CASH [OVER] /SHORT	261.06	0.08
DEPRECIATION-SIGNS	18,401.88	5.72
INSURANCE	5,421.45	1.69
LEGAL FEES	2,326.87	0.72
LICENSES	2,733.49	0.85
POSTAGE	303.33	0.09
PROFESSIONAL FEES-ACCOUNTANT	4,770.00	1.48
RENT-OFFICE	27,025.00	8.40
REPAIRS	2,575.04	0.80
SALARIES-OFFICER	2,880.00	0.90
OFFICE SUPPLIES	9,558.17	2.97
SECURITY SERVICES-ADT	797.76	0.25
SEP-IRA MEMBERS	15,000.00	4.66
TAXES - GENERAL	110.95	0.03

See Accompanying Accountant's Compilation Report

	12 Months Ended <u>Dec. 31, 1999</u>	<u>Pct</u>
TAXES - PAYROLL	321.12	0.10
TELEPHONE	6,967.00	2.17
TRAVEL & ENTERTAINMENT	645.02	0.20
UTILITIES	<u>3,183.24</u>	<u>0.99</u>
Total Expenses	<u>122,025.24</u>	<u>37.95</u>
Net Income (Loss)	\$ <u>174,726.86</u>	<u>54.34</u>

See Accompanying Accountant's Compilation Report

FAIR FINANCIAL LLC
 STATEMENT OF REVENUE & EXPENSES-INCOME TAX BASIS
 For the Period Ended December 31, 1999

	12 Months Ended Dec. 31, 1999	Pct	12 Months Ended Dec. 31, 1998	Pct
Revenue				
TITLE LOAN INTEREST \$	20,149.66	6.27	\$ 11,484.05	6.66
TITLE LOAN ADMINISTRATIV	186,664.59	58.05	109,988.79	63.81
CHECK ADVANCE FEES	80,660.31	25.08	36,939.25	21.43
TILTE LOAN REPO FEE COLL	4,380.97	1.36	0.00	0.00
REPOD CARS AUCTIONED	14,197.05	4.42	6,371.67	3.70
TITLE LOAN LATE FEES	11,340.65	3.53	858.43	0.50
TITLE LOAN OTHER INCOME	445.00	0.14	4,627.21	2.68
MISC. INCOME	0.00	0.00	165.00	0.10
TITLE LOAN LIEN FEES COL	2,059.64	0.64	1,716.47	1.00
CELL PHONE SALES	1,409.39	0.44	0.00	0.00
PHONE SERVICE INCOME	245.00	0.08	0.00	0.00
OTHER INCOME	0.00	0.00	230.00	0.13
Total Revenue	321,552.26	100.00	172,380.87	100.00
Cost of Sales				
TITLE LOAN LIEN FILING F	1,303.00	0.41	1,050.00	0.61
PURCHASES-PARTS FOR REPO	1,009.73	0.31	1,609.34	0.93
MAKE KEYS FOR TITLE LOAN	25.88	0.01	83.24	0.05
NSF FEES BY PAYER BANK	0.00	0.00	268.00	0.16
NSF CHECK RETURNED	13,314.25	4.14	8,080.00	4.69
NSF CHECK COLLECTED	(4,994.32)	(1.55)	(4,399.65)	(2.55)
TITLE LOANS DEFAULTED	16,026.78	4.98	15,963.51	9.26
DEFAULTED TITLE LOANS CO	(11,934.04)	(3.71)	(2,982.73)	(1.73)
TITLE LOANS REPO FEE	7,889.93	2.45	4,931.00	2.86
TITLE LOANS REPO STORAGE	370.00	0.12	909.26	0.53
ADVANCE FEES BY PAYER BA	132.00	0.04	0.00	0.00
CELL PHONE PURCHASE	1,656.95	0.52	0.00	0.00
Total Cost of Sales	24,800.16	7.71	25,511.97	14.80
Gross Profit	296,752.10	92.29	146,868.90	85.20
Operating Expenses				
ADVERTISEMENT AND PROMOT	16,560.08	5.15	18,034.95	10.46
AUTO EXPENSE	1,289.00	0.40	1,657.17	0.96
BANK CHARGES	894.78	0.28	129.00	0.07
CASH [OVER] /SHORT	261.06	0.08	107.24	0.06
DEPRECIATION-SIGNS	18,401.88	5.72	0.00	0.00
DEPRECIATION-COMPUTERS	0.00	0.00	5,747.98	3.33
INSURANCE	5,421.45	1.69	1,296.96	0.75
LEGAL FEES	2,326.87	0.72	0.00	0.00
LICENSES	2,733.49	0.85	0.00	0.00
POSTAGE	303.33	0.09	318.64	0.18
PROFESSIONAL FEES-ACCOUN	4,770.00	1.48	2,341.62	1.36
PROFESSIONAL FEES	0.00	0.00	1,050.00	0.61
RENT-OFFICE	27,025.00	8.40	17,025.00	9.88
REPAIRS	2,575.04	0.80	1,206.17	0.70

See Accompanying Accountant's Compilation Report

	12 Months Ended		12 Months Ended	
	<u>Dec. 31, 1999</u>	<u>Pct</u>	<u>Dec. 31, 1998</u>	<u>Pct</u>
SALARIES-OFFICER	2,880.00	0.90	0.00	0.00
OTHER EXPENSES	0.00	0.00	6.00	0.00
OFFICE SUPPLIES	9,558.17	2.97	5,350.46	3.10
SECURITY SERVICES-ADT	797.76	0.25	491.90	0.29
SEP-IRA MEMBERS	15,000.00	4.66	0.00	0.00
TAXES - GENERAL	110.95	0.03	1,520.00	0.88
TAXES - PAYROLL	321.12	0.10	0.00	0.00
TELEPHONE	6,967.00	2.17	4,248.02	2.46
TRAVEL & ENTERTAINMENT	645.02	0.20	630.20	0.37
UTILITIES	3,183.24	0.99	1,591.49	0.92
Total Expenses	<u>122,025.24</u>	<u>37.95</u>	<u>62,752.80</u>	<u>36.40</u>
Net Income (Loss) \$	<u>174,726.86</u>	<u>54.34</u>	<u>\$ 84,116.10</u>	<u>48.80</u>

See Accompanying Accountant's Compilation Report

U.S. Partnership Return of Income

Department of the Treasury
Internal Revenue Service

For calendar year 1999, or tax year beg. _____, 1999, & ending _____

1999

▶ See separate instructions.

A Principal busn. activity
LOANS

B Principal product/service
LOANS

C Business code number
522291

Use the IRS label. Otherwise, please print or type.

Name of partnership, Number, street, and room or suite no., City or town, state, and ZIP code

FAIR FINANCIAL LLC
404 GALLATIN ROAD NORTH
MADISON, TN 37115

D Employer ID number
62-1709870

E Date business started
10/01/97

F Total assets (see instructions)
\$ **146,452.**

COPY

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during tax year ▶ **3**

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	321,552.		
	b Less returns and allowances	1b		1c	321,552.
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	321,552.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 18			6	
	7 Other income (loss) (attach schedule)			7	
8 Total income (loss). Combine lines 3 through 7			8	321,552.	
Deductions <small>(see instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)			9	2,880.
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	2,577.
	12 Bad debts			12	
	13 Rent			13	27,025.
	14 Taxes and licenses			14	3,165.
	15 Interest			15	
	16a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
19 Employee benefit programs			19		
20 Other deductions (attach schedule)			20	77,777.	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	113,424.	
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8			22	208,128.	

Please Sign Here

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

Signature of general partner or limited liability company member _____ Date _____

Paid Preparer's Use Only

Preparer's signature ▶	Date 02/23/00	Check if self-employed ▶ <input checked="" type="checkbox"/>	Preparer's SSN or PTIN 414-54-5574
Firm's name (or yours if self-employed) & address ▶	EIN ▶		62-0727178
JAMES M BANDY CPA P O BOX 515 BRENTWOOD, TN	ZIP code ▶		37024-0515

For Paperwork Reduction Act Notice, see separate instructions.

Schedule A Cost of Goods Sold (see instructions)

1 Inventory at beginning of year	1	
2 Purchases less cost of items withdrawn for personal use	2	
3 Cost of labor	3	
4 Additional section 263A costs (attach schedule)	4	
5 Other costs (attach schedule)	5	
6 Total. Add lines 1 through 5	6	
7 Inventory at end of year	7	
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

(i) Cost as described in Regulations section 1.471-3

(ii) Lower of cost or market as described in Regulations section 1.471-4

(iii) Other (specify method used and attach explanation) ▶ _____

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c). Yes No

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) Yes No

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No

If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> General partnership		
b <input type="checkbox"/> Limited partnership		
c <input checked="" type="checkbox"/> Limited liability company		
d <input type="checkbox"/> Limited liability partnership		
e <input type="checkbox"/> Other ▶ _____		
2 Are any partners in this partnership also partnerships?		X
3 Is this partnership a partner in another partnership?		X
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below.		X
5 Does this partnership meet ALL THREE of the following requirements?		
a The partnership's total receipts for the tax year were less than \$250,000;		
b The partnership's total assets at the end of the tax year were less than \$600,000; AND		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1		X
6 Does this partnership have any foreign partners?		X
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 Has this partnership filed, or is it required to file, Form 8264 , Application for Registration of a Tax Shelter?		X
9 At any time during calendar year 1999, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶ _____		X
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See the instructions.		X
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership in the instructions.		X

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ **DONALD M ESTEP** Identifying number of TMP ▶ **517-50-5790**

Address of designated TMP ▶ **224 SPY GLASS WAY**
HENDERSONVILLE, TN 37075

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

Table with columns (a) Distributive share items and (b) Total amount. Rows include Income (Loss), Deductions, Credits, Investment Interest, Self-Employment, Adjustments and Tax Preference Items, Foreign Taxes, and Other. Total amount for Income (Loss) is 208,128 and for Other is 223,684.

Analysis of Net Income (Loss)

1	Net income (loss) Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17e, and 18b.					1	189,726.
2	Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a	General partners		189,726.				
b	Limited partners						

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		94,373.		14,703.
2a Trade notes and accounts receivable	64,951.		130,534.	
b Less allowance for bad debts		64,951.		130,534.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)		370.		1,215.
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets	18,873.		37,274.	
b Less accumulated depreciation	18,873.		37,274.	
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets		159,694.		146,452.
Liabilities and Capital				
15 Accounts payable		9,284.		
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		150,410.		146,452.
22 Total liabilities and capital		159,694.		146,452.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (Not required if Question 5 on Schedule B is answered "Yes." See instructions.)

1	Net income (loss) per books	189,726.	6	Income recorded on books this year not included on Sch. K, lines 1-7 (itemize):	
2	Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year:		a	Tax-exempt int. \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Sch. K, lines 1 through 11, 14a, 17e, & 18b, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17e, and 18b (itemize):		a	Depr. \$	
a	Depreciation \$		8	Add lines 6 and 7	
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	189,726.
5	Add lines 1 through 4	189,726.			

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1	Balance at beginning of year	150,410.	6	Distributions: a Cash	223,684.
2	Capital contributed during year	30,000.	b	Property	
3	Net income (loss) per books	189,726.	7	Other decreases:	
4	Other increases:		8	Add lines 6 and 7	223,684.
5	Add lines 1 through 4	370,136.	9	Balance at end of year. Subtract line 8 from line 5	146,452.

Form 1065	Worksheet for Figuring Net Earnings (Loss) From Self-Employment	For Tax Year 1999
Name as shown on Form 1065 FAIR FINANCIAL LLC		Employer Identification Number 62-1709870
<p>1a Ordinary income (loss) (Schedule K, line 1)</p> <p>b Net income (loss) from CERTAIN rental real estate activities (see instructions)</p> <p>c Net income (loss) from other rental activities (Schedule K, line 3c)</p> <p>d Net loss from Form 4797, Part II, line 18, included on line 1a above Enter as a positive amount</p> <p>e Combine lines 1a through 1d</p> <p>2 Net gain from Form 4797, Part II, line 18, included on line 1a above</p> <p>3a Subtract line 2 from line 1e. If line 1e is a loss, increase the loss on line 1e by the amount on line 2.</p> <p>b Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs.</p> <p>c Subtract line 3b from line 3a. If line 3a is a loss, reduce the loss on 3a by the amount on line 3b. Include each individual general partner's share on line 15a of Schedule K-1.</p> <p>4a Guaranteed payments to partners (Schedule K, line 5) derived from a trade or business as defined in section 1402(c) (see instructions)</p> <p>b Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs.</p> <p>c Subtract line 4b from line 4a. Include each individual general partner's share and each individual limited partner's share on line 15a of Schedule K-1</p> <p>5 Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 15a</p>	<p>1a</p> <p>b</p> <p>c</p> <p>d</p> <p>e</p> <p>2</p> <p>3a</p> <p>b</p> <p>c</p> <p>4a</p> <p>b</p> <p>c</p> <p>5</p>	<p>208,128.</p> <p></p> <p></p> <p></p> <p>208,128.</p> <p></p> <p>208,128.</p> <p></p> <p>208,128.</p> <p></p> <p></p> <p></p> <p></p> <p>208,128.</p>

Depreciation and Amortization (Including Information on Listed Property)

1999

Attachment Sequence No. 67

Department of the Treasury Internal Revenue Service (99)

See separate instructions. Attach this form to your return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

FAIR FINANCIAL LLC

Form 1065 Line 16a

62-1709870

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

Table with 5 columns: Line number, Description, Amount, and Total. Rows include Maximum dollar limitation, Total cost of section 179 property, Threshold cost, Reduction in limitation, Dollar limitation for tax year, and various deduction lines (7-13).

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

Part II MACRS Depreciation for Assets Placed in Service ONLY During Your 1999 Tax Year (Do Not Include Listed Property.)

Section A -- General Asset Account Election

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

Section B -- General Depreciation System (GDS) (See the instructions.)

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depr, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year through 25-year property, Residential rental property, and Nonresidential real property.

Section C -- Alternative Depreciation System (ADS) (See the instructions.)

Table with 7 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depr, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 12-year and 40-year class life.

Part III Other Depreciation (Do Not Include Listed Property.) (See the instructions.)

Table with 2 columns: Line number and Amount. Rows include GDS and ADS deductions for assets placed in service in tax years beginning before 1999, Property subject to section 168(f)(1) election, and ACRS and other depreciation.

Part IV Summary (See the instructions.)

Table with 2 columns: Line number and Amount. Rows include Listed property, Total, and Portion of the basis attributable to section 263A costs.

For Paperwork Reduction Act Notice, see the instructions.

Supplemental Schedules
 Company: FAIR FINANCIAL LLC

1999
 EIN: 62-1709870

Form 4562 Asset Listing, Form 1065 Line 16a

Asset #	Description	T	Acq. Date	Pct. Used	Inv Cr.	Cost Basis	Depr Method	Conv	Est Life	Prior Depr.	Sec 179	1999 Depr
1	SIGNS	N	10/01/97	100%	N	11,198	MACRS DDB	HY	7	0	11,198	0
2	COMPUTER	N	10/01/97	100%	N	1,927	MACRS DDB	HY	5	0	1,927	0
3	COMPUTER	N	10/01/98	100%	N	5,748	MACRS DDB	HY	5	0	5,748	0
4	SIGNS	N	10/01/99	100%	N	11,223	MACRS DDB	HY	5	0	11,223	0
5	COMPUTER	N	10/01/99	100%	N	6,805	MACRS DDB	HY	5	0	6,805	0
6	FURNITURE	N	10/01/99	100%	N	374	MACRS DDB	HY	7	0	374	0
Prior Year Totals										0	18,873	
Current Year Totals						37,275					18,402	0

Supplemental Schedules
Company: FAIR FINANCIAL LLC

1999
EIN: 62-1709870

Form 4562 Schedules, Form 1065 Line 16a
Part I - Election to expense under Section 179

Description	Date in Service	Cost	Deduction
SIGNS	10/01/99	11,223.	11,223.
COMPUTER	10/01/99	6,805.	6,805.
FURNITURE	10/01/99	374.	374.
Total		18,402.	18,402.

Supplemental Schedules
 Company: FAIR FINANCIAL LLC

1999
 EIN: 62-1709870

Next Year Depreciation Asset Listing, Form 1065 Line 16a

Asset # Description	T	Acq. Date	Pct. Used	Inv Cr.	Cost Basis	Depr Method	Conv	Est Life	Prior Depr.	Sec 179	2000 Depr
1 SIGNS	N	10/01/97	100%	N	11,198	MACRS DDB	HY	7	0	11,198	0
2 COMPUTER	N	10/01/97	100%	N	1,927	MACRS DDB	HY	5	0	1,927	0
3 COMPUTER	N	10/01/98	100%	N	5,748	MACRS DDB	HY	5	0	5,748	0
4 SIGNS	N	10/01/99	100%	N	11,223	MACRS DDB	HY	5	0	11,223	0
5 COMPUTER	N	10/01/99	100%	N	6,805	MACRS DDB	HY	5	0	6,805	0
6 FURNITURE	N	10/01/99	100%	N	374	MACRS DDB	HY	7	0	374	0
Prior Year Totals									0	37,275	
Current Year Totals										0	0

Form 1065 - Deductions, Line 14
Taxes & Licenses

Description	Amount
GENERAL	2,844.
PAYROLL	321.
TOTAL	3,165.

Form 1065 - Deductions, Line 20
Other Deductions

Description	Amount
ADVERTISEMENT	16,560.
LIEN FILING FEES	1,303.
PARTS FOR REPO CARS	1,010.
KEYS	26.
NSF CHECK COLLECTED	8,320.
TITLE LOANS REPO STORAGE FEE	370.
TITLE LOANS REPO FEE	7,890.
ADVANCE FEES BY PAYER BANK	132.
TITLE LOANS DEFAULTED	4,092.
CELL PHONES	1,657.
AUTO	1,289.
BANK CHARGES	895.
CASH OVER	261.
INSURANCE	5,421.
LEGAL FEES	2,327.
POSTAGE	303.
PROFESSIONAL FEES	4,770.
OFFICE SUPPLIES	9,558.
SECURITY	798.
TELEPHONE	6,967.
TRAVEL	645.
UTILITIES	3,183.
TOTAL	77,777.

Form 1065 - Schedule L, Line 6
Other Current Assets

Description	Beginning	Ending
DEPOSITS	370.	1,215.
TOTAL	370.	1,215.

Form 1065 - Schedule M-2, Line 7
Other Decreases

Description	Amount
179	

EXHIBIT 7

2000 FINANCIAL STATEMENTS

Balance Sheet

As Of Date 12/31/00

Assets

Current Assets

Cash in Office	11,118.30
AM South Bank Checking	9,190.49
Title Loan Account Receivable	97,574.55
Advance Account Receivable	22,667.24
Prepaid Security Deposits	40.00
Prepaid BellSouth CLEC Deposit	10,000.00

Total Current Assets **150,590.58**

Fixed Assets

Furniture & Fixtures	374.04
Office Signs	36,478.02
Computer Equipment & Software	18,922.21
Accum Dep-Furniture & Fixtures	-374.04
Accum Dep-Office Signs	-36,478.02
Accum Dep-Computer Equipment	-18,922.21

Total Fixed Assets **0.00**

Total Assets **\$ 150,590.58**

Liabilities and Capital

Current Liabilities

State Sales Tax Fair Financ-TN	0.00
SUTA Payable	0.00

Total Current Liabilities **0.00**

Total Liabilities **0.00**

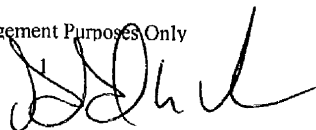
Capital

Beginning Balance Equity	150,409.47
Member's Equity	-3,957.62
Member's Draw	-177,291.01
Net Income	181,429.74

Total Capital **150,590.58**

Total Liabilities and Capital **\$ 150,590.58**

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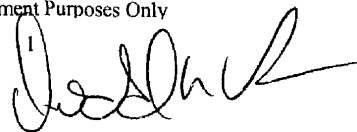


FAIR FINANCIAL LLC
Statement of Cash Flow

From 12/1/00 To 12/31/00

	Reporting Period	Year to Date
Cash Flows from Operating Activities		
Net Income	17,648.90	181,429.74
Adjustments to reconcile net income to net cash provided by Operating Activities		
Accounts Receivable	0.00	0.00
Title Loan Account Receivable	-2,121.18	2,184.58
Advance Account Receivable	163.85	8,107.76
Prepaid Security Deposits	1,500.00	1,175.00
Prepaid BellSouth CLEC Deposit	0.00	-10,000.00
Accum Dep-Office Signs	0.00	14,057.78
Accum Dep-Computer Equipment	0.00	4,442.22
Accounts Payable	0.00	0.00
Federal Excise Tax Payable	-375.03	0.00
State Sales Tax Fair Financ-TN	-100.34	0.00
MidState Sales Tax Payable	-849.35	0.00
Federal Withhold Taxes Payable	-209.44	0.00
FICA Payable EE and ER	-198.40	0.00
Medicare Payable EE and ER	-46.40	0.00
FUTA Payable	-78.61	0.00
SUTA Payable	0.00	0.00
Net cash used in Operating Activities	-2,314.90	19,967.34
Net cash provided by Operating Activities	15,334.00	201,397.08
Cash Flows from Investing Activities		
Office Signs	0.00	-14,057.78
Computer Equipment & Software	0.00	-4,442.22
Net cash used in Investing Activities	0.00	-18,500.00
Cash Flows from Financing Activities		
Member's Draw	-19,100.00	-177,291.01
Rounding	0.00	0.00
Net cash used in Financing Activities	-19,100.00	-177,291.01
Net Increase <Decrease> in Cash	\$ -3,766.00	\$ 5,606.07
Summary Cash		
Cash Balance at the End of Period	20,308.79	20,308.79
Cash Balance at Beginning of Period	24,074.79	14,702.72
Net Increase <Decrease> in Cash	\$ -3,766.00	\$ 5,606.07

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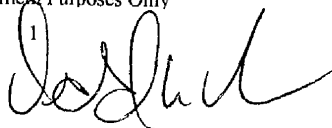


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FAIR FINANCIAL LLC
Income Statement
 From 12/1/00 To 12/31/00

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Revenues				
Misc Income	-350.79	-0.82	25.00	0.01
Title Loan Interest Income	2,365.61	5.55	25,893.36	5.52
Title Loan Admin Income	18,741.49	43.98	231,372.76	49.34
Title Loan Lien Fees Collected	109.32	0.26	1,423.34	0.30
Title Loan Late Fees Collected	603.54	1.42	18,964.96	4.04
Title Loan Repo Fee Collected	420.22	0.99	5,021.39	1.07
Title Loan Other Income	0.00	0.00	0.00	0.00
Check Advance Income	7,344.01	17.23	94,446.92	20.14
MidState Tenn Income	11,374.51	26.69	75,206.18	16.04
MidState Kentucky Income	1,974.27	4.63	15,129.51	3.23
MidState New Customer Discount	0.00	0.00	0.00	0.00
Phone Card Sales	30.00	0.07	1,436.35	0.31
Total Revenues	42,612.18	100.00	468,919.77	100.00
Cost of Sales				
Cost of Sales	0.00	0.00	0.00	0.00
Title Loan Lien Filing Fees	105.00	0.25	939.00	0.20
Title Loan Parts for Repo Car	5.00	0.01	573.88	0.12
Title Loan Keys Made	0.00	0.00	92.27	0.02
Title Loan Repo Fees	540.00	1.27	6,423.15	1.37
Title Loan Repo Storage Fees	0.00	0.00	270.00	0.06
Title Loan Written Off	3,974.96	9.33	16,715.22	3.56
Title Loan Written Off Collect	-1,415.66	-3.32	-7,706.94	-1.64
MoneyGram Payments Returned	0.00	0.00	0.00	0.00
Advance Fees by Payer Bank	10.00	0.02	167.00	0.04
Check Advances Written Off	940.00	2.21	26,096.41	5.57
Title Loan Check Written Off	725.00	1.70	1,330.00	0.28
Written Off Advance Collected	-777.65	-1.82	-11,254.96	-2.40
Title Loan Check Collected	-555.00	-1.30	-1,150.00	-0.25
BellSouth COS Tennessee	6,161.09	14.46	48,132.40	10.26
BellSouth COS Kentucky	1,019.23	2.39	9,831.45	2.10
Refund Phone Service	0.00	0.00	225.50	0.05
Kentucky LifeLine Fees	4.00	0.01	10.03	0.00
MoneyGram Fees Paid	996.25	2.34	3,185.50	0.68
Phone Card Purchase	0.00	0.00	1,899.00	0.40
Fed Excise Due Not Collected	0.02	0.00	52.00	0.01
TN Sales Tax Due Not Collected	15.70	0.04	15.70	0.00
Total Cost of Sales	11,747.94	27.57	95,846.61	20.44
Gross Profit	30,864.24	72.43	373,073.16	79.56
Expenses				

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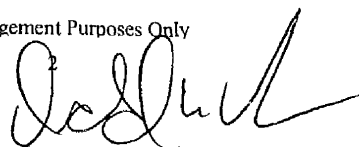
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FAIR FINANCIAL LLC
Income Statement
 From 12/1/00 To 12/31/00

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Expense	0.00	0.00	0.00	0.00
Accountant Fees	1,000.00	2.35	1,645.00	0.35
Contract Services	0.00	0.00	366.00	0.08
Advertising/Promotions	1,199.00	2.81	31,891.28	6.80
Auto Milage & Parking Expense	105.90	0.25	986.90	0.21
Bank Fees	0.00	0.00	32.10	0.01
Contributions	0.00	0.00	20.00	0.00
Cash (Over) / Short	-120.56	-0.28	-1,120.26	-0.24
Insurance - Business	710.96	1.67	8,968.07	1.91
Legal Fees	0.00	0.00	13.00	0.00
Licenses	35.00	0.08	2,369.71	0.51
Maintenance & Repairs	275.97	0.65	4,292.56	0.92
Office Rent	4,700.00	11.03	37,518.30	8.00
Office Supplies	858.71	2.02	9,235.08	1.97
SEP-IRA Members 1999	0.00	0.00	8,200.00	1.75
SEP-IRA Members 2000	0.00	0.00	20,000.00	4.27
Payroll-Hourly Wages	2,800.00	6.57	22,046.25	4.70
Payroll-Salaried Wages	0.00	0.00	2,551.20	0.54
Payroll-FICA Employer	173.60	0.41	1,525.03	0.33
Payroll-FUTA Employer	0.01	0.00	78.62	0.02
Payroll-Medicare Employer	40.60	0.10	356.73	0.08
Payroll-SUTA Employer	0.00	0.00	350.93	0.07
Postage	107.30	0.25	875.97	0.19
Security	61.94	0.15	1,019.28	0.22
Sales Tax Paid Not Collected	0.00	0.00	0.00	0.00
Telephone	867.21	2.04	12,676.92	2.70
Travel	0.00	0.00	2,282.78	0.49
Utilities	399.70	0.94	4,961.97	1.06
Dep Exp- Office Signs	0.00	0.00	14,057.78	3.00
Dep Exp- Computer Equipment	0.00	0.00	4,442.22	0.95
Total Expenses	13,215.34	31.01	191,643.42	40.87
Net Income	\$ 17,648.90	41.42	\$ 181,429.74	38.69

For Management Purposes Only



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FAIR FINANCIAL, LLC

COMPILED FINANCIAL STATEMENTS

DECEMBER 31, 2000



**Bumpus, Hall, Myatt,
Thomason & Emery, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

FAIR FINANCIAL, LLC

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Statement of revenue, expenses and members' equity - income tax basis	2



**Bumpus, Hall, Myatt,
Thomason & Emery, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

3011 ARMORY DRIVE
SUITE 190
NASHVILLE, TENNESSEE 37204

TEL 615 665-1811
FAX 615 665-1829

March 9, 2001

To the Members
Fair Financial, LLC
Madison, Tennessee

ACCOUNTANTS' COMPILATION REPORT

We have compiled the accompanying statement of assets, liabilities and members' equity – income tax basis of Fair Financial, LLC as of December 31, 2000, and the related statement of revenues, expenses and members' equity – income tax basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the basis of accounting used by the Company for income tax purposes, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, members' equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Bumpus, Hall, Myatt, Thomason & Emery, P.C.

FAIR FINANCIAL, LLC

STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY -
INCOME TAX BASIS

DECEMBER 31, 2000

ASSETS

Current assets		
Cash	\$ 20,323	
Loans receivable	<u>120,242</u>	
Total current assets		\$140,565
Property and equipment	55,774	
<u>Less - Accumulated depreciation</u>	<u>55,774</u>	-
Deposits		<u>10,040</u>
		<u>\$150,605</u>

LIABILITIES AND MEMBERS' EQUITY

Current liabilities - accrued pension	\$ 6,480
Members' equity	<u>144,125</u>
	<u>\$150,605</u>

(See accountants' compilation report)

FAIR FINANCIAL, LLC

STATEMENT OF REVENUE, EXPENSES AND MEMBERS' EQUITY -
INCOME TAX BASIS

FOR THE YEAR ENDED DECEMBER 31, 2000

Revenues:		
Title loans	\$282,676	
Check advances	94,447	
Miscellaneous	<u>1,461</u>	\$378,584
Telephone sales		
Tennessee	75,206	
Kentucky	<u>15,130</u>	90,336
Total revenues		<u>468,920</u>
Cost of sales:		
Title loans	17,487	
Check advances	15,008	
Telephone-Tennessee	48,132	
Telephone-Kentucky	9,831	
Refund phone service	225	
Kentucky Life Line fees	10	
Miscellaneous	<u>5,138</u>	95,831
Gross profit		<u>373,089</u>
Operating expenses:		
Wages	24,597	
Payroll taxes	2,311	
Pension plan	26,480	
Rent	37,518	
Advertising/Promotion	31,891	
Depreciation	18,500	
Insurance	8,968	
License fees	2,370	
Miscellaneous	908	
Office supplies	10,143	
Professional fees	2,024	
Repairs & maintenance	4,293	
Telephone	12,677	
Travel	2,283	
Utilities	<u>4,962</u>	189,925
Net income		183,164
Members' equity:		
Beginning of year		146,452
Distributions		(<u>185,491</u>)
End of year		<u>\$144,125</u>

(See accountants' compilation report)

1065

U.S. Return of Partnership Income

OMB No 1545-0099

Form Department of the Treasury Internal Revenue Service

For calendar year 2000, or tax year beginning 2000, and ending

2000

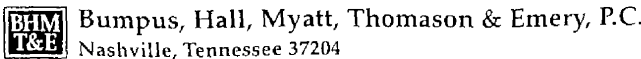
Header section containing: A Principal business activity (LOANS), B Principal product or service (LOANS), C Business code number (531120), Name of partnership (FAIR FINANCIAL LLC), Employer identification number (62-1709870), Date business started (10/01/1997), Total assets (\$ 150,605.), and checkboxes for initial/final return, accounting method (Cash), and number of Schedules K-1 (3).

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Main table with 22 rows. Rows 1-8: Income (Gross receipts, Less returns, Cost of goods sold, Gross profit, Ordinary income, Net farm profit, Net gain, Total income). Rows 9-21: Deductions (Salaries, Guaranteed payments, Repairs, Bad debts, Rent, Taxes, Interest, Depreciation, Depletion, Retirement, Employee benefit, Other deductions, Total deductions). Row 22: Ordinary income (loss) from trade or business activities.

TAXPAYER'S COPY

Signature and Preparer's Information section. Includes 'Sign Here' area, 'Paid Preparer's Use Only' section with signature of Samuel M. Bumpus, date 2/9/01, and firm information: BUMPUS HALL MYATT THOMASON & EMERY, PC, 3011 ARMORY DRIVE, SUITE 190, NASHVILLE, TN 37204.



Schedule A Cost of Goods Sold (see page 17 of the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9 a Check all methods used for valuing closing inventory:

(i) Cost as described in Regulations section 1.471-3

(ii) Lower of cost or market as described in Regulations section 1.471-4

(iii) Other (specify method used and attach explanation) ▶ _____

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No

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

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> Domestic general partnership		
b <input type="checkbox"/> Domestic limited partnership		
c <input checked="" type="checkbox"/> Domestic limited liability company		
d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership		
f <input type="checkbox"/> Other ▶ _____		
2 Are any partners in this partnership also partnerships?		X
3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		X
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		X
5 Does this partnership meet all three of the following requirements?		
a The partnership's total receipts for the tax year were less than \$250,000;		
b The partnership's total assets at the end of the tax year were less than \$600,000; and		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1		X
6 Does this partnership have any foreign partners?		X
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9 At any time during the calendar year 2000, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 19 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country. ▶ _____		X
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 19 of the instructions		X
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 7 of the instructions		X
12 Enter the number of Forms 8865 attached to this return ▶ _____		

Designation of Tax Matters Partner (see page 19 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ **DONALD M ESTEP** Identifying number of TMP ▶ **517-50-5790**

Address of designated TMP ▶ **224 SPY GLASS WAY**
HENDERSONVILLE, TN 37075

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

(a) Distributive share items		(b) Total amount	
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 22)	1	228,164.
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3 a Gross income from other rental activities	3a	
	b Expenses from other rental activities (attach schedule)	3b	
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4 Portfolio income (loss): a Interest income	4a	
	b Ordinary dividends	4b	
	c Royalty income	4c	
	d Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d	
	e Net long-term capital gain (loss) (attach Schedule D (Form 1065)):		
	(1) 28% rate gain (loss) ▶		
	(2) Total for year ▶	4e(2)	
	f Other portfolio income (loss) (attach schedule)	4f	
5 Guaranteed payments to partners	5	5,812.	
6 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6		
7 Other income (loss) (attach schedule)	7		
Deductions	8 Charitable contributions (attach schedule) SEE STATEMENT 3	8	20.
	9 Section 179 expense deduction (attach Form 4562)	9	18,500.
	10 Deductions related to portfolio income (itemize)	10	
	11 Other deductions (attach schedule) SEE STATEMENT 4	11	32,292.
Credits	12 a Low-income housing credit:		
	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12a(1)	
	(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12a(3)	
	(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	
	b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
13 Other credits	13		
Investment Interest	14 a Interest expense on investment debts	14a	
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	14b(1)	
	(2) Investment expenses included on line 10 above	14b(2)	
Self-Employment	15 a Net earnings (loss) from self-employment	15a	233,976.
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	468,920.
Adjustments and Tax Preference Items	16 a Depreciation adjustment on property placed in service after 1986	16a	
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	16d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)	
	e Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17 a Name of foreign country or U.S. possession ▶		
	b Gross income sourced at partner level	17b	
	c Foreign gross income sourced at partnership level:		
	(1) Passive ▶ (2) Listed categories (attach sch) ▶ (3) General limitation ▶	17c(3)	
	d Deductions allocated and apportioned at partner level:		
	(1) Interest expense ▶ (2) Other ▶	17d(2)	
	e Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive ▶ (2) Listed categories (attach sch) ▶ (3) General limitation ▶	17e(3)	
f Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	17f		
g Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g		
Other	18 Section 59(e)(2) expenditures: a Type ▶ b Amount ▶	18b	
	19 Tax-exempt interest income	19	
	20 Other tax-exempt income	20	
	21 Nondeductible expenses	21	
	22 Distributions of money (cash and marketable securities)	22	185,491.
	23 Distributions of property other than money	23	
	24 Other items and amounts required to be reported separately to partners (attach schedule)		

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17f, and 18b						1	183,164.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners		183,164.					

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		14,703.		20,323.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STATEMENT 5	131,749.		130,282.
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets	37,274.		55,774.	
b Less accumulated depreciation	37,274.		55,774.	
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets		146,452.		150,605.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)	STATEMENT 6			6,480.
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		146,452.		144,125.
22 Total liabilities and capital		146,452.		150,605.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

(Not required if Question 5 on Schedule B is answered "Yes." See page 30 of the instructions.)

1 Net income (loss) per books	183,164.	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17f, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17f, and 18b (itemize):		a Depreciation \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	183,164.
5 Add lines 1 through 4	183,164.		

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1 Balance at beginning of year	146,452.	6 Distributions: a Cash	185,491.
2 Capital contributed during year		b Property	
3 Net income (loss) per books	183,164.	7 Other decreases (itemize):	
4 Other increases (itemize):		8 Add lines 6 and 7	185,491.
5 Add lines 1 through 4	329,616.	9 Balance at end of year Subtract line 8 from line 5	144,125.

Depreciation and Amortization
 (Including Information on Listed Property) OTHER 1

▶ See separate instructions. ▶ Attach this form to your return.

Name(s) shown on return: **FAIR FINANCIAL LLC**
 Business or activity to which this form relates: _____
 Identifying number: **62-1709870**

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

1	Maximum dollar limitation. If an enterprise zone business, see instructions	1	20,000.
2	Total cost of section 179 property placed in service. See instructions	2	18,500.
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	20,000.

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	SIGNS	14,058.	14,058.
	COMPUTER	4,442.	4,442.

7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	18,500.
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	18,500.
10	Carryover of disallowed deduction from 1999	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	20,000.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	18,500.
13	Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12	13	

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

Part II MACRS Depreciation For Assets Placed in Service Only During Your 2000 Tax Year (Do not include listed property)

Section A - General Asset Account Election

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

Section B - General Depreciation System (GDS) (See instructions.)

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

Section C - Alternative Depreciation System (ADS) (See instructions)

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

Part III Other Depreciation (Do not include listed property.) (See instructions.)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	

Part IV Summary (See instructions.)

20	Listed property. Enter amount from line 26	20	
21	Total. Add deductions from line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles)

23a Do you have evidence to support the business/investment use claimed? Yes No 23b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
24 Property used more than 50% in a qualified business use									
		%							
		%							
		%							
25 Property used 50% or less in a qualified business use:									
		%				S/L -			
		%				S/L -			
		%				S/L -			
26 Add amounts in column (h) Enter the total here and on line 20, page 1							26		
27 Add amounts in column (i) Enter the total here and on line 7, page 1								27	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 2000 tax year:					
41 Amortization of costs that began before 2000					41
42 Total. Add amounts in column (f) See instructions for where to report					42

FORM 1065	TAX EXPENSE	STATEMENT	1
DESCRIPTION		AMOUNT	
PAYROLL TAXES		2,311.	
TAXES AND LICENSES		2,438.	
TOTAL TO FORM 1065, LINE 14		4,749.	

FORM 1065	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION		AMOUNT	
LIEN FILING FEES		939.	
PARTS FOR REPO CAR		574.	
KEYS MADE		92.	
REPO FEES		6,423.	
REPO STORAGE FEES		270.	
UNCOLLECTED ADVANCES		24,029.	
ADVANCE FEES BY PAYER BANK		167.	
TELEPHONE SERVICE PURCHASED AND RESOLD		57,964.	
REFUND PHONE SERVICE		226.	
MONEYGRAM FEES PAID		3,172.	
PHONE CARD PURCHASE		1,899.	
LEGAL AND ACCOUNTING		1,658.	
CONTRACT SERVICES		366.	
AUTO		987.	
INSURANCE - MEDICAL		3,156.	
CASH OVER		<1,120.>	
MISCELLANEOUS		42.	
OFFICE SUPPLIES		9,235.	
POSTAGE		876.	
SECURITY		1,019.	
TELEPHONE		12,677.	
TRAVEL		2,283.	
UTILITIES		4,962.	
ADVERTISING		31,891.	
TOTAL TO FORM 1065, LINE 20		163,787.	

SCHEDULE K		CHARITABLE CONTRIBUTIONS		STATEMENT	3
DESCRIPTION	50% LIMIT	30% LIMIT	20% LIMIT		
CHARITABLE CONTRIBUTIONS	20.				
TOTALS TO SCHEDULE K, LINE 8	20.				

SCHEDULE K		OTHER DEDUCTIONS		STATEMENT	4
DESCRIPTION				AMOUNT	
HEALTH INSURANCE PREMIUMS				5,812.	
SEP CONTRIBUTION				26,480.	
TOTAL TO SCHEDULE K, LINE 11				32,292.	

SCHEDULE L		OTHER CURRENT ASSETS		STATEMENT	5
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR			
ADVANCES	130,534.	120,242.			
DEPOSITS	1,215.	10,040.			
TOTAL TO SCHEDULE L, LINE 6	131,749.	130,282.			

SCHEDULE L		OTHER CURRENT LIABILITIES		STATEMENT	6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR			
ACCRUED SEP CONTRIBUTION		6,480.			
TOTAL TO SCHEDULE L, LINE 17		6,480.			

EXHIBIT 8

EXPLANATION OF FINANCIAL
CAPABILITY

WRITTEN EXPLANATION THAT THE APPLICANT HAS SUFFICIENT CAPABILITY

FAIR FINANCIAL LLC was formed as a family owned and operated Tennessee Limited Liability Company in 1997. The Company was originally funded by contributions from the Members. The Company is and always has been debt free. The Company has been profitable and cash flow positive since 1998.

The Company pays all its bills within 7 days of receipt of invoice. The only exception to the Company accounts payable procedure has been for the payment of the signs on the Company's parking lot. The Company paid 50% of the cost of the sign upon signing the order for the production of the sign and the remainder upon invoicing after installation.

The Company will not assume debt to expand its operation. All growth must be funded by the income and cash flow of the existing operations. As a result of the Company's commitment to debt free expansion the projected customer growth is very conservative. The Company will not "buy market share". Growth will be gradual and profitable.

The Applicant's financial ability to provide telecommunications service is derived from the earning and positive cash flow generated by the existing Applicant's operations. The financial statements for the prior three years, included with this filing, clearly demonstrate the Company's profitable growth. The proforma financial statements for 2001, 2002 and 2003, included with this filing, demonstrate the Applicants ability to fund the telecommunications business without assuming any debt.

EXHIBIT 9

YEAR TO DATE AS OF AUGUST 31, 2001
FINANCIAL STATEMENTS

Balance Sheet

As Of Date 8/31/01

Assets**Current Assets**

Cash in Office	4,206.57
AM South Bank Checking	13,642.68
Title Loan Account Receivable	75,710.64
Advance Account Receivable	17,388.92
Prepaid Security Deposits	40.00
Prepaid BellSouth CLEC Deposit	10,000.00
Southwestern Bell CLEC Deposit	17,000.00

Total Current Assets**137,988.81****Fixed Assets**

Furniture & Fixtures	374.04
Office Signs	36,478.02
Computer Equipment & Software	18,922.21
Accum Dep-Furniture & Fixtures	-374.04
Accum Dep-Office Signs	-36,478.02
Accum Dep-Computer Equipment	-18,922.21

Total Fixed Assets**0.00****Total Assets****\$ 137,988.81****Liabilities and Capital****Current Liabilities**

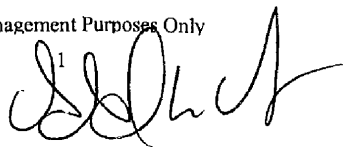
State Sales Tax Fair Financ-TN	0.00
SUTA Payable	0.00

Total Current Liabilities**0.00****Total Liabilities****0.00****Capital**

Beginning Balance Equity	150,409.47
Member's Equity	181.11
Member's Draw	-163,529.03
Net Income	150,927.26

Total Capital**137,988.81****Total Liabilities and Capital****\$ 137,988.81**

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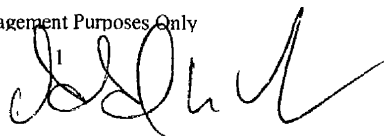
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FAIR FINANCIAL LLC
Statement of Cash Flow

From 8/1/01 To 8/31/01

	Reporting Period	Year to Date
Cash Flows from Operating Activities		
Net Income	21,459.48	150,927.26
Adjustments to reconcile net income to net cash provided by Operating Activities		
Accounts Receivable	0.00	0.00
Title Loan Account Receivable	2,314.36	21,863.91
Advance Account Receivable	-527.75	5,278.32
Southwestern Bell CLEC Deposit	-17,000.00	-17,000.00
Accounts Payable	0.00	0.00
Federal Excise Tax Payable	0.00	0.00
State Sales Tax MidState - KY	0.00	0.00
MidState Sales Tax Payable	0.00	0.00
Net cash used in Operating Activities	-15,213.39	10,142.23
Net cash provided by Operating Activities	6,246.09	161,069.49
Cash Flows from Financing Activities		
Member's Draw	-5,383.24	-163,529.03
Rounding	0.00	0.00
Net cash used in Financing Activities	-5,383.24	-163,529.03
Net Increase <Decrease> in Cash	\$ 862.85	\$ -2,459.54
Summary Cash		
Cash Balance at the End of Period	17,849.25	17,849.25
Cash Balance at Beginning of Period	16,986.40	20,308.79
Net Increase <Decrease> in Cash	\$ 862.85	\$ -2,459.54

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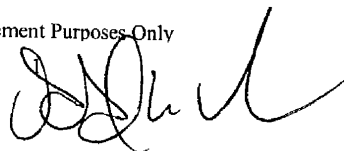
FAIR FINANCIAL LLC

Income Statement

From 8/1/01 To 8/31/01

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Revenues				
Misc Income	0.00	0.00	0.00	0.00
Title Loan Interest Income	1,715.05	4.69	15,854.31	5.16
Title Loan Admin Income	14,561.38	39.86	138,957.02	45.22
Title Loan Lien Fees Collected	234.00	0.64	967.68	0.31
Title Loan Late Fees Collected	1,071.29	2.93	7,194.93	2.34
Title Loan Repo Fee Collected	509.98	1.40	3,412.96	1.11
MoneyGram Received In Error	0.00	0.00	0.00	0.00
Check Advance Income	5,307.54	14.53	45,464.90	14.79
MidState Tenn Income	11,280.79	30.88	81,219.01	26.43
MidState Kentucky Income	1,854.06	5.07	14,249.17	4.64
Total Revenues	36,534.09	100.00	307,319.98	100.00
Cost of Sales				
Title Loan Lien Filing Fees	65.00	0.18	575.00	0.19
Title Loan Parts for Repo Car	0.00	0.00	44.46	0.01
Title Loan Keys Made	0.00	0.00	2.68	0.00
Title Loan Repo Fees	450.00	1.23	4,500.00	1.46
Title Loan Repo Storage Fees	65.00	0.18	720.00	0.23
Title Loan Written Off	1,347.02	3.69	14,714.74	4.79
Title Loan Written Off Collect	-755.34	-2.07	-3,308.94	-1.08
Advance Fees by Payer Bank	0.00	0.00	19.00	0.01
Check Advances Written Off	430.00	1.18	2,355.00	0.77
Title Loan Check Written Off	250.00	0.68	4,784.00	1.56
Phone Check Written Off	124.24	0.34	185.64	0.06
Written Off Advance Collected	-500.00	-1.37	-2,122.90	-0.69
Title Loan Check Collected	-110.00	-0.30	-4,435.00	-1.44
Phone Check Collected	-124.24	-0.34	-205.64	-0.07
BellSouth COS Tennessee	6,571.23	17.99	47,560.25	15.48
BellSouth COS Kentucky	1,203.73	3.29	9,175.70	2.99
Refund Phone Service	0.00	0.00	251.62	0.08
Kentucky LifeLine Fees	1.85	0.01	14.55	0.00
MoneyGram Fees Paid	0.00	0.00	2,495.05	0.81
Fed Excise Due Not Collected	0.00	0.00	0.00	0.00
Total Cost of Sales	9,018.49	24.69	77,325.21	25.16
Gross Profit	27,515.60	75.31	229,994.77	74.84
Expenses				
Accountant Fees	0.00	0.00	1,550.00	0.50
Advertising/Promotions	612.22	1.68	10,793.69	3.51
Auto Milage & Parking Expense	0.00	0.00	399.40	0.13

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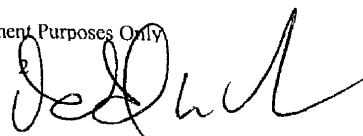
FAIR FINANCIAL LLC

Income Statement

From 8/1/01 To 8/31/01

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Bank Fees	0.00	0.00	250.00	0.08
Credit Card Fees	97.13	0.27	1,315.84	0.43
Cash (Over) / Short	77.80	0.21	386.34	0.13
Insurance - Business	0.00	0.00	0.00	0.00
Insurance- Members Medical	710.96	1.95	5,687.68	1.85
Legal Fees	0.00	0.00	844.00	0.27
Licenses	1,715.00	4.69	2,682.76	0.87
Maintenance & Repairs	48.66	0.13	2,137.49	0.70
Office Rent	1,700.00	4.65	13,600.00	4.43
Office Supplies	222.39	0.61	3,844.09	1.25
SEP-IRA Members 2000	0.00	0.00	6,480.00	2.11
SEP-IRA Members 2001	0.00	0.00	20,000.00	6.51
Postage	114.75	0.31	974.11	0.32
Security	30.95	0.08	619.48	0.20
Sales Tax Paid Not Collected	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	750.00	0.24
Telephone	579.77	1.59	4,724.52	1.54
Utilities	146.49	0.40	2,028.11	0.66
Total Expenses	<u>6,056.12</u>	<u>16.58</u>	<u>79,067.51</u>	<u>25.73</u>
Net Income	<u>\$ 21,459.48</u>	<u>58.74</u>	<u>\$ 150,927.26</u>	<u>49.11</u>

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EXHIBIT 10

2001 PROFORMA FINANCIAL
STATEMENTS

MAJOR ASSUMPTIONS USED IN 2001 PROFORMA

A. REVENUE

1. REVENUE FROM THE COMPANY'S FINANCIAL SERVICES BUSINESS IS PROJECTED TO BE:
YEAR TO DATE REVENUE AS OF AUGUST 31, 2001
PLUS THE **LESSER** OF
(AUGUST REVENUE OR AVERAGE MONTHLY REVENUE)
MULTIPLIED BY 4
2. REVENUE FROM THE COMPANY'S TELEPHONE BUSINESS IS PROJECTED TO BE YEAR TO DATE REVENUE AS OF AUGUST 31, 2001 PLUS AUGUST REVENUE MULTIPLIED BY 4.

B. COST OF SALES

1. COST OF SALES ITEMS FROM THE COMPANY'S FINANCIAL SERVICES BUSINESS ARE PROJECTED TO BE:
YEAR TO DATE COST OF SALES
PLUS THE **GREATER** OF
(AUGUST COST OF SALES OR AVERAGE MONTHLY COST OF SALES)
MULTIPLIED BY 4.
2. COST OF SALES ITEMS FROM THE COMPANY'S TELEPHONE BUSINESS ARE PROJECTED TO BE YEAR TO DATE COST OF SALES AS OF AUGUST 31, 2001 PLUS AUGUST COST OF SALES MULTIPLIED BY 4.
3. COST OF SALES COLLECTIONS ON CHARGED OFF ITEMS ARE PROJECTED TO BE YEAR TO DATE COLLECTIONS PLUS THE **LESSER** OF AUGUST COLLECTIONS OR AVERAGE MONTHLY COLLECTIONS MULTIPLIED BY 4.

C. EXPENSES

1. EXPENSE ITEMS ARE PROJECTED TO BE:
YEAR TO DATE EXPENSE
PLUS THE **GREATER** OF
(AUGUST EXPENSE OR AVERAGE MONTHLY COST OF SALES)
MULTIPLIED BY 4.
2. ACCOUNTANT FEES ARE PROJECTED TO BE YEAR TO DATE EXPENSE PLUS \$3000
3. BUSINESS INSURANCE IS PROJECTED TO BE \$1000.
4. OFFICE RENT WILL INCREASE \$100 PER MONTH TO \$1800 BEGINNING IN OCTOBER.

5. SEP-IRA MEMBERS 2001 IS PROJECTED TO BE 13% OF NET INCOME BEFORE SEP-IRA CONTRIBUTIONS.

Balance Sheet

As Of Date 12/31/01

Assets**Current Assets**

Cash in Office	2,000.00
AM South Bank Checking	9,780.94
Title Loan Account Receivable	77,710.64
Advance Account Receivable	17,059.00
Prepaid Security Deposits	40.00
Prepaid BellSouth CLEC Deposit	10,000.00
Southwestern Bell CLEC Deposit	34,000.00

Total Current Assets**150,590.58****Fixed Assets**

Furniture & Fixtures	374.04
Office Signs	36,478.02
Computer Equipment & Software	18,922.21
Accum Dep-Furniture & Fixtures	-374.04
Accum Dep-Office Signs	-36,478.02
Accum Dep-Computer Equipment	-18,922.21

Total Fixed Assets**0.00****Total Assets****\$ 150,590.58****Liabilities and Capital****Current Liabilities**

State Sales Tax Fair Financ-TN	0.00
SUTA Payable	0.00

Total Current Liabilities**0.00****Total Liabilities****0.00****Capital**

Beginning Balance Equity	150,409.47
Member's Equity	181.11
Member's Draw	-207,763.13
Net Income	207,763.13

Total Capital**150,590.58****Total Liabilities and Capital****\$ 150,590.58**

Statement of Cash Flow

From 1/1/01 To 12/31/01

	Reporting Period	Year to Date
Cash Flows from Operating Activities		
Net Income	207,763.13	207,763.13
Adjustments to reconcile net income to net cash provided by Operating Activities		
Accounts Receivable	0.00	0.00
Title Loan Account Receivable	19,863.91	19,863.91
Advance Account Receivable	5,608.24	5,608.24
Southwestern Bell CLEC Deposit	-34,000.00	-34,000.00
Accounts Payable	0.00	0.00
Federal Excise Tax Payable	0.00	0.00
State Sales Tax MidState - KY	0.00	0.00
MidState Sales Tax Payable	0.00	0.00
Net cash used in Operating Activities	<u>-8,527.85</u>	<u>-8,527.85</u>
Net cash provided by Operating Activities	<u>199,235.28</u>	<u>199,235.28</u>
Cash Flows from Financing Activities		
Member's Draw	-207,763.13	-207,763.13
Net cash used in Financing Activities	<u>-207,763.13</u>	<u>-207,763.13</u>
Net Increase <Decrease> in Cash	<u>\$ -8,527.85</u>	<u>\$ -8,527.85</u>
Summary Cash		
Cash Balance at the End of Period	11,780.94	11,780.94
Cash Balance at Beginning of Period	<u>20,308.79</u>	<u>20,308.79</u>
Net Increase <Decrease> in Cash	<u>\$ -8,527.85</u>	<u>\$ -8,527.85</u>

FAIR FINANCIAL LLC PROFORMA

Income Statement

From 12/1/01 To 12/31/01

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Revenues				
Misc Income	0.00	0.00	0.00	0.00
Title Loan Interest Income	7,793.48	4.87	22,714.51	5.08
Title Loan Admin Income	65,740.93	41.08	197,202.54	44.10
Title Loan Lien Fees Collected	661.84	0.41	1,451.52	0.32
Title Loan Late Fees Collected	4,195.81	2.62	10,792.40	2.41
Title Loan Repo Fee Collected	2,213.60	1.38	5,119.44	1.14
MoneyGram Received In Error	0.00	0.00	0.00	0.00
Check Advance Income	24,518.52	15.32	66,695.06	14.91
MidState Tenn Income	45,924.23	28.70	121,828.52	27.24
MidState Kentucky Income	8,978.65	5.61	21,373.76	4.78
Total Revenues	160,027.06	100.00	447,177.75	100.00
Cost of Sales				
Title Loan Lien Filing Fees	317.50	0.20	862.50	0.19
Title Loan Parts for Repo Car	22.23	0.01	66.69	0.01
Title Loan Keys Made	1.34	0.00	4.02	0.00
Title Loan Repo Fees	2,400.00	1.50	6,750.00	1.51
Title Loan Repo Storage Fees	425.00	0.27	1,080.00	0.24
Title Loan Written Off	8,179.39	5.11	22,072.11	4.94
Title Loan Written Off Collect	-1,654.47	-1.03	-4,963.41	-1.11
Advance Fees by Payer Bank	9.50	0.01	28.50	0.01
Check Advances Written Off	1,950.00	1.22	4,075.00	0.91
Title Loan Check Written Off	2,591.43	1.62	7,175.43	1.60
Phone Check Written Off	557.08	0.35	680.60	0.15
Written Off Advance Collected	-1,511.45	-0.94	-3,184.35	-0.71
Title Loan Check Collected	-510.00	-0.32	-4,875.00	-1.09
Phone Check Collected	-164.94	-0.10	-308.46	-0.07
BellSouth COS Tennessee	32,856.15	20.53	73,845.17	16.51
BellSouth COS Kentucky	6,018.65	3.76	13,990.62	3.13
Refund Phone Service	125.81	0.08	377.43	0.08
All States LifeLine Fees	9.25	0.01	21.95	0.00
MoneyGram Fees Paid	0.00	0.00	2,495.05	0.56
Fed Excise Due Not Collected	0.00	0.00	0.00	0.00
Total Cost of Sales	51,622.47	32.26	120,193.85	26.88
Gross Profit	108,404.59	67.74	326,983.90	73.12
Expenses				
Accountant Fees	3,000.00	1.87	4,550.00	1.02
Advertising/Promotions	6,008.85	3.75	16,190.54	3.62
Auto Milage & Parking Expense	199.70	0.12	599.10	0.13

For Management Purposes Only

FAIR FINANCIAL LLC PROFORMA

Income Statement

From 12/1/01 To 12/31/01

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Bank Fees	125.00	0.08	375.00	0.08
Credit Card Fees	657.92	0.41	1,973.76	0.44
Cash (Over) / Short	312.39	0.20	697.54	0.16
Insurance - Business	1,000.00	0.62	1,000.00	0.22
Insurance- Members Medical	3,554.80	2.22	8,531.52	1.91
Legal Fees	422.00	0.26	1,266.00	0.28
Licenses	749.83	0.47	2,227.59	0.50
Maintenance & Repairs	1,068.75	0.67	3,206.24	0.72
Office Rent	7,100.00	4.44	20,700.00	4.63
Office Supplies	1,962.05	1.23	5,766.14	1.29
SEP-IRA Members 2000	0.00	0.00	6,480.00	1.45
SEP-IRA Members 2001	12,013.00	7.51	32,013.00	7.16
Postage	596.61	0.37	1,461.17	0.33
Security	340.69	0.21	929.22	0.21
Sales Tax Paid Not Collected	0.00	0.00	0.00	0.00
Taxes	375.00	0.23	1,125.00	0.25
Telephone	2,942.03	1.84	7,086.78	1.58
Utilities	1,148.71	0.72	3,042.17	0.68
Total Expenses	<u>43,577.33</u>	<u>27.23</u>	<u>119,220.77</u>	<u>26.66</u>
Net Income	<u>\$ 64,827.26</u>	<u>40.51</u>	<u>\$ 207,763.13</u>	<u>46.46</u>

EXHIBIT 11

2002 PROFORMA FINANCIAL
STATEMENTS

MAJOR ASSUMPTIONS USED IN 2002 PROFORMA

A. REVENUE

1. REVENUE FROM THE COMPANY'S FINANCIAL SERVICES BUSINESS IS PROJECTED TO BE **LESSER** OF AUGUST 2001 REVENUE OR AVERAGE MONTHLY REVENUE YEAR TO DATE AS OF AUGUST 2001 MULTIPLIED BY 12, PLUS A 1% INCREASE
2. REVENUE FROM THE COMPANY'S TELEPHONE BUSINESS IS PROJECTED AS FOLLOWS.
 - THE COMPANY WILL RECEIVE CERTIFICATION IN MISSISSIPPI, ALABAMA, GEORGIA, FLORIDA, ARKANSAS AND TEXAS PRIOR TO THE END OF 2001.
 - THE COMPANY WILL BEGIN OFFERING SERVICE IN THESE STATES IN JANUARY 2002.
 - THE COMPANY WILL TURN ON 10 NEW CUSTOMERS PER STATE PER MONTH.
 - THE PROJECTIONS ASSUME THAT ALL CUSTOMERS ARE TURNED ON THE SAME DAY OF THE MONTH, THEREFORE, NO PRORATED AMOUNTS ARE INCLUDED.
 - ALL CUSTOMERS WILL ORDER ONLY BASIC PREPAID SERVICE. TO THE EXTENT THAT CUSTOMERS ORDER ADDITIONAL SERVICES THE REVENUE WILL BE UNDERSTATED.
 - THE COMPANY WILL DISCONNECT 10% OF ITS TOTAL CUSTOMERS IN EACH STATE PER MONTH.
 - RETAIL AMOUNTS CHARGED THE CUSTOMER ARE BASED ON THE PROPOSED TARIFF FILED WITH THE APPLICATION IN EACH STATE.

B. COST OF SALES

1. COST OF SALES ITEMS FROM THE COMPANY'S FINANCIAL SERVICES BUSINESS ARE PROJECTED TO BE:
YEAR TO DATE COST OF SALES
PLUS THE **GREATER** OF
(AUGUST 2001 COST OF SALES OR THE AVERAGE MONTHLY COST OF SALES YEAR TO DATE AS OF AUGUST 2001) MULTIPLIED BY 12, PLUS A 1% INCREASE..
2. COST OF SALES ITEMS FROM THE COMPANY'S TELEPHONE BUSINESS IS PROJECTED AS FOLLOWS:
 - THE COMPANY WILL RECEIVE CERTIFICATION IN MISSISSIPPI, ALABAMA, GEORGIA, FLORIDA, ARKANSAS AND TEXAS PRIOR TO THE END OF 2001.
 - THE COMPANY WILL BEGIN OFFERING SERVICE IN THESE STATES IN JANUARY 2002.

- THE COMPANY WILL TURN ON 10 NEW CUSTOMERS PER STATE PER MONTH.
 - THE COST ON A NEW CONNECTION IS BASED UPON THE ILEC DISCOUNTED COST OF SERVICE PER MONTH PLUS THE ILEC DISCOUNTED COST TO CONNECT SERVICE.
 - THE PROJECTIONS ASSUME THAT ALL CUSTOMERS ARE TURNED ON THE FIRST DAY OF THE ILEC BILLING PERIOD, THEREFORE, NO PRORATED AMOUNTS ARE FACTORED IN.
 - THE COMPANY WILL DISCONNECT 10% OF ITS TOTAL CUSTOMERS IN EACH STATE PER MONTH.
 - THE PROJECTIONS ASSUME THAT ALL DISCONNECTION OCCUR ON THE LAST DAY OF THE ILEC BILLING CYCLE, THEREFORE NO PRORATED CREDITS ARE INCLUDED.
 - THE AMOUNT CHARGED THE COMPANY IS BASED ON THE ILEC'S TARIFF MINUS THE DISCOUNT.
 - TO THE EXTENT THAT CUSTOMERS ORDER ADDITIONAL FEATURES THE COST WILL BE UNDERSTATED
3. COST OF SALES ON CHARGED OFF ITEMS ARE PROJECTED TO BE THE SAME PERCENTAGE OF REVENUE FOR THAT CATEGORY AS THE YEAR TO DATE PERCENTAGE AS OF AUGUST 2001.
 4. COLLECTIONS ON CHARGED OFF ITEMS WILL BE THE SAME PERCENTAGE AS COLLECTED YEAR TO DATE AS OF AUGUST 2001 COMPARED TO THE AMOUNT CHARGED OFF.

C. EXPENSES

1. EXPENSE ITEMS ARE PROJECTED TO BE AN AMOUNT EQUAL TO PROJECTED YEAR END 2001 PLUS 1% EXCEPT AS NOTED IN THE FOLLOWING POINTS.
2. ACCOUNTANT FEES ARE PROJECTED TO BE \$3500.00
3. ADVERTISING EXPENSES WILL BE INCREASED TO \$3500 PER MONTH.
4. CREDIT CARD FEES WILL INCREASE DUE TO THE ADDITIONAL PHONE CUSTOMERS.
5. BUSINESS INSURANCE IS PROJECTED TO BE \$1300.
6. LEGAL FEES ARE PROJECTED AT \$2400.
7. LICENSES FEES INCLUDED ANTICIPATED FEES FROM VARIOUS REGULATORY AGENCIES.
8. OFFICE RENT WILL BE \$1800 PER MONTH FROM JANUARY TO SEPTEMBER AND \$1900 FROM OCTOBER TO DECEMBER.
9. SEP-IRA MEMBERS 2002 IS PROJECTED TO BE 13% OF NET INCOME BEFORE SEP-IRA CONTRIBUTIONS.
10. POSTAGE WILL INCREASE BASED ON THE NUMBER OF PHONE CUSTOMERS ACTIVE PER MONTH.

11. OFFICE SUPPLIES WILL INCREASE BY 10%.
12. TELEPHONE EXPENSE WILL INCREASE TO \$800 PER MONTH.

Balance Sheet

As Of Date 12/31/02

Assets

Current Assets

Cash in Office	2,000.00
AM South Bank Checking	8,117.37
Accounts Receivable	88.64
Title Loan Account Receivable	79,144.57
Advance Account Receivable	17,200.00
Prepaid Security Deposits	40.00
Prepaid BellSouth CLEC Deposit	10,000.00
Southwestern Bell CLEC Deposit	34,000.00

Total Current Assets**150,590.58**

Fixed Assets

Furniture & Fixtures	374.04
Office Signs	36,478.02
Computer Equipment & Software	18,922.21
Accum Dep-Furniture & Fixtures	-374.04
Accum Dep-Office Signs	-36,478.02
Accum Dep-Computer Equipment	-18,922.21

Total Fixed Assets**0.00****Total Assets****\$ 150,590.58**

Liabilities and Capital

Current Liabilities

State Sales Tax Fair Financ-TN	0.00
SUTA Payable	0.00

Total Current Liabilities**0.00****Total Liabilities****0.00**

Capital

Beginning Balance Equity	150,409.47
Member's Equity	181.11
Member's Draw	-207,344.77
Net Income	207,344.77

Total Capital**150,590.58****Total Liabilities and Capital****\$ 150,590.58**

Statement of Cash Flow

From 1/1/02 To 12/31/02

	Reporting Period	Year to Date
Cash Flows from Operating Activities		
Net Income	207,344.77	207,344.77
Adjustments to reconcile net income to net cash provided by Operating Activities		
Accounts Receivable	-88.64	-88.64
Title Loan Account Receivable	-1,433.93	-1,433.93
Advance Account Receivable	-141.00	-141.00
Accounts Payable	0.00	0.00
Net cash used in Operating Activities	<u>-1,663.57</u>	<u>-1,663.57</u>
Net cash provided by Operating Activities	<u>205,681.20</u>	<u>205,681.20</u>
Cash Flows from Financing Activities		
Member's Draw	-207,344.77	-207,344.77
Rounding	0.00	0.00
Net cash used in Financing Activities	<u>-207,344.77</u>	<u>-207,344.77</u>
Net Increase <Decrease> in Cash	<u>\$ -1,663.57</u>	<u>\$ -1,663.57</u>
Summary Cash		
Cash Balance at the End of Period	10,117.37	10,117.37
Cash Balance at Beginning of Period	<u>11,780.94</u>	<u>11,780.94</u>
Net Increase <Decrease> in Cash	<u>\$ -1,663.57</u>	<u>\$ -1,663.57</u>

FAIR FINANCIAL LLC PROFORMA

Income Statement

From 1/1/02 To 12/31/02

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Revenues				
Title Loan Interest Income	21,609.63	3.69	21,609.63	3.69
Title Loan Admin Income	183,473.39	31.29	183,473.39	31.29
Title Loan Lien Fees Collected	1,524.10	0.26	1,524.10	0.26
Title Loan Late Fees Collected	11,332.01	1.93	11,332.01	1.93
Title Loan Repo Fee Collected	5,375.41	0.92	5,375.41	0.92
Check Advance Income	66,875.00	11.41	66,875.00	11.41
MidState Tenn Income	126,849.79	21.64	126,849.79	21.64
MidState Kentucky Income	21,754.47	3.71	21,754.47	3.71
MidState Mississippi Income	25,539.21	4.36	25,539.21	4.36
MidState Alabama Income	25,539.21	4.36	25,539.21	4.36
MidState Georgia Income	25,539.21	4.36	25,539.21	4.36
MidState Florida Income	22,768.27	3.88	22,768.27	3.88
MidState Arkansas Income	25,186.40	4.30	25,186.40	4.30
MidState Louisiana Income	0.00	0.00	0.00	0.00
MidState Texas Income	22,941.95	3.91	22,941.95	3.91
Total Revenues	586,308.05	100.00	586,308.05	100.00
Cost of Sales				
Title Loan Lien Filing Fees	905.63	0.15	905.63	0.15
Title Loan Parts for Repo Car	70.02	0.01	70.02	0.01
Title Loan Repo Fees	7,200.00	1.23	7,200.00	1.23
Title Loan Repo Storage Fees	1,134.00	0.19	1,134.00	0.19
Title Loan Written Off	19,749.24	3.37	19,749.24	3.37
Title Loan Written Off Collect	-4,441.06	-0.76	-4,441.06	-0.76
Advance Fees by Payer Bank	29.93	0.01	29.93	0.01
Check Advances Written Off	3,464.13	0.59	3,464.13	0.59
Title Loan Check Written Off	6,420.80	1.10	6,420.80	1.10
Phone Check Written Off	1,871.70	0.32	1,871.70	0.32
Written Off Advance Collected	-3,211.25	-0.55	-3,211.25	-0.55
Title Loan Check Collected	-5,952.39	-1.02	-5,952.39	-1.02
Phone Check Collected	-637.84	-0.11	-637.84	-0.11
BellSouth COS Tennessee	82,797.50	14.12	82,797.50	14.12
BellSouth COS Kentucky	15,167.00	2.59	15,167.00	2.59
BellSouth COS Mississippi	18,174.85	3.10	18,174.85	3.10
BellSouth COS Alabama	16,576.00	2.83	16,576.00	2.83
BellSouth COS Georgia	18,099.77	3.09	18,099.77	3.09
BellSouth COS Florida	13,432.97	2.29	13,432.97	2.29
Southwestern Bell COS Arkansas	16,837.70	2.87	16,837.70	2.87
BellSouth COS Louisiana	0.00	0.00	0.00	0.00

For Management Purposes Only

FAIR FINANCIAL LLC PROFORMA

Income Statement

From 1/1/02 To 12/31/02

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Southwestern Bell COS Texas	11,920.91	2.03	11,920.91	2.03
Refund Phone Service	396.30	0.07	396.30	0.07
All States LifeLine Fees	56.95	0.01	56.95	0.01
Fed Excise Due Not Collected	0.00	0.00	0.00	0.00
Total Cost of Sales	<u>220,062.86</u>	37.53	<u>220,062.86</u>	37.53
Gross Profit	<u>366,245.19</u>	62.47	<u>366,245.19</u>	62.47
Expenses				
Accountant Fees	3,500.00	0.60	3,500.00	0.60
Advertising/Promotions	42,000.00	7.16	42,000.00	7.16
Auto Milage & Parking Expense	753.16	0.13	753.16	0.13
Bank Fees	732.57	0.12	732.57	0.12
Credit Card Fees	4,178.44	0.71	4,178.44	0.71
Cash (Over) / Short	980.28	0.17	980.28	0.17
Insurance - Business	1,300.00	0.22	1,300.00	0.22
Insurance- Members Medical	8,958.10	1.53	8,958.10	1.53
Legal Fees	2,400.00	0.41	2,400.00	0.41
Licenses	3,827.59	0.65	3,827.59	0.65
Maintenance & Repairs	3,980.00	0.68	3,980.00	0.68
Office Rent	21,900.00	3.74	21,900.00	3.74
Office Supplies	9,312.95	1.59	9,312.95	1.59
SEP-IRA Members 2002	30,980.00	5.28	30,980.00	5.28
Postage	2,812.13	0.48	2,812.13	0.48
Security	540.00	0.09	540.00	0.09
Sales Tax Paid Not Collected	0.00	0.00	0.00	0.00
Taxes	1,928.57	0.33	1,928.57	0.33
Telephone	14,068.44	2.40	14,068.44	2.40
Travel	1,200.00	0.20	1,200.00	0.20
Utilities	3,548.19	0.61	3,548.19	0.61
Total Expenses	<u>158,900.42</u>	27.10	<u>158,900.42</u>	27.10
Net Income	<u>\$ 207,344.77</u>	35.36	<u>\$ 207,344.77</u>	35.36

EXHIBIT 12

2003 PROFORMA FINANCIAL
STATEMENTS

MAJOR ASSUMPTIONS USED IN 2003 PROFORMA

A. REVENUE

1. REVENUE FROM THE COMPANY'S FINANCIAL SERVICES BUSINESS IS PROJECTED TO INCREASE 2% OVER 2002
2. REVENUE FROM THE COMPANY'S TELEPHONE BUSINESS IS PROJECTED AS FOLLOWS.
 - THE COMPANY WILL TURN ON 10 NEW CUSTOMERS PER STATE PER MONTH EXCEPT IN THE STATE OF KENTUCKY
 - THE PROJECTIONS ASSUME THAT ALL CUSTOMERS ARE TURNED ON THE SAME DAY OF THE MONTH, THEREFORE, NO PRORATED AMOUNTS ARE INCLUDED.
 - ALL CUSTOMERS WILL ORDER ONLY BASIC PREPAID SERVICE. TO THE EXTENT THAT CUSTOMERS ORDER ADDITIONAL SERVICES THE REVENUE WILL BE UNDERSTATED.
 - THE COMPANY WILL DISCONNECT 10% OF ITS TOTAL CUSTOMERS IN EACH STATE PER MONTH.
 - RETAIL AMOUNTS CHARGED THE CUSTOMER ARE BASED ON THE PROPOSED TARIFF FILED WITH THE APPLICATION IN EACH STATE.

B. COST OF SALES

1. COST OF SALES ITEMS FROM THE COMPANY'S FINANCIAL SERVICES BUSINESS ARE PROJECTED TO BE 1% GREATER THAN 2002.
2. COST OF SALES ITEMS FROM THE COMPANY'S TELEPHONE BUSINESS IS PROJECTED AS FOLLOWS:
 - THE COMPANY WILL TURN ON 10 NEW CUSTOMERS PER STATE PER MONTH EXCEPT IN THE STATE OF KENTUCKY.
 - THE COST ON A NEW CONNECTION IS BASED UPON THE ILEC DISCOUNTED COST OF SERVICE PER MONTH PLUS THE ILEC DISCOUNTED COST TO CONNECT SERVICE.
 - THE PROJECTIONS ASSUME THAT ALL CUSTOMERS ARE TURNED ON THE FIRST DAY OF THE ILEC BILLING PERIOD, THEREFORE, NO PRORATED AMOUNTS ARE FACTORED IN.
 - THE COMPANY WILL DISCONNECT 10% OF ITS TOTAL CUSTOMERS IN EACH STATE PER MONTH.
 - THE PROJECTIONS ASSUME THAT ALL DISCONNECTION OCCUR ON THE LAST DAY OF THE ILEC BILLING CYCLE, THEREFORE NO PRORATED CREDITS ARE INCLUDED.
 - THE AMOUNT CHARGED THE COMPANY IS BASED ON THE ILEC'S TARIFF MINUS THE DISCOUNT.
 - TO THE EXTENT THAT CUSTOMERS ORDER ADDITIONAL FEATURES THE COST WILL BE UNDERSTATED

3. COST OF SALES ON CHARGED OFF ITEMS ARE PROJECTED TO BE THE SAME PERCENTAGE OF REVENUE FOR THAT CATEGORY AS THE YEAR TO DATE PERCENTAGE AS OF AUGUST 2001.
4. COLLECTIONS ON CHARGED OFF ITEMS WILL BE THE SAME PERCENTAGE AS COLLECTED YEAR TO DATE AS OF AUGUST 2001 COMPARED TO THE AMOUNT CHARGED OFF.

C. EXPENSES

1. EXPENSE ITEMS ARE PROJECTED TO BE 1% GREATER THAN 2002 EXCEPT AS NOTED IN THE FOLLOWING POINTS.
2. BANK FEES WILL INCREASE TO \$982.00
3. CREDIT CARD FEES WILL INCREASE TO \$6267.
4. LEGAL FEES WILL BE \$3000.
5. REPAIRS AND HOUSEKEEPING WILL INCREASE TO \$4378.
6. OFFICE RENT WILL BE \$1900 PER MONTH FROM JANUARY TO SEPTEMBER AND \$2000 FROM OCTOBER TO DECEMBER.
7. OFFICE SUPPLIES WILL INCREASE TO \$11641.
8. POSTAGE WILL INCREASE TO \$5524.
9. TELEPHONE EXPENSE WILL INCREASE TO \$17585.
10. SEP-IRA MEMBERS 2003 IS PROJECTED TO BE 13% OF NET INCOME BEFORE SEP-IRA CONTRIBUTIONS.

Balance Sheet

As Of Date 12/31/03

Assets**Current Assets**

Cash in Office	2,000.00
AM South Bank Checking	4,095.48
Accounts Receivable	88.64
Title Loan Account Receivable	82,666.46
Advance Account Receivable	17,700.00
Prepaid Security Deposits	40.00
Prepaid BellSouth CLEC Deposit	10,000.00
Southwestern Bell CLEC Deposit	34,000.00

Total Current Assets**150,590.58****Fixed Assets**

Furniture & Fixtures	374.04
Office Signs	36,478.02
Computer Equipment & Software	18,922.21
Accum Dep-Furniture & Fixtures	-374.04
Accum Dep-Office Signs	-36,478.02
Accum Dep-Computer Equipment	-18,922.21

Total Fixed Assets**0.00****Total Assets****\$ 150,590.58****Liabilities and Capital****Current Liabilities**

State Sales Tax Fair Financ-TN	0.00
SUTA Payable	0.00

Total Current Liabilities**0.00****Total Liabilities****0.00****Capital**

Beginning Balance Equity	150,409.47
Member's Equity	181.11
Member's Draw	-242,394.26
Net Income	242,394.26

Total Capital**150,590.58****Total Liabilities and Capital****\$ 150,590.58**

Statement of Cash Flow

From 1/1/03 To 12/31/03

	Reporting Period	Year to Date
Cash Flows from Operating Activities		
Net Income	242,394.26	242,394.26
Adjustments to reconcile net income to net cash provided by Operating Activities		
Accounts Receivable	0.00	0.00
Title Loan Account Receivable	-3,521.89	-3,521.89
Advance Account Receivable	-500.00	-500.00
Accounts Payable	0.00	0.00
Net cash used in Operating Activities	<u>-4,021.89</u>	<u>-4,021.89</u>
Net cash provided by Operating Activities	<u>238,372.37</u>	<u>238,372.37</u>
Cash Flows from Financing Activities		
Member's Draw	-242,394.26	-242,394.26
Net cash used in Financing Activities	<u>-242,394.26</u>	<u>-242,394.26</u>
Net Increase <Decrease> in Cash	<u>\$ -4,021.89</u>	<u>\$ -4,021.89</u>
Summary Cash		
Cash Balance at the End of Period	6,095.48	6,095.48
Cash Balance at Beginning of Period	<u>10,117.37</u>	<u>10,117.37</u>
Net Increase <Decrease> in Cash	<u>\$ -4,021.89</u>	<u>\$ -4,021.89</u>

FAIR FINANCIAL LLC PROFORMA

Income Statement

From 1/1/03 To 12/31/03

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Revenues				
Title Loan Interest Income	22,041.82	3.14	22,041.82	3.14
Title Loan Admin Income	187,142.86	26.64	187,142.86	26.64
Title Loan Lien Fees Collected	1,554.58	0.22	1,554.58	0.22
Title Loan Late Fees Collected	11,558.66	1.65	11,558.66	1.65
Title Loan Repo Fee Collected	5,482.92	0.78	5,482.92	0.78
Check Advance Income	68,212.50	9.71	68,212.50	9.71
MidState Tenn Income	128,118.29	18.24	128,118.29	18.24
MidState Kentucky Income	21,972.01	3.13	21,972.01	3.13
MidState Mississipp[pi Income	44,479.04	6.33	44,479.04	6.33
MidState Alabama Income	44,479.04	6.33	44,479.04	6.33
MidState Georgia Income	44,479.04	6.33	44,479.04	6.33
MidState Florida Income	39,391.03	5.61	39,391.03	5.61
MidState Arkansas Income	43,871.36	6.24	43,871.36	6.24
MidState Louisiana Income	0.00	0.00	0.00	0.00
MidState Texas Income	39,750.07	5.66	39,750.07	5.66
Total Revenues	702,533.22	100.00	702,533.22	100.00
Cost of Sales				
Title Loan Lien Filing Fees	914.68	0.13	914.68	0.13
Title Loan Parts for Repo Car	7,230.38	1.03	7,230.38	1.03
Title Loan Repo Storage Fees	1,145.34	0.16	1,145.34	0.16
Title Loan Written Off	20,144.23	2.87	20,144.23	2.87
Title Loan Written Off Collect	-4,529.88	-0.64	-4,529.88	-0.64
Advance Fees by Payer Bank	30.22	0.00	30.22	0.00
Check Advances Written Off	3,533.28	0.50	3,533.28	0.50
Title Loan Check Written Off	6,549.21	0.93	6,549.21	0.93
Phone Check Written Off	1,970.53	0.28	1,970.53	0.28
Written Off Advance Collected	-3,185.06	-0.45	-3,185.06	-0.45
Title Loan Check Collected	-6,071.44	-0.86	-6,071.44	-0.86
Phone Check Collected	-875.69	-0.12	-875.69	-0.12
BellSouth COS Tennessee	83,625.47	11.90	83,625.47	11.90
BellSouth COS Kentucky	15,318.67	2.18	15,318.67	2.18
BellSouth COS Mississippi	29,132.77	4.15	29,132.77	4.15
BellSouth COS Alabama	26,726.26	3.80	26,726.26	3.80
BellSouth COS Georgia	28,372.63	4.04	28,372.63	4.04
BellSouth COS Florida	21,176.49	3.01	21,176.49	3.01
Southwestern Bell COS Arkansas	27,013.74	3.85	27,013.74	3.85
BellSouth COS Louisiana	0.00	0.00	0.00	0.00
Southwestern Bell COS Texas	19,656.81	2.80	19,656.81	2.80

For Management Purposes Only

Income Statement

From 1/1/03 To 12/31/03

	Reporting Period	% of Revenue	Year to Date	% of Revenue
Refund Phone Service	1,430.98	0.20	1,430.98	0.20
All States LifeLine Fees	115.00	0.02	115.00	0.02
Fed Excise Due Not Collected	0.00	0.00	0.00	0.00
Total Cost of Sales	279,424.62	39.77	279,424.62	39.77
Gross Profit	423,108.60	60.23	423,108.60	60.23
Expenses				
Accountant Fees	3,535.00	0.50	3,535.00	0.50
Advertising/Promotions	42,420.00	6.04	42,420.00	6.04
Auto Milage & Parking Expense	810.35	0.12	810.35	0.12
Bank Fees	982.00	0.14	982.00	0.14
Credit Card Fees	6,267.66	0.89	6,267.66	0.89
Cash (Over) / Short	990.08	0.14	990.08	0.14
Insurance - Business	1,313.00	0.19	1,313.00	0.19
Insurance- Members Medical	9,047.68	1.29	9,047.68	1.29
Legal Fees	3,000.00	0.43	3,000.00	0.43
Licenses	4,109.49	0.58	4,109.49	0.58
Maintenance & Repairs	4,378.00	0.62	4,378.00	0.62
Office Rent	23,100.00	3.29	23,100.00	3.29
Office Supplies	11,641.19	1.66	11,641.19	1.66
SEP-IRA Members 2003	36,220.00	5.16	36,220.00	5.16
Postage	5,524.47	0.79	5,524.47	0.79
Security	594.00	0.08	594.00	0.08
Sales Tax Paid Not Collected	0.00	0.00	0.00	0.00
Taxes	2,892.86	0.41	2,892.86	0.41
Telephone	17,585.55	2.50	17,585.55	2.50
Travel	2,400.00	0.34	2,400.00	0.34
Utilities	3,903.01	0.56	3,903.01	0.56
Total Expenses	180,714.34	25.72	180,714.34	25.72
Net Income	\$ 242,394.26	34.50	\$ 242,394.26	34.50

EXHIBIT 13

PRE-FILED TESTIMONY OF APPLICANT'S
GENERAL MANAGER

DIRECT TESTIMONY OF DONALD M. ESTEP

Q. Please state your name and business address.

A. Donald M. Estep, Fair Financial LLC d/b/a MidState Telecommunications, P. O. Box 706, 404 North Gallatin Road, Madison, Tennessee 37116-0706.

Q. By whom are you employed, and what is your position?

A. I am the General Manager of Fair Financial LLC.

Q. Please describe your experience in this area.

A. I formed Fair Financial LLC in the State of Tennessee in September of 1997 for the purpose of providing secured and unsecured loans to credit challenged individuals. In January of 2000 the Company began offering pre-paid residential service to its target market consumers.

I am the General Manager of the Company, responsible for its overall operation and profitability. I have over thirty years of retail management experience including corporate level senior management positions. In 1990 and 1991 I was Vice President of Store Operations for Hecks Stores in Charleston WV. In 1991 I joined Value Merchants in Milwaukee, WI, where I served as Vice President of Store Operations from 1992 until 1995. In 1995 and 1996 I was the Vice President of Store Operations for Bills Dollar Stores in Jackson, MS. In 1996 and 1997 I was Vice President of Check Cashing for Thorn Americas in Wichita, KS.

Q. Are you familiar with the application of your company submitted to this Commission?

A. Yes.

Q. Do you ratify and confirm the statements and representations made in that application?

A. Yes.

Q. Is Fair Financial LLC d/b/a MidState Telecommunications represented before the Commission by an attorney?

A. No.

- Q. Who is the Fair Financial LLC d/b/a MidState Telecommunications registered agent for service in the State of Florida?
- A. Fair Financial LLC d/b/a MidState Telecommunications registered agent for service in Florida is:
C.T. Corporation Systems
1200 South Pine Island Road
Plantation, Florida 33324
- Q. What services does Fair Financial LLC d/b/a MidState Telecommunications plan to provide and to whom does it intend to provide them?
- A. Fair Financial LLC d/b/a MidState Telecommunications proposes to offer resold residential pre-paid local exchange service to credit challenged customers within the State of Florida.
- Q. Has or does Fair Financial LLC d/b/a MidState Telecommunications offer telecommunications service in the State of Florida.
- A. Fair Financial LLC d/b/a MidState Telecommunications has not and will not offer telecommunications service in the State of Florida until the Commission has issued it a Certificate of Approval.
- Q. When does Fair Financial LLC d/b/a MidState Telecommunications plan to begin offering service in Florida?
- A. Fair Financial LLC d/b/a MidState Telecommunications will begin offering service in Florida upon the Commission issuing a Certificate of Approval.
- Q. Describe the number of customers and anticipated revenue that Fair Financial LLC d/b/a MidState Telecommunications plans for the State of Tennessee.
- A. Fair Financial LLC d/b/a MidState Telecommunications anticipates that it will "turn-on" 10 customers per month and that 10% of its customers will "disconnect" per month. This plan will generate revenue in 2002 of \$22,768 and in 2003 of \$39,391
- Q. Is Fair Financial LLC d/b/a MidState Telecommunications proposing to provide intrastate operator services in Florida?
- A. No.
- Q. Does Fair Financial LLC d/b/a MidState Telecommunications offer operator services in other states?
- A. No.

Q. How does Fair Financial LLC d/b/a MidState Telecommunications intend to provide its services?

A. Fair Financial LLC d/b/a MidState Telecommunications proposes to resell residential pre-paid local exchange services. It will utilize the facilities of BellSouth as the underlying provider of such services. Fair Financial LLC d/b/a MidState Telecommunications does not have a Reseller Agreement with any other Incumbent LEC in the State of Florida.

Q. What are the consumer benefits of purchasing the same services from MidState rather than the underlying carrier?

A. The benefit to the consumer is that he/she will be able to obtain home telephone service from Fair Financial LLC d/b/a MidState Telecommunications where he/she may not be able to obtain service from the underlying carrier. Most of Fair Financial LLC d/b/a MidState Telecommunications customers have had their home telephone disconnected by the underlying carrier for nonpayment. These consumers cannot afford to pay the outstanding bill and reconnection charge from the underlying carrier or the underlying carrier requires a deposit that is unaffordable to this consumer. Fair Financial LLC d/b/a MidState Telecommunications provides affordable pre-paid home telephone service without a deposit.

Q. Will Fair Financial LLC d/b/a MidState Telecommunications provide any equipment or facilities in connection with its services?

A. No.

Q. How does Fair Financial LLC d/b/a MidState Telecommunications plan to bill its Florida customers?

A. Fair Financial LLC d/b/a MidState Telecommunications will bill its customers directly.

Q. How long has Fair Financial LLC d/b/a MidState Telecommunications been in business?

A. Fair Financial LLC was formed September of 1997 and began its financial services business in November of 1997. Fair Financial LLC formed MidState Telecommunications in November of 1999 and began its telephone business in January of 2000.

Q. Does Fair Financial LLC d/b/a MidState Telecommunications have offices in Florida?

A. No.

Q. How will Fair Financial LLC d/b/a MidState Telecommunications market its services?

A. Fair Financial LLC d/b/a MidState Telecommunications will market its services through television and newspaper advertising. Fair Financial LLC d/b/a MidState Telecommunications does NOT use telemarketing companies.

Q. In your opinion why is Fair Financial LLC d/b/a MidState Telecommunications service in the public interest?

A. Fair Financial LLC d/b/a MidState Telecommunications plans to offer the same high quality residential service provided by the Incumbent LEC on a resold basis. Fair Financial LLC d/b/a MidState Telecommunications specializes in serving consumers that have bad or no credit history. The Incumbent LEC and most new entrants to the telecommunications business reject these consumers based upon their credit history or these companies' demand deposits that are beyond the ability of this consumer to pay.

Fair Financial LLC d/b/a MidState Telecommunications is committed to providing affordable home telephone service without restrictive deposits, to consumers that would otherwise be unable to obtain home telephone service.

Fair Financial LLC d/b/a MidState Telecommunications monitors the service offerings of the Incumbent LEC to choose those services, which will best service the needs of its target market. Fair Financial LLC d/b/a MidState Telecommunications restricts the use of services by its customers that would increase the customer's bill and would most likely result in the customer losing his/her service because they were unable to pay an unexpected large bill.

The core financial service business of Fair Financial LLC generates sufficient positive cash flow to assure that Fair Financial LLC d/b/a MidState Telecommunications will remain a positive competitive force in the residential local exchange market and will specifically help to assure a downward price pressure on the pre-paid sub-segment of the residential local exchange market.

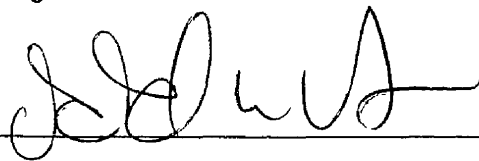
Q. Does this complete your pre-filed testimony in support of your application?

A. Yes.

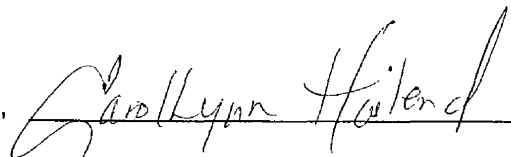
Q. Will you remain available to respond to any additional questions from the Commission or its staff about your application or Company if necessary?

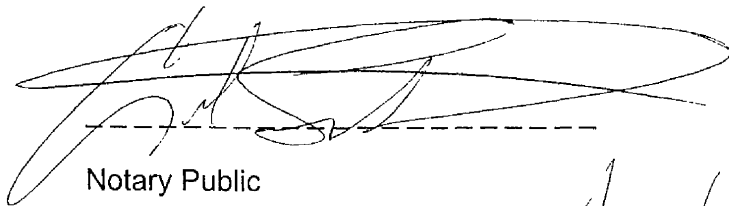
A. Yes.

I, Donald Estep, having been duly sworn, and under the penalties of perjury, I hereby certify that the representations in its Application and this Pre-Filed Direct Testimony are true and correct to the best of my knowledge and belief. I further certify that Fair Financial LLC d/b/a MidState Telecommunications has not and will not offer telecommunications services in the State of Florida until the Florida Public Service Commission has issued it a Certificate of Authority to Provide Alternative Local Exchange Service.

By:  _____

Donald M. Estep
General Manager
Fair Financial LLC d/b/a
MidState Telecommunications

On this 1st day of October 2001 before me,  a Tennessee Notary Public, appeared Donald M. Estep known to me to be the person named in, and who executed the foregoing application, being duly sworn according to law, deposes and says that the statements and representations set forth in the above application are true and correct to the best of his knowledge and belief.

 _____
Notary Public

My Commission Expires on 8/24/2003

Seal

EXHIBIT 14

PROPOSED TARIFF

FAIR FINANCIAL LLC
State Of FLORIDA
ISSUED
By: Donald M. Estep
404 North Gallatin Rd.
Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

Original Page 1

EFFECTIVE

TITLE PAGE

GENERAL CUSTOMER SERVICES TARIFF FOR THE STATE OF FLORIDA

This Tariff contains rates applicable for the furnishing of local exchange telecommunications services provided by FAIR FINANCIAL, L.L.C. ("FF") d/b/a MIDSTATE TELECOMMUNICATIONS ("MidState") within the State of FLORIDA. This Tariff is on file with the FLORIDA Public Service Commission ("Commission").

REGULATORY CONTACT PERSON

Donald Estep
General Manager
P. O. Box 706
404 North Gallatin Road
Madison, Tennessee 37116-0706
(800) 794-9711

When changes are made in any tariff page, a revised page will be issued canceling the tariff page affected; such changes will be identified through the use of the following symbols:

(C)	To signify changed rate
(D)	To signify discontinued rate or text
(I)	To signify increased rate
(M)	To signify a move from one page to another with no change to text, rate for Tariff
(N)	To signify new rate or text
(R)	To signify reduction
(S)	To signify a matter already appearing in another part of the Tariff and repeated for clarification
(T)	To signify a change in text but no change in rate
(V)	To signify vintaged Tariff

The preceding symbols will apply except where additional symbols are identified at the bottom of an individual page or at the beginning or end of a section or paragraph.

NOTE 1: Wherever in this Tariff or its headings the term "Company", "FAIR FINANCIAL LLC", "FF", "MidState Telecommunications", "MidState", appears, that shall mean and shall refer to FAIR FINANCIAL LLC, d/b/a MidState Telecommunications unless the context clearly indicates otherwise.

FAIR FINANCIAL LLC
State Of FLORIDA
ISSUED
By: Donald M. Estep
404 North Gallatin Rd.
Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

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EFFECTIVE

CHECK SHEET FOR THE INTRODUCTION SECTION

The Title Sheet, Check Sheets and individual sheets of this Tariff are effective as of the date shown at the upper right corner of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET NUMBER</u>	<u>REVISION</u>
1	ORIGINAL
2	ORIGINAL
3	ORIGINAL
4	ORIGINAL
5	ORIGINAL
6	ORIGINAL
7	ORIGINAL
8	ORIGINAL
9	ORIGINAL
10	ORIGINAL
11	ORIGINAL

FAIR FINANCIAL LLC
State Of FLORIDA
ISSUED
By: Donald M. Estep
404 North Gallatin Rd.
Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

Original Page 3

EFFECTIVE

CHECK SHEET FOR SECTION A1

The Title Sheet, Check Sheets and individual sheets of this Tariff are effective as of the date shown at the upper right corner of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET NUMBER</u>	<u>REVISION</u>
1 – 1	ORIGINAL
1 – 2	ORIGINAL
1 – 3	ORIGINAL
1 – 4	ORIGINAL
1 – 5	ORIGINAL
1 – 6	ORIGINAL
1 – 7	ORIGINAL
1 – 8	ORIGINAL

FAIR FINANCIAL LLC
State Of FLORIDA
ISSUED
By: Donald M. Estep
404 North Gallatin Rd.
Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

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EFFECTIVE

CHECK SHEET FOR SECTION A2

The Title Sheet, Check Sheets and individual sheets of this Tariff are effective as of the date shown at the upper right corner of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET NUMBER</u>	<u>REVISION</u>
2 - 1	ORIGINAL
2 - 2	ORIGINAL
2 - 3	ORIGINAL
2 - 4	ORIGINAL
2 - 5	ORIGINAL
2 - 6	ORIGINAL
2 - 7	ORIGINAL
2 - 8	ORIGINAL
2 - 9	ORIGINAL
2 - 10	ORIGINAL
2 - 11	ORIGINAL
2 - 12	ORIGINAL
2 - 13	ORIGINAL
2 - 14	ORIGINAL
2 - 15	ORIGINAL
2 - 16	ORIGINAL
2 - 17	ORIGINAL
2 - 18	ORIGINAL
2 - 19	ORIGINAL
2 - 20	ORIGINAL
2 - 21	ORIGINAL
2 - 22	ORIGINAL

FAIR FINANCIAL LLC
State Of FLORIDA
ISSUED
By: Donald M. Estep
404 North Gallatin Rd.
Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

Original Page 5

EFFECTIVE

CHECK SHEET FOR SECTION A3

The Title Sheet, Check Sheets and individual sheets of this Tariff are effective as of the date shown at the upper right corner of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET NUMBER</u>	<u>REVISION</u>
3 – 1	ORIGINAL
3 – 2	ORIGINAL
3 – 3	ORIGINAL
3 – 4	ORIGINAL
3 – 5	ORIGINAL
3 – 6	ORIGINAL

FAIR FINANCIAL LLC
State Of FLORIDA
ISSUED
By: Donald M. Estep
404 North Gallatin Rd.
Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

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EFFECTIVE

CHECK SHEET FOR SECTION A4

The Title Sheet, Check Sheets and individual sheets of this Tariff are effective as of the date shown at the upper right corner of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET NUMBER</u>	<u>REVISION</u>
4 - 1	ORIGINAL
4 - 2	ORIGINAL
4 - 3	ORIGINAL
4 - 4	ORIGINAL
4 - 5	ORIGINAL

FAIR FINANCIAL LLC
State Of FLORIDA
ISSUED
By: Donald M. Estep
404 North Gallatin Rd.
Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

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EFFECTIVE

CHECK SHEET

FOR SECTION A5

The Title Sheet, Check Sheets and individual sheets of this Tariff are effective as of the date shown at the upper right corner of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET NUMBER</u>	<u>REVISION</u>
5 - 1	ORIGINAL
5 - 2	ORIGINAL
5 - 3	ORIGINAL
5 - 4	ORIGINAL

FAIR FINANCIAL LLC
State Of FLORIDA
ISSUED
By: Donald M. Estep
404 North Gallatin Rd.
Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

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EFFECTIVE

CHECK SHEET FOR SECTION A6

The Title Sheet, Check Sheets and individual sheets of this Tariff are effective as of the date shown at the upper right corner of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET NUMBER</u>	<u>REVISION</u>
6 - 1	ORIGINAL
6 - 2	ORIGINAL
6 - 3	ORIGINAL
6 - 4	ORIGINAL
6 - 5	ORIGINAL
6 - 6	ORIGINAL

EFFECTIVE

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TITLE SHEET

CHECK SHEETS

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- A2. GENERAL REGULATIONS**
- A3. BASIC LOCAL EXCHANGE SERVICE**
- A4. SERVICE CHARGES**
- A5. DIRECTORY LISTINGS**
- A6. MISCELLANEOUS SERVICE ARRANGEMENTS**

TARIFF FORMAT

- A. Sheet Numbering** – Sheet numbers appear in the upper right corner of the sheet. The sheets are numbered sequentially within each Section of this Tariff. However, occasionally, when a new sheet is added between sheets already in effect, a decimal is added.
1. Examples
 - a. The first sheet of the introduction Section would be sheet number “1”
 - b. The first sheet of Section A1, “Definition of Terms”, would be sheet number “1 – 1”
 - c. The first sheet of Section A2, “General Regulations”, would be sheet number “2 – 1”
 - d. A sheet added between sheets “1 – 1” and “1 – 2” would be numbered “1 – 1.1”
- B. Sheet Revision Numbers** – Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. Because of various suspension periods, deferrals, etc. that the Commission follows in their Tariff approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.
1. Examples
 - a. The first time a sheet is revised it would show “First Revised Page 1 – 1, Cancels Original Page 1 – 1”
 - b. The fourth time a sheet is revised it would show “Fourth Revised Page 1 – 1, Cancels Third Revised Page 1 – 1”.
- C. Check Sheets** – When a Tariff filing is made with the Commission, an updated Check Sheet(s) accompanies the Tariff Filing. The Check Sheets lists the sheets contained in the Tariff with a cross-reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated on the check sheet by an asterisk (*). There will be no other symbols used on the Check Sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just the revised revision levels on some sheets). A user of the Tariff should first refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission.
- D. Paragraph Numbering Sequence** – There are 8 levels of paragraph coding. Each level of code is subservient to its next higher level:
- A2.
 - A2.1.
 - A2.1.1.
 - A2.1.1.A.
 - A2.1.1.A.1.
 - A2.1.1.A.1.a
 - A2.1.1.A.1.a.1).
 - A2.1.1.A.1.a.1).a).

FAIR FINANCIAL LLC
State Of FLORIDA
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By: Donald M. Estep
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Madison, TN 37115

ORIGINAL VERSION, SUBMITTED BY FAIR FINANCIAL LLC
SUBSCRIBER SERVICES TARIFF

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APPLICATION OF TARIFF

This Tariff governs Company pre-paid residential local exchange services originating and terminating at points within the State of FLORIDA for BellSouth Exchanges.

A1. DEFINATION OF TERMS

ACCESSORIES

Devices which are mechanically attached to, or used with, the facilities furnished by the Company and which are independent of, and not electrically connected to, the conductors in the communication path of the telecommunications system.

ACCOUNT NUMBER

A numerical code assigned to the customer by the Company to enable identification of the customer, the phone numbers assigned to that customer and the optional features purchased by the customer.

ADD

The addition of a vertical service or optional feature to the existing equipment or account of the customer.

ANONYMOUS CALL REJECTION

An optional feature included when the customer purchases CALLER ID. This function allows the customer to automatically reject any call from a number that has blocked its name and number from being displayed to the customer.

AUTHORIZED USER

A person, firm, corporation, or other entity that either is authorized by the customer to use the local exchange service or is placed in a position by the customer, either through acts or omissions, to use the local exchange service.

BASE RATE

The rate for primary classes of exchange service, which does not include zone or extra exchange line mileage charges.

BASE RATE AREA (BRA)

A specific section of an exchange area including the continuous built-up portion of the community served within which primary classes of service are available without zone or extra exchange line mileage charges. The BRA is determined by the ILEC.

BASIC TELEPHONE SERVICE

Telephone connection, dial tone, touch-tone service, unlimited local calls, and access to 911.

BILLING CYCLE

A period of time that begins on the set numerical day on which the customer's service was originally started and ends on the numerical day that is one day less than the original day the service started. In those calendar months that do not contain a numerical day equal to one day less than that day, the last day of the month will be the final day of the billing cycle.

Examples:

- A. If the customer's service originally started on the 5th of the month his billing cycle would begin on the 5th of the month and end on the 4th of the next month.
- B. If the customer's service originally started on the 1st of the month his billing cycle would begin on the 1st of the month and end on the last day of the same month.
- C. If the Customer's service originally started on the 31st of the month his billing cycle would begin on the 31st and end on the 30th day of the next month except for the cycle ending in February, which would end on the last day of February.

A1. DEFINATION OF TERMS (Cont'd)

CALL

An attempted or completed communication.

CALL BLOCK

An optional feature that allows the customer to hang up on annoying calls and to prevent future calls from the calling number getting through again. A total of six (6) numbers can be blocked at a time.

CALL FORWARDING

An optional feature that when activated by the customer automatically routes incoming calls to any other station line selected either inside or outside the same Centrex system.

CALL RETURN

An optional feature that allows the customer to obtain the number, date and time of the last inbound call and then choose to return the call to that party.

CALL SELECTOR

An optional feature that allows the customer to assign a distinctive ring to calls received from numbers selected by the customer.

CALL WAITING

An optional feature that provides a tone indicator to a busy line that an incoming call is waiting. The customer may hold the existing call, answer the incoming call, and alternately talk on both calls until one call has been terminated.

CALL WAITING DELUXE

An optional feature that combines the features of CALL WAITING and CALLER ID. The feature provides a tone indicator to a busy line that an incoming call is waiting and also displays the name number of the waiting call. The customer must purchase the display phone or device separately.

CALLER ID

An optional feature that allows the customer to identify the name and number of the calling party before answering the call. The customer must purchase the display unit separately to utilize this feature.

CALLING AREA

See "LOCAL SERVICE AREA".

CENTRAL OFFICE

A switching unit providing local telephone exchange service to the subscribers connected thereto.

CHANGE

The rearrangement or reclassification of existing service at the same location.

A1. DEFINATION OF TERMS (Cont'd)

CLASS OF SERVICE

The description of telephone service furnished to a customer in terms such as:

A. For Exchange Service:

1. Grade of Line: Individual Line, 2-Party Line, 4-Party Line, etc.
2. Type of Rate: Flat, Usage Based Pricing
3. Character of Use: Business or Residence
4. Dialing Method: Touch-tone or Rotary

COLLECT CALL

The procedure by which certain messages, upon request, may be reversed (charged to the called station) upon acceptance of the call at the called station.

COMMISSION

The FLORIDA Public Service Commission.

COMPANY

Whenever used in this Tariff or its headings, "Company", "FAIR FINANCIAL LLC", or "MidState Telecommunications" refers to "FAIR FINANCIAL LLC d/b/a MidState Telecommunications" unless the context clearly indicates otherwise.

CLEC OR ALEC

A Competitive Local Exchange Carrier ("CLEC") is a telephone company in competition with the ILEC and/or other CLEC to provide the same services. FAIR FINANCIAL LLC d/b/a MidState Telecommunication is a CLEC.

COMPLETED CALL

A completed call is an attempted call by a customer that results in an off-hook condition at the receiving end. Such condition shall include any of the following actions:

- A. The called party responds by personally answering the call;
- B. A subscriber controlled automatic answering device responds by answering the call;
- C. The call attempt, when under the control of the called party, (e.g., Call Forwarding etc.) is forwarded to another telephone number that results in on the conditions described in (A), (B), or (C) above.

CREDIT CARD

A valid bank or financial organization card, representing an account to which the costs of products and services purchased by the cardholder may be charged for future payments. Such cards include, but are not limited to, those cards issued by VISA, MasterCard, American Express or DISCOVER.

CUSTOMER

The person, firm, partnership, corporation, municipality, cooperative or other entity, which orders or uses service furnished by the Company and is responsible for payment of charges and compliance with the Company's tariff regulations and provisions.

A1. DEFINATION OF TERMS (Cont'd)

CUSTOMER-PROVIDED TERMINAL EQUIPMENT

Devices, apparatus and their associated wiring, provided by a customer, which are used with the network control signaling unit, Dataphone ® Data Set or other station equipment furnished by the ILEC and does not include customer-provided communications systems.

DEBIT CARD

A valid bank or financial organization card, representing a checking account to which the costs of products and services purchased by the cardholder may be charged for future payments.

DEMARCATION POINT

The point of demarcation and/or interconnection between the Company and/or ILEC communications facilities and the terminal equipment, protective apparatus or wiring at a subscriber's premises. Company or ILEC-installed facilities at or constituting, the demarcation point shall consist of wire or a jack conforming to Subpart F of Par 68 of the Federal Communication Commission's rules. "Premises" as used herein generally means a dwelling unit, other building or a legal unit of real property such as a lot on which a dwelling unit is located, as determined by the Company's reasonable and nondiscriminatory standard operating practices.

DIRECTORY ASSISTANCE

A service that allows a customer to obtain the published telephone number of another subscriber. The customer will be billed for this service.

DIRECTORY ASSISTANCE CALL COMPLETION

Directory Assistance Call Completion (DACC) will provide customers who obtain a telephone number from Directory Assistance the option of being connected to the number without having to hang up. The customer will be billed for each use of this service.

DIRECTORY LISTING

The publication in the ILEC directory and/or information records of information relative to a subscriber's telephone number, name and address.

DISCONNECT OR DISCONNECTION

The termination of a circuit connection between the originating station and the calling station or the ILEC's operator.

DISTINCTIVE RING SERVICE

This service allows a customer to have up to three telephone numbers associated with a single line. A distinctive ringing pattern is provided for each additional telephone number to facilitate identification of incoming calls.

EXCHANGE

A central office or group of central offices, together with the customer's stations and lines connected thereto, forming a local system which furnishes means of telephonic intercommunication without toll charges between subscribers within a specified area, usually a single city, town, or village. When an exchange includes only one central office, it is termed a single office exchange, but when it includes more than one central office, the exchange is termed a multi-office exchange.

A1. DEFINATION OF TERMS (Cont'd)

EXCHANGE ACCESS LINE

All of ILEC's Central Office equipment and outside plant facilities that are needed to connect the serving central office to and including the ILEC provided Standard Network Interface.

EXCHANGE SERVICE

The general telephone service rendered in accordance with tariff provisions. Exchange service is a general term describing as a whole the facilities that provide for local telecommunications, together with the right to originate and receive a specified or an unlimited number of local messages at charges in accordance with the provisions of this Tariff.

A. Flat Rate

Flat Rate Service: A classification for exchange service for which a stipulated charge is made, regardless of the amount of use.

B. Usage Based Pricing

1. Measured Rate Service: A classification exchange service for which usage charges apply on the basis of the amount of outward completed calls in addition to a stipulated monthly charge. Usage charges are based on two or more of the following elements; the number of calls, the duration of the calls, the distance of the calls, the time of day the calls are placed and the day of the week of the call.

2. Area Calling Service Rate Service: a classification of exchange service on which usage charges apply for outward completed calls within the Area Calling Service Calling Area, in addition to a stipulated monthly charge. Usage charges are based on the number of calls, the duration of the calls, the distance of the calls, the time of day the calls are placed and the day of the week of the call.

3. Message Rate Service: A classification of non-coin box exchange service, which includes an individual line with an allowance for a certain number of completed outward local calls for a stipulated monthly charge. A charge per message applies for all outward completed calls in excess of the monthly allowance.

C. Individual Line

Individual Line Service: A classification of exchange service which provides that only one Exchange Access Line shall be served by the line connecting such Access Line with the central office or other switching unit.

D. Foreign Central Office Service: A classification of exchange service furnished to a customer in a multi-office exchange from a central office other than the one from which service would normally be furnished.

EXCHANGE SERVICE AREA

The territory, including the base rate, suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area.

EXTENDED AREA SERVICE

A type of telephone service furnished under tariff provisions whereby subscribers of a given exchange may complete calls to and, where provided by the tariff, receive messages from one or more exchanges without the application of long distance message telecommunications charges.

EFFECTIVE

A1. DEFINATION OF TERMS (Cont'd)

FACILITIES

When used in this Tariff it denotes the facilities, equipment etc. of the ILEC. The Company is not a facilities based company.

FCC

The Federal Communications Commission is the federal telecommunications regulatory body. It is responsible for interstate and international telecommunications regulation and other telecommunications programs legislated by the Federal Government.

FLAT RATE SERVICE

See "EXCHANGE SERVICE"

HOLIDAYS

Holidays include New Year's Day (January 1), Independence Day (July 4), Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November) and Christmas Day (December 25).

ILEC

Incumbent Local Exchange Carrier ("ILEC") is the telephone company that occupied a specific area and was providing services on the effective date of The Telecommunication Act of 1996 and was a member of the Exchange Carrier Association.

INITIAL SERVICE PERIOD

The minimum period of time (normally 30 days) for which service, facilities and equipment are provided.

INTERFACE

The term "interface" denotes that point on the premises of the customer at which provision is made for connection of other than ILEC provided facilities to the facilities provided by the ILEC.

INSTALLATION CHARGE

A nonrecurring charge applying to the provision of certain facilities as distinguished from the Service Charge applicable for establishing of basic telephone service. The installation charge is normally associated with optional service features and may sometimes be called an "initial" charge.

LEC

Local Exchange Carrier ("LEC") is the local telephone company within the geographic area.

LISTING

See "DIRECTORY LISTING"

LOCAL CALLING AREA

See "LOCAL SERVICE AREA"

LOCAL EXCHANGE

A geographic area within which the local telephone company provides telephone services and/or facilities that are not subject to a toll charge.

A1. DEFINATION OF TERMS (Cont'd)

LOCAL EXCHANGE CARRIER

A company which furnishes local exchange telecommunications service.

LOCAL SERVICE

- A. A type of localized calling whereby a Customer can complete calls from his station to other stations within a specified area without the payment of long distance charges
- B. Local operator-assisted calls are handled by "O" operator and may carry an operator service charge.
- C. Local directory assistance calls may carry a service charge.
- D. Local operator-assisted calls may be either station-to-station or person-to-person.

LOCAL SERVICE AREA

The area within which telephone service is furnished to customers under a specific schedule of exchange rates and without long distance charges. A local service area may include one or more exchange service areas. The local service area is determined by ILEC. The Company concurs with the description and legal definition of the local service area as shown in the ILEC's Tariff on file with the Commission.

MESSAGE

A communication between two stations. Messages may be classified as follows.

- A. Local Message: A message between stations within the same local service area.
- B. Long Distance Message: a message between stations in different exchange areas for which a long distance message charge is made.

MOVE

The disconnection of existing equipment or service at one location and reconnecting of the same equipment or service at a new location in the same building or in a different building.

NETWORK INTERFACE

The Network Interface is a standard jack provided by the ILEC as a part of exchange access, WATS, or Private Line Services for the connection of customer terminal equipment and premises wiring to the ILEC network. The network Interface will be located at the demarcation point.

NON-LISTED (SEMIPRIVATE) LISTING

A non-listed listing is not in the alphabetical section of the ILEC's directory, but is maintained on directory assistance records and will be furnished upon request of the calling party.

NON-PUBLISHED (PRIVATE) LISTING

A non-published listing is not listed in either the alphabetical section of the ILEC's directory or the directory assistance records and will not be furnished upon request of the calling party.

PREMISES

A building or buildings on contiguous property, not separated by a public highway or right-of-way.

PRIMARY CLASS OF SERVICE

Any of those classes of exchange service which the Company undertakes to furnish at any point within the base rate area at a rate common to all applicants for the same class.

EFFECTIVE

A1. DEFINATION OF TERMS (Cont'd)

PRIMARY CUSTOMER

This term has the same connotation as “customer” and is used in those cases where it is desirable to stress the distinction between the main customer for telephone service and other who may have joint use for the service or who may qualify for additional listings.

PRIVATE TELEPHONE NUMBER

See “Non-Listed” Telephone Number

RINGMASTER SERVICE

An optional feature that the customer can purchase. This service will allow a customer to have up to three telephone numbers associated with a single line. A distinctive ringing pattern is provided for each additional telephone number to facilitate identification of incoming calls.

SERVICE CHARGE

A nonrecurring charge applied to the establishment of basic telephone service for a customer and certain subsequent additions to that service.

SERVICE EXPEDITING CHARGE

A nonrecurring charge applied if the customer requests that service be provided in advance of normal service intervals, and the Company is able to comply.

SPEED CALLING

An optional feature that the customer can purchase. A private branch exchange, CENTREX or local exchange feature allows the customer to call a 7-digit or 10-digit number by abbreviated dialing.

SUSPENSION OF SERVICE

An arrangement made at the request of the customer, or initiated by the Company for violation of tariff regulations by the customer, for temporarily discontinuing service without terminating the service agreement.

TELECOMMUNICATION SERVICES

The various services offered by the Company as specified in the Company Tariff.

TELEPHONE NUMBER

A designation assigned to a telephone service for convenience in operating.

FLORIDA RELAY CENTER

The FLORIDA Relay Center permits hearing and speech impaired users of Telecommunications Devices for the Deaf (TDD) to communicate with users of ordinary telephones. Communications take place by relaying conversations (voice to TDD and TDD to voice). These call are between one party who must communicate by means of a TDD and another who communicates by means of an ordinary telephone. Messages are rated from the rate center of the calling party to the rate center of the called party.

THREE-WAY CALLING

An optional feature that the Customer can purchase. A Centrex Type Service or local exchange feature with permits a station user to add another station to an existing call.

EFFECTIVE

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A2. GENERAL REGULATIONS

A2.1 Application

A2.1.1 General Applications

The regulations specified herein are applicable to all communication services offered in the Tariff by FAIR FINANCIAL LLC., d/b/a MidState Telecommunications, hereafter referred to as the Company. Additional regulations, where applicable, pertaining to specific service offerings accompany such offerings in various sections of this Tariff.

A2.1.2 Undertaking Of The Company

- A. The Company is a CLEC who purchases telecommunications services from an ILEC and then resells those telecommunications services to customers for their direct transmission and reception of voice, data and other types of communications.
- B. The Company's services are furnished for telecommunications originating and/or terminating within the State of FLORIDA.
- C. The Company's services are provided only on a pre-paid monthly basis, and are available twenty-four (24) hours per day, seven (7) days per week.
- D. A customer's request for service under this Tariff will authorize the Company to demand payment for all services in advance. The Company reserves the right to refuse service on the basis of credit history, and to refuse further service due to late payment or nonpayment by the customer.

A2.2 Limitations And Use Of Service

A2.2.1 Use Of Customer's Services

- A. Subject to Availability
The service is offer subject to availability of the necessary facilities and/or service from the ILEC and is subject to the provision of this Tariff.
- B. Restricted to Authorized Users
The use of telephone facilities is restricted to the customer and his authorized users, i.e., the customer's employees, agents or representatives, and members of the customer's domestic establishment.
- C. Limitations on Resale of Services
Service is intended only for communications in which the customer has a direct interest. The service shall not be used for any purpose for which the customer receives payment or other compensation for use of the service. The service shall not be used in the collection, transmission or delivery of any communication for others.
- E. Payment in Advance
Service must be pre-paid monthly in advance.
- F. In view of the fact that the customer has exclusive control of his communications over the facilities furnished him by the Company or ILEC, and of the uses for which facilities may be furnished him by the Company or ILEC, and because of unavoidable errors incident to the services and to the use of facilities of the Company or ILEC, the services and facilities furnished by the Company or ILEC are subject to the terms, conditions and limitations herein specified.

A2. GENERAL REGULATIONS

A2.2 Limitations And Use Of Service (Cont'd)

A2.2.1 Use Of Customer's Services (Cont'd)

G. No customer may use any service listed in any part of this Tariff, including but not limited to such call management features as the various call forwarding features, conferencing and bridging capabilities, for the purpose of allowing the customer or any other telephone user to avoid usage, message or toll charges, whether flat rated or usage based, that would otherwise be applicable.

A2.2.2 Establishment Of Identity

A. When the customer is the calling party he shall establish his identity in the course of any communications as often as may be necessary.
B. When the customer is the calling party he shall be solely responsible for establishing the identity of the person or station with which the connection is made at the called location.

A2.2.3 Customer-Provided Terminal Equipment And Communication Systems

Customer-provided terminal equipment may be used and customer-provided communications systems may be connected with the facilities furnished by the Company or ILEC for telecommunications services as provided in this Tariff.

A2.2.4 Accessories Provided By The Customer

Accessories, which aid a customer's convenience in the use of the services of the Company furnished under this Tariff, are permitted provided that any such accessory so used would not endanger the safety of Company employees, employees of the ILEC, the public and would not damage or require alteration of the equipment furnished by the Company or the ILEC.

A2.2.5 Recording Of Telephone Conversations

Recording of telephone conversations is prohibited unless the recordings are made in complete compliance with any/all applicable Federal, State, and/or Local laws or ordinances.

A2.2.6 Recorded Public Announcements

Use of the Company or ILEC facilities or service in connection with the automatic announcement service, automatic answering and recording service, recorder-couple service or miscellaneous devices for recorded public announcements are prohibited.

A2.2.7 Right To Limit Communication

The Company and/or the ILEC reserve the right to limit the length of communications when necessary because of a shortage of facilities caused by emergency conditions.

A2.2.8 Transmitting Of Messages

The Company will not transmit messages, but offers the use of its services when available, and will not be liable for errors in transmission or for failure to establish connections. Employees of the Company are forbidden to accept either oral or written messages to be transmitted over the facilities provided by the Company or the ILEC.

A2. GENERAL REGULATIONS

A2.2 Limitations And Use Of Service (Cont'd)

A2.2.9 Unlawful Use Of Service

The service is furnished subject to the condition that it will not be used for any unlawful purpose whatsoever. The Company may discontinue service or refuse to furnish service when it has reasonable grounds to believe that such service is being used or will be used in violation of the law. Reasonable grounds may include, but are not limited to, an order provided by law enforcement officials to the Company or the ILEC from a court of competent jurisdiction in which the court finds that the service is being used or will be used in violation of the law and should be terminated.

A2.2.10 Cancellation Of Service For Cause

- A. The Company may, with notice or without notice, either suspend service or terminate the customer's contract without suspension of service or, following a suspension of service, disconnect service and remove any of its equipment from the customer's premises, and/or refuse to provide future service to a customer upon:
1. Without Prior Notice
 - a. Abandonment of service.
 - b. Impersonation of another with fraudulent intent.
 - c. Use of the service of the Company in such a way as to impair or interfere with the service of other customers.
 - d. Use of services of the Company for a call or calls, anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment or to harass another.
 - e. The use of service of the Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the charge applicable for the service.
 - f. The use of profane or obscene language.
 - g. The obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain, long distance message telephone service, by rearranging, tampering with, or making connection with any facilities of the Company or the ILEC, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with the intent to avoid payment, in whole or in part, of the regular charge for such service.
 - h. The Company shall send written notification to the customer of the reason for the termination or refusal of service within twenty-four (24) hours after such termination.
 2. With Notice
 - a. Non-payment of any sum due for exchange or other services.
 - b. Listening in on party-line conversations.
 - c. Any other violation of the Company's regulations.
- B. The Company reserves the right to cancel any contract for service with and to discontinue service to any customer who uses or permits the use of obscene, profane or grossly abusive language over or by means of the Company's service, or who after reasonable notice fails, neglects or refuses to cease and refrain from such practice or to prevent the same.

A2. GENERAL REGULATIONS

A2.2 Limitations And Use Of Service (Cont'd)

A2.2.10 Cancellation Of Service For Cause (Cont'd)

- C. The Company includes written notification of the date of disconnection or denial of future service with each monthly bill, which is mailed 20 days before the disconnection date.
- D. The Company reserves the right to cancel any contract for services with and to discontinue service to any customer who uses any service listed in any part of this Tariff, including but not limited to such call management features as the various call forwarding features, conferencing and bridging capabilities, for the purpose of allowing the customer or any other telephone user to avoid usage, message or toll charges, whether flat rated or usage based, that would otherwise be applicable.

A2.2.11 Misuse Of Directory Assistance Service

- A. The Company may limit or refuse the use of directory assistance to credit risk customers who are required to pay for service in advance.
- B. The Company may limit or refuse the use of directory assistance to a customer who has not paid for all directory assistance charges from the prior month.
- C. The Company may limit or refuse the use of directory assistance to obtain a customer's listed name, address, or telephone number for any purpose other than to facilitate the making of a telephone call.

A2.2.12 Connections Of Other Common Carrier-Provided Communications Systems

The Company does not provide facilities to which an Other Common Carrier could connect.

A2.2.13 Network Facilities For Use With Automatic Dialing And Announcing Devices

The Company does not allow the use of automatic dialing and announcing devices for solicitation purposes. Customer's or potential customer's inquiring about this service will be referred to the ILEC. Any customer operating or utilizing automatic dialing equipment does so in violation of the provision of this Tariff and will be subject to immediate disconnection of telephone service.

A2.2.14 Transfer Or Assignment Of Service

The Company requires that the customer obtain prior written permission from the Company before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

A2.2.15 Company's Right To Refuse Application

The Company reserves the right to refuse an application of a present or former customer who is indebted to the Company for service previously rendered pursuant to this Tariff until the indebtedness is satisfied.

A2. GENERAL REGULATIONS

A2.2 Limitations And Use Of Service (Cont'd)

A2.2.16 FLORIDA Relay Center Restrictions

- A. The following calls may not be placed through the FLORIDA Relay Center:
1. Calls to 700, 976, and 900 numbers
 2. Calls to time or weather recorded messages
 3. Calls to other informational recordings
 4. Station sent paid calls from coin telephones
 5. Operator handled conference service and other teleconference calls
 6. All calls billed to cards (i.e., credit cards and calling cards) other than those issued by AT&T or the local exchange companies.

A2.3 Establishment And Furnishing Of Service

A2.3.1 Availability Of Service

- A. The Company's obligation to furnish service is dependent upon its ability to secure and retain, without unreasonable expense, suitable service and rights from the ILEC.
- B. The rates and charges quoted in this Tariff assume that the Company obtains service from the ILEC at reasonable costs.
- C. The Company representative will explain the availability for any requested individual line Basic Local Exchange Service options when customers call the Company's business office requesting new service or a change in their Basic Local Exchange Service.

A2.3.2 Flat, Measure And Message Rate Service

The Company Provides only pre-paid Flat Rate Service. The Company reserves the right to revise its Tariff in the future to allow Measured and Message Rate Service.

A2.3.3 Application For Service

- A. Any applicant for service may be required to sign an application form requesting that the Company furnish the customer with service in accordance with rates, charges, rules and regulations of this Tariff and any revisions to this Tariff as may be incorporated from time to time.
- B. The Company reserves the right to refuse service to any applicant who is found to be indebted for undisputed regulated charges to the Company for telephone service provided in this or in any other state in which the Company operates until the amount due has been paid in full. The Company reserves the right to refuse to furnish service to any applicant desiring to establish service for a former customer(s) of the Company who is indebted for previous service, regardless of the listing requested for such service, until the amount owed is paid in full.
- C. If telephone service is established and it is subsequently determined that any of the conditions listed in Section A2.2.10 exists, the Company may suspend or disconnect such service until the indebtedness is paid in full.
- D. The Company reserves the right to demand payment in advance from the Customer and to refuse or restrict the service furnished to the customer without payment in advance.

A2 General Regulations

A2.3 Establishment And Furnishing Of Service (Cont'd)

A2.3.3 Application For Service (Cont'd)

- E. The Company reserves the right to place a full toll restriction on the pre-paid service of any customer.
- F. When additions, rearrangements, relocation or modification of service and/or equipment is requested by a customer, the Company reserves the right to apply a service charge as specified in Section A4 of this Tariff.

A2.3.4 Application Of Rates For Residence Service

- A. In general, residence rates apply at residence locations. The Company does not provide service to business locations
- B. Residence rates apply for:
 - 1. Residence locations, which have up to, and including five (5) lines which do not employ business listing in ILEC's Business White Page Director.
 - 2. Customers residing in private apartments in hotels, clubs, hospitals, and boarding houses who request their own individual residential service when business listing are not employed.
 - 3. College fraternity houses where members of the fraternity lodge within the house.

A2.3.5 Transfer Of Service Between Customers

- A. Service previously furnished to a customer may be assumed by a new customer upon due notice of cancellation, or in the case of abandonment, provided there is no lapse in the rendition of service. Such transfers are subject to service connection charge regulations and may be arranged for in either of two ways:
 - 1. If the new customer fully understands the regulations governing the service and the status of the account, willingly assumes all obligations there under. Future bills are then rendered to him without an adjustment to or from any particular date, with the company arranging for requested change in billing and directory listing.
 - 2. If a new customer does not wish to assume payment of the old account a new service application is taken and an adjustment to billing is made to and from the date the transfer is effective.
- B. The telephone number of the service being transferred may be continued for the new customer only after the former customer has given his consent and all amounts owed to the Company, billed or unbilled, are paid in full.

A2.3.6 Initial Service Periods

- A. Unless otherwise specified, the initial service period for all services offered in this tariff is one month commencing with the date of installation of the service.
- B. The initial service period relates to each application unit of service, either on the initial or subsequent installations.

A2 General Regulations

A2.3 Establishment and Furnishing of Service (Cont'd)

A2.3.7 Provision And Ownership Of Equipment And Facilities

- A. Equipment and facilities furnished by the ILEC on the premises of a customer are the property of the ILEC.
- B. Equipment and facilities furnished by the Company on the premises of a customer are the property of the Company.
- C. Equipment and facilities furnished by the ILEC or the Company on the premises of a customer are provided upon the condition that such equipment and facilities, except as expressly provided in this Tariff, must be installed, relocated and maintained by the Company, the Company employees, agents of the Company, employees of the ILEC or its agents who may enter said premises at any reasonable hour to install, inspect or repair any part of the Company's or ILEC's equipment and facilities on the customers premises, or upon termination or cancellation of the service, to remove such equipment and facilities.
- D. Customers may not disconnect or remove or permit other to disconnect or remove any apparatus installed by the Company or ILEC, except with the consent of the Company or ILEC.
- E. Equipment and facilities furnished by the Company or ILEC shall, upon termination of service from any cause whatsoever, be returned to the Company or ILEC in good condition, reasonable wear and tear expected.

A2.3.8 Provision And Ownership Of Directories

Telephone directories distributed from time to time by the ILEC remain the property of the ILEC, and shall be surrendered upon request. Telephone directories should not be mutilated or misused in any manner, which impedes reference to essential service information or otherwise interferes with service.

A2.3.9 Provision And Ownership Of Telephone Numbers

Telephone numbers are the property of the ILEC and are assigned to the service furnished by the Company to the customer. The customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the customer, whenever the Company or the ILEC deems it necessary to do so in the conduct of its business.

A2.3.10 Maintenance And Repairs

- A. In case of damage, loss, theft, or destruction of any Company or ILEC property due to the negligence or willful act of the customer or other persons authorized to use the service, and not due to ordinary wear and tear or causes beyond the control of the customer, the customer shall be required to pay the expense incurred by the Company in connection with the replacement of the property damaged, lost, stolen, or destroyed, or the expense incurred in restoring it to its original condition.

A2 General Regulations

A2.3 Establishment and Furnishing of Service (Cont'd)

A2.3.10 Maintenance And Repairs (Cont'd)

- B. All ordinary expense of maintenance and repairs up to the demarcation point is borne by the Company and/or the ILEC.
- C. All expense of maintenance and repairs past the demarcation point will be borne by the customer.
- D. The Company reserves the right to require that the customer pay for any maintenance and/or repair work prior to the work being performed.

A2.3.11 Service At Hazardous Or Inaccessible Locations

Where service is to be established at a location that would involve undue hazards, or where accessibility is impracticable, to employees of the Company or ILEC, the customer may be required to install and maintain the Company's or ILEC's equipment and facilities in a manner satisfactory to the Company and/or ILEC, any remuneration to be based on the conditions involved.

A2.3.12 Work Performed Outside Regular Working Hours

The rates and charges specified in this Tariff contemplate that all work in connection with furnishing or rearranging service be performed during regular working hours. Whenever a customer requests that work necessarily required in the furnishing or rearranging of his service be performed outside the Company's regular working hours or that work once begun be interrupted, so that the Company incurs costs that would not otherwise have incurred, the customer will be required to pay, in addition to the other rates and charges specified in this Tariff, the amount of additional costs incurred by the Company as a result of the customer's special requirements.

A2.3.13 Suspension Of Residence Service

- A. Suspension of Service at the Customer's Request
 - 1. Upon request, a customer to Residence Service may arrange for the temporary suspension of such service. Suspension of service is available on a customer's complete service or on such portion thereof as can be suspended.
 - 2. When the period of suspension is less than one month, the regular charges for the full month of service shall apply.
 - 3. The charge for the total suspension period will be collected in advance.
 - 4. The charge for service during the period of suspension is 50 percent of the rate regularly charged for service.
- B. Application of Charges for Customer Requested Suspension of Service
 - 1. Main Station Service
 - The charge for basic exchange line service and associated optional services and features during the period of suspension is 50 percent of the rate regularly charged, except as provided in service-specific tariff sections.
- C. Suspension of Service by the Company
 - 1. The Company does not suspend service for non-payment, the service is disconnected

A2 General Regulations

A2.3 Establishment and Furnishing of Service (Cont'd)

A2.3.14 Termination Of Service

A. Termination of Service by the Company

1. Failure to pay for service in advance or violation of any of the regulations contained in this Tariff on the part of the customer may be regarded as sufficient cause for termination of the customer's service.
2. When the service is terminated on the initiative of the Company, after having made a reasonable effort to obtain customer compliance, because of violation of its regulations by the customer, the regulations stipulated below for termination of service at the subscriber's request apply.
3. The Company may refuse to furnish or continue to furnish service hereunder, if such service would be used or is used for a purpose other than that for which it is provided or when its use interferes with or impairs, or would interfere with or impair, any other service rendered to the public by the Company.

B. Termination of Service at the Customer's Request

Service may be terminated at any time upon reasonable notice from the customer to the Company. Upon such termination the customer shall be responsible for the payment of all charges due. This includes all charges due for the period of service that has been rendered plus any un-expired portion of an initial service period or applicable termination charges, or both.

C. Termination Charge

1. A termination charge is determined by applying the amount charged by the ILEC to process the termination or disconnection order plus the remaining portion of the pre-paid monthly bill. The remaining portion of the pre-paid monthly service will not be refunded to the customer.
 - a. The ILEC Termination Charge in effect at the time the customer's service is terminated will be used to determine the termination charge.

A2.3.15 Connections With Miscellaneous Common Carriers

The Company does not provide for connections with Miscellaneous Common Carriers. Such connections are provided for by the ILEC.

A2.3.16 Trouble Determination Charge

The Trouble Determination charge is the charge which applies to Residence service customers for each dispatch required in connection with a customer's service difficulty or trouble report when it is determined that the source of the difficulty or trouble is on the customer's side of the demarcation point. This charge does not include any further isolation work beyond the demarcation point.

A2 General Regulations

A2.3 Establishment and Furnishing of Service (Cont'd)

A2.3.17 Minimum And Fractional Rate And Charges

Except as otherwise specified, all rates are on a "per month" pre-paid basis, the minimum charge will be for one month. If the period of use exceeds one month, the charges for the fractional part of the month following and consecutive with a full month will be the monthly charge.

A2.4 Payment Arrangements And Credit Allowances

A2.4.1 Advance Payments

A. Installation

An applicant for service will be required to pay in advance of installation or activation of service an amount equal to service connection fee, installation or other non-reoccurring charges plus one month of service. Where construction charges are applicable the payment will be required in advance of the start of construction.

B. Monthly Charges

The customer will be required to pay monthly in advance for any and all Flat Rate Service. Failure to pay one hundred percent of the applicable charges on or before the due date shall be grounds for the Company to terminate service on the twentieth (20) day after the mailing of the original unpaid bill. The Company, in its sole discretion, reserves the right to authorize individual customers to make delayed or partial payments.

C. Grace Period

All payments are due on or before the payment due date shown on the customer's bill. There is five day grace period for receipt of payments after the payment due date before the line is disconnected.

A2.4.2 Deposits

The Company provides pre-paid residential service only. The Company does not require customer deposits. The Company reserves the right to revise its Tariff in the future to provide for deposits.

A2 General Regulations

A2.4 Payment Arrangements And Credit Allowances (cont'd)

A2.4.3 Payment For Service

- A. The customer is responsible for payment of all appropriate charges for completed calls, service and equipment. The customer will receive a monthly bill for telephone services provided by the Company. The bill will include the customer's telephone number, the due date of the bill, the total amount due, the period of time covered by the bill, and itemized toll charges for services provided by the Company. The Company will not provide billing for the customer's preferred long distance carrier or any other carrier. All charges due by the customer are payable at the Company's Main Business Office, Branch Office, or at any agency duly authorized to receive such payments. If the customer does not pay the monthly bill in advance for the upcoming month on or before the due date the Company may disconnect the service(s).
- B. Payment for service shall be in the form of cash, credit card, debit card, money order, MoneyGram, or electronic debit of the customer's bank account. The Company will not accept personal checks as payment of the customer's account.
- C. The Company, in its sole discretion, reserves the right to authorize individual customers to make delayed or partial payments.
- D. The customer shall pay monthly in advance all charges for service and equipment and shall pay on demand all charges for long distance service and additional local message charges or billed usage. The customer is responsible for payment of all charges for services furnished to the customer, including charges for services originated or charges accepted at the customer's station.
- E. Should service be disconnected for nonpayment of charges, it will be restored upon payment of the total unpaid balance due plus a line activation charge as applicable for restoration of service as provided in Section A4 of this Tariff.
- F. When service has been disconnected for nonpayment, the service agreement is considered to have been terminated. Reestablishment of service may be made only upon the execution of a new service agreement, which is subject to the provisions of this Tariff.
- G. In its sole discretion, the Company may restore or reestablish service, which has been disconnected for nonpayment of charges, prior to payment of all charges due. Such restoration or reestablishment shall not be construed as a waiver of any such or other charges due and unpaid or for the violations of the provisions of this Tariff; nor shall the failure to disconnect service for nonpayment of any past due account or accounts operate as a waiver or estoppel to disconnect service for nonpayment of such account or of any past due account.
- H. The Company will apply an administrative charge whenever the financial institution on which it was drawn does not accept an electronic debit of the customer's bank account, which was initiated for payment for service. If an electronic debit is not accepted by the customer's bank or is reversed by the customer, the Company may suspend or disconnect the customer's service without further notice.
 1. The charge for a returned electronic debit shall be \$20.00
- I. The Company will, upon request of the customer, allow the customer to pay the monthly bill in two or more partial payments. The Company will apply an administrative charge to each partial payment until the monthly bill has been paid in full.
 1. The administrative charge for each partial payment shall be \$2.00

A2 General Regulations

A2.4 Payment Arrangements And Credit Allowances (Cont'd)

A2.4.4 Allowance For Interruptions

When the use of services furnished by the Company is interrupted due to any cause other than the negligence or willful act of the customer or the failure of the facilities provide by the customer, a pro rata adjustment of the fixed monthly charges involved will be allowed upon the written request of the customer, for the service rendered useless and inoperative by reason of the interruption during the time said interruption continued in excess of twenty-four (24) hours from the time it is reported to or detected by the Company, except as otherwise specified in this Tariff. For the purpose of administering this regulation, every month is considered to have thirty (30) days and seven hundred and twenty (720) hours.

A2.4.5 Provision For Certain Local Taxes And Fees

- A.** When the company is required to pay a gross receipts license tax or any other similar type tax, authorized by the State, the Company will increase its rates in any such county in which it is required to pay such tax by the amount of such tax.
- B.** Any/all rates quoted are plus applicable Federal, State and local Taxes and fees.
- C.** Federal, State and Local taxes will be shown on the customer's bill as separate line items.

FAIR FINANCIAL LLC
 State Of FLORIDA
 ISSUED
 By: Donald M. Estep
 404 North Gallatin Rd.
 Madison, TN 37115

EFFECTIVE

A2 General Regulations

A2.4 Payment Arrangements And Credit Allowances (Cont'd)

A2.4.6 Bill Format

Following is an example of the Company's bill format (Front)

MAIL YOUR PAYMENT TO MidState Telecommunications P. O. BOX 706 Madison, Tennessee 37116-0706	OR MAKE YOUR PAYMENT IN PERSON AT 404 North Gallatin Road Madison, TN 37115 In Nashville call (615) 868-5727 Outside Nashville call (800) 794-9711	OR PAY BY MONEYGRAM / ALBERTONS 5527 EDMONDSON PIKE NASHVILLE TN 37211- (615) 834-0056
---	--	--

INVOICE NUMBER 6127	ACCOUNT # 441	TELEPHONE NUMBER (615) 781-6875	AMOUNT DUE \$39.55	DATE DUE: 8/8/01
DATE MAILED 7/23/01				If your telephone bill is not paid by 5:00 PM on or before the 5th day after the DATE DUE your telephone will be permanently disconnected and you will forfeit the phone number. If you do not have the total amount due, PLEASE telephone our office at (800) 794-9711 to discuss making a partial payment to keep your telephone service active. If you make a partial payment a processing fee of \$2.00 will be deducted from each partial payment you make.
GUILLERMO PALACIOS 4646 NOLENSVILLE PIKE APARTMENT G-4 NASHVILLE TN 37211				

YOU CAN PAY BY PHONE WITH VISA, MASTERCARD, DISCOVER, AMERICAN EXPRESS, OR A DEBIT CARD. YOU CAN MAIL A MONEY ORDER TO THE P.O BOX ABOVE OR PAY BY MONEYGRAM EXPRESS.

WE DO NOT ACCEPT PERSONAL CHECKS.

DESCRIPTION OF SERVICES	CURRENT CHARGES
BASIC TELEPHONE SERVICE	\$29 95
DAVIDSON COUNTY "911" EMERGENCY SERVICE SURCHARGE	\$0 60
TOUCHTONE SERVICE ON A RESIDENCE LINE	
FCC APPROVED CHARGE FOR THE FIRST RESIDENCE LINE	\$5 00

TAXABLE AMOUNT	\$35.55
UNPAID BALANCE CARRIED FORWARD FROM PRIOR INVOICES	\$0 00
	\$0 00

FEDERAL EXCISE TAX	3 0000%	\$1 07
STATE USE TAX	6 0000%	\$2 13
LOCAL USE TAX	2.2500%	\$0 80

INVOICE #	6127	TOTAL AMOUNT DUE	\$39.55
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This bill covers the period beginning on Monday, August 13, 2001 and ending on Wednesday, September 12, 2001

PLEASE READ THE IMPORTANT NOTICES ON THE BACK OF THIS BILL. IF YOU HAVE ANY QUESTIONS REGARDING THIS BILL PLEASE CALL OUR BUSINESS OFFICE AT 1-800-794-9711 MONDAY THROUGH FRIDAY BETWEEN 9:00 AM AND 6:00 PM CENTRAL TIME. If you do not have the total amount due, PLEASE telephone our office at (800) 794-9711 to discuss making a partial payment to keep your telephone service active. If you make a partial payment a processing fee of \$2.00 will be deducted from each partial payment that you make.

EFFECTIVE

A2 General Regulations

A2.4 Payment Arrangements And Credit Allowances (Cont'd)

A2.4.6 Bill Format

Following is an example of the Company's bill format (Back)

MidState Telecommunications
P. O. BOX 706
Madison, Tennessee 37116-0706
(615) 868-5727
(800) 794-9711

Billing

Your bill will be due on the same day each month for service provided by MidState during the following month. All payments must be made in advance of service being provided. Your monthly bill will be mailed to you each month at least 20 days before the disconnect date, unless your state regulatory agency requires a longer time. If your payment DUE DATE falls on a Sunday or one of the holidays listed below, your payment will be due before 5:00 PM on the next business day.

Payment in Full

Your payments in the form of cash, money order, Cashier Check, Visa, MasterCard, Discover Card, American Express, checking account debit card, or MoneyGram Express Payment must be received by MidState before 5:00 PM on the 5th day after the DATE DUE shown on the front of this bill, regardless of the date and time you sent the payment, unless MidState has agreed to extend the payment date.

Partial Payment and or Delayed Payment Arrangements

If you cannot pay the total amount due on or before the DUE DATE on the front of this bill, PLEASE call our business office at 1-800-794-9711 so we can work with you to make arrangements to keep your telephone service active. MidState in its sole discretion may authorize you to make a delayed payment or allow you to pay your bill in partial payments. These arrangements MUST be approved by MidState in advance. If MidState allows you to make partial payments a processing fee of \$2.00 for each partial payment will be added to the amount you owe.

MoneyGram Express Payments

When using MoneyGram Express Payment Service fill out the "Blue" MoneyGram form making sure that the following information is on the form: (1) "Receive Code" must be 1713, (2) "Company I am paying" must be MidState Telecommunications, (3) "City" must be Nashville, (4) "State" must be TN, (5) "Account Number" must be your telephone number, and (6) "Send Amount" must be the TOTAL AMOUNT DUE on the front of this bill. The MoneyGram agent will give you a copy of the "Blue" form showing the "Reference Number", keep this copy as your receipt of payment.

Failure to Make Payment on or Before the Date Due

Your telephone service is Pre-Paid, therefore, you must make payment in advance of service being provided. On the front of this bill you see the date that your payment is due. You will also see a statement under the date due notifying you that your service will be disconnected if you have not made payment in full by 5:00 PM on 5th day after the DATE DUE. The disconnection date is generally 5 days after the due date, unless the regulatory agency in your state requires a longer time. If you DO NOT make payment in full for any and all amounts due or made a partial payment as agreed to by MidState on or before the disconnect date your service will be disconnected. There are no exceptions to the disconnection procedure. If your service is disconnected, you can have the service turned back on by paying all amounts due to MidState plus a \$30.00 reconnection fee. If your service is reconnected, you may or may not be given the same telephone number. If your service is disconnected for non-payment, unauthorized charges, or for any other reason whatsoever, whether the disconnection was intentional or accidental, you expressly agree to hold MidState, its officers, employees and/or agents harmless as to any situation that may arise as a result of the disconnection, including your inability to call 911 or any other telephone number.

Hours of Operation

MidState offices are open Monday thru Friday from 9:00AM until 6:00PM and on Saturday from 9:00AM until 2:00PM Central Time. MidState offices are closed on Sundays and the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Authorized agents establish their own business hours. You may call our toll free telephone number 800-794-9711 at any time 24-hours a day and leave a voice mail after normal business hours.

Conditions for Provision of Telephone Service

The service provided by MidState is conditional and is based upon the Tariff on file with the regulatory agency in your state, which includes but is not limited to the following: (1) Your service must be paid for in advance, (2) You must have working wire and jacks inside your premises; (3) Your premises must be located in an area serviced by an Incumbent Local Exchange Carrier that MidState has a operating agreement with, (4) MidState will place toll restrictions on your telephone service; (5) You are personally responsible for any and all charges on your monthly bill, (6) Any price quoted to you is in addition to Federal, State and local taxes, fees and surcharges, and (7) all other terms and conditions as listed in the MidState Tariff of file with the regulatory agency of your state.

Repairs and Maintenance

MidState provides telephone service only. MidState will not authorize any repairs or maintenance in your premises. MidState is NOT responsible for the internal wiring, jacks, telephone sets, individual telephone connections or any other parts, telecommunications devices or data connections. If repairs are needed inside your premises, you may perform the repairs yourself or you may choose any individual or company of your choice to provide the repairs. Repairs or maintenance performed by yourself or any other party, are your sole responsibility and done at your own risk and expense.

Long Distance Service

MidState provides pre-paid local exchange telephone service, 911 access and access to "800" toll free service only. Regular long distance service is not provided by MidState, but is possible by the use of a pre-paid long distance calling card, which is available through MidState or at most convenience stores and other retailers. You can make collect calls from your phone by using one of the "800" collect services. You cannot receive collect calls. Pay phone services such as 900, 976 or 809 calls are not possible from your phone.

A2 General Regulations

A2.5 Liability Of The Company

A2.5.1 Service Irregularities

The Company's liability, if any, for its willful misconduct is not limited by this Tariff. With respect to any other claim or suit, by a customer or by any others, for damages associated with the installation, provision, preemption, termination, maintenance, repair, or restoration of service, the Company's liability, if any shall not exceed an amount equal to the proportionate part of the monthly recurring charge for the service for the period which the service was affected. This liability shall be in addition to any amounts that may otherwise be due the customer under this Tariff as an allowance for interruptions.

A2.5.2 Use Of Facilities Of Other Connecting Carriers

When suitable arrangements can be made, facilities or other connecting carriers any be used in conjunction with this Company's service in establishing connections to points not reached by this Company. Neither this Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies furnishing a portion of such service

A2.5.3 Indemnifying Agreement

The Company shall be indemnified and save harmless by the customer or customers against claims for libel, slander, or the infringement of copyright arising directly or indirectly from the material transmitted over the facilities or the use thereof; against claims for infringement of patents arising from combining with, or using in connection with, facilities furnished by the Company or ILEC, apparatus and systems of the customer; and against all other claims arising out of any act or omission of the customer in connection with the facilities or service provided by the Company or ILEC.

A2.5.4 Defacement Of Premises

The Company and/or the ILEC is not liable for any defacement of or damage to the premises of a customer resulting from the furnishing of service or the attachment of the instruments, apparatus and associated wiring furnished by the Company or ILEC on such premises or the installation or removal thereof, when such defacement is not the result of negligence of employees of the Company.

A2.5.5 Period For The Presentation Of Claims

The Company shall not be liable for damages or statutory penalties in any case where a claim is not presented in writing within sixty days after the alleged delinquency occurs.

A2 General Regulations

A2.5 Liability Of The Company (Cont'd)

A2.5.6 Equipment In Explosive Atmosphere

- A. The Company and/or the ILEC do not guarantee nor make any warranty with respect to equipment provided by it or the ILEC for use in an explosive atmosphere. The customer shall indemnify and hold harmless the Company and ILEC from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the customer or by any other party or person, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition or use of said equipment so provided.
- B. The Company and/or the ILEC may require each customer to sign an agreement for the furnishing of such equipment by the ILEC as a condition precedent to the furnishing of such equipment.
- C. The customer shall furnish, install and maintain sealed conduit with explosion-proof fittings between this equipment and the points outside the hazardous area where the connection may be made with regular facilities of the Company or ILEC. The customer may be required to install and maintain this equipment within the hazardous area if, in the opinion of the Company or ILEC, injury or damage to Company or ILEC employees or property might result from installation or maintenance by the Company or ILEC.

A2.5.7 Performance Of Telecommunications Network

Satisfactory performance of the telecommunications network requires continuing functional compatibility of the network control signals and switching equipment involved. To assure such continuing compatibility, network control signaling in the furnishing of exchange telecommunications service shall be performed by equipment furnished, installed and maintained by the ILEC.

A2.5.8 Use Of Customer-Provided Equipment

The services furnished by the Company, in addition to the preceding limitations are also subject to the following limitations:

- A. The Company shall not be liable for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company,
 1. Caused by customer-provided equipment; or
 2. Not prevented by customer-provided equipment but which would have been prevented had the customer-provided equipment been properly designed, manufactured and installed.

A2 General Regulations

A2.5 Liability Of the Company (Cont'd)

A2.5.9 Limitation Of Liability

A. Unauthorized computer Intrusion

With respect to any claim by a customer or any other party for damages caused by, or associated with, any unauthorized computer intrusion, including but not limited to the input of damaging information such as a virus, time bomb, any unauthorized access, interference, alteration, destruction, theft of, or tampering with, a ILEC computer, switch, data, database, software, information, network or other similar system, the Company is not liable.

Each customer of the Company shall be responsible for providing appropriate security measures to protect the customer's computer, data or telecommunications network.

B. Transmission Of Data

The Company shall not be held liable for any damage, harm or loss of data caused by the customer using the Company or ILEC's voice-grade telephone access line and or facilities for the transmission of data.

C. Errors Or Damagers Caused By System Date Limitations

The Company shall not be held liable for errors or damages resulting from the ILEC's inability to process dates such as the Year 2000.

D. Unauthorized Devices

The Company and/or the ILEC shall not be held liable or responsible for any damage or harm that may occur as the result of unauthorized devices or the failure of the Company and/or the ILEC to detect unauthorized devices on the customer's line.

A2.6 Obligation Of The Company

A2.6.1 Obligation To Furnish Service

The Company's obligation to furnish service or to continue to furnish service is dependent on its ability to obtain, retain, and maintain suitable rights and to use the facilities of the ILEC, and for the ILEC to provide for the installation of those facilities required incident to the furnishing and maintenance of that service.

A2.7 Special Promotions

A2.7.1 Regulations

A. The Company may offer special promotions for new or existing customers upon 7-day notice to the Commission. These promotions are a temporary waiver of certain recurring and nonrecurring charges or a one-time credit to a customer's account. Subject to availability of services and facilities from the ILEC, promotions are offered on a completely nondiscriminatory basis with each customer in the classification of service and area for which the promotion is offered having an equal opportunity for participation. Notification will include the time period in which the promotion will be conducted as well as the terms and conditions.

A2 General Regulations

A2.7 Special Promotions (Cont'd)

A2.7.1 Regulations (cont'd)

- B. During selected promotional periods, any new residential customer who transfers service from the ILEC or another CLEC will receive a \$20.00 credit on the nonrecurring charges.
- C. During selected promotional periods, any existing residential customer adding an additional exchange line will receive a \$10.00 credit on the nonrecurring charges.

A2.8 Service Mark Protection

A2.8.1 Use Of Service Marks

Service marks of the Company may not be used by any entity concurring in or providing services pursuant to this Tariff except under an express written license agreement with the Company.

A2.9 Customer Premises Inside Wiring

A2.9.1 General Provisions

- A. Customer premises inside wire is defined as that wire, including connectors, blocks, and jacks, located on the customer's side of the demarcation point.
- B. Customer premises inside wire provided by the customer may be connected to simple Residence Individual Line Service furnished by the Company at any point on the customer's side of the demarcation point. Simple Residence is defined as Individual Basic Exchange Service, which do not terminate in a customer's communications system. Service terminating in a customer's communications system is defined as Complex.
- C. The typical Network Interface for the connection of customer premises inside wire consists of a miniature modular standard jack equivalent and is provided by the ILEC as part of the Exchange Access Line. A Network Interface will be installed on the customer's premises at a location determined by the ILEC, which is accessible to the customer. The normal location of the Network Interface is at the point of minimum penetration on the customer's premises. This would be in close proximity to the protector or equivalent where the Company's or ILEC's facilities enter the customer's premises, whenever practicable.
- D. The Network Interface is provided to allow the modular connections of premises inside wire to the Access Line. The Network Interface is not to be routinely considered as a jack for the connection of telephone equipment to the Access Line except for normal testing purposes.
- E. Connection of customers premises inside wiring and terminal equipment to the Company network may be made through a Network Interface jack conforming to FCC Part 68 rules or by direct attachment to Company or ILEC provided wiring at any point on the customer's side of the demarcation point.
- F. The customer is prohibited from connecting premises wiring to the protector.
- G. The rates and charges for the Exchange Access Line do **NOT** include the customer premises inside wire and/or jacks.
- H. The ILEC owned inside wiring and/or jacks maintained by the customer remain the property of the ILEC.

A2 General Regulations

A2.9 Customer Premises Inside Wiring (Cont'd)

A2.9.2 Responsibility Of The Customer

- A. In the event that the customer provides, maintains, or attempts to maintain inside wire and/or jacks, the customer assumes the risk of loss of service, damage to property or death to or injury of the customer or the customer's agent. The customer will save the Company harmless from any and all liability, claims or damages suits arising out of the customer's wire provision or maintenance activity.
- B. Where customer premises inside wire and/or jacks are maintained by the customer, the customer is responsible for correcting any service difficulty that is caused harm to the telecommunications network upon notice from the Company that such wire is causing the difficulty.
- C. In those instances where the Company or the Company's agent makes a visit to the customer's premises and the service difficulty or trouble results from customer-provided or maintained wire and/or jacks that are not installed in accordance with the technical standards for such inside wire and jacks, the customer will be subject to charges outlined in A4.8

A2.9.3 Incidence Of Harm

- A. Should terminal equipment, inside wiring, plugs and jacks, or protective circuitry cause harm to the Company or ILEC network, or, should the Company or ILEC reasonably determine that such harm is imminent, the Company shall, where practicable, notify the customer that temporary discontinuance of service may be required; however, wherever prior notice is not practicable, the Company may temporarily discontinue service forthwith, if such action is reasonable under the circumstances.
- B. In case of such temporary discontinuance, the Company shall (a) promptly notify the customer of such temporary discontinuance, (b) afford the customer the opportunity to correct the situation which gave rise to the temporary discontinuance and (c) inform the customer of his right to bring a complaint to the Federal Communications Commission (FCC) pursuant to the procedures set forth in the FCC Part 68 rules, Subpart E.

A2.10 Checks For Unauthorized Devices

A2.10.1 General

- A. At the customer's request, the Company shall check or have checked the customer's telephone line for the presence of unauthorized listening or recording devices attached to the line for the purpose of listening to or recording the customer's communications without permission. This will involve testing the line for an electrical fault between the central office and the Network Interface. The absence of an electrical fault will not necessarily mean that there is no unauthorized device on the line. It is possible that advanced technological devices might not be detectable by the Company's or the ILEC's test.
- B. Upon receipt of the customer's request, the Company will request that the ILEC test the line between the central office and the Network Interface to determine if an electrical fault is present. If no electrical fault is detected, the Company or the ILEC shall notify the customer that no trouble was found.

A2 General Regulations

A2.10 Checks For Unauthorized Devices (cont'd)

A2.10.1 General (Cont')

- C. If an electrical fault is detected during the central office testing, the Company or the ILEC will dispatch a technician to the customer's premises, with the concurrence of the customer. During the visit, the technician will inspect only the Company's or the ILEC's facilities from the serving terminal to the Network Interface for any unauthorized devices attached to the customer's line. No facilities on the customer's side of the Network Interface will be inspected during the visit.
- D. If no trouble is detected during the central office testing, and the customer requests that a technician be dispatched to the premises for further testing, a technician will be dispatched. During the visit the technician will inspect only the Company's or ILEC's facilities from the serving terminal to the Network Interface for any unauthorized devices directly connected to the customer's line. No facilities on the customer's side of the Network Interface will be inspected during the visit.
- E. If no unauthorized device is found at the premises, the customer will be advised that no unauthorized device was found. If the line fault was caused by normal service hazards, the technician will clear the problem and the customer will be notified that the problem was cleared.
- F. If an unauthorized device is found on the customer's line, the technician will not disturb or remove the device unless it poses a hazard to the network. The matter will then be referred to the Company's and the ILEC's Security Organization for further investigation.
- G. The Company shall not be liable or responsible for any damage or harm that may occur as the result of unauthorized devices or the failure of the Company or the ILEC to detect unauthorized devices on the customer's line.

A3 BASIC LOCAL EXCHANGE SERVICE

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A3.1 General

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A3 BASIC LOCAL EXCHANGE SERVICE

A3.1 GENERAL

- A. The rate for Basic Local Exchange Service is uniform in any area covered under the Company's Resale Agreement with the ILEC of the affected state in which the customer resides.
- B. The Company services any area where the ILEC provides facilities, which the Company is allowed to utilize under its Resale Agreement with the ILEC.
- C. The rate for service not specifically shown in this section is presented in other sections of this Tariff.
- D. Individual Residence Main Station Line Service are comprised of serving central office line equipment and all outside plant facilities of the ILEC needed to connect the serving central station with the customer premises at the demarcation point. These facilities are ILEC-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the tariffed use offering selected by the customer of the Company.
- E. Residence Standard Measured Service will not be offered. The Company reserves the right to revise its Tariff to provide for Measured Service

A3.2 Statewide Rate Schedule

A3.2.1 Flat Rate Schedule

- A. The following schedule of monthly rates is applicable to Flat Rate Main Station Line Service which is available only on an individual line (1-Party) basis:
 - 1. Rate includes dial tone, touchtone and unlimited local calls.
 - a. Residence \$29.95

A3.2.2 Complete Choice Service

- A. General
 - 1. Complete Choice service provides the features specified following including a flat rate access line. Touch-Tone calling service is included in this service at no additional charge.
 - 2. The rate specified herein entitles a residence customer to unlimited calling to all exchanges access lines in the customers exchange and Extended Area of Service (as described in the Tariff of the ILEC) additional exchanges in the customer's local calling area as defined in the Tariff of the ILEC.
 - 3. Residence customers may subscribe to the One-Line plan only for Complete Choice service.
 - 4. Existing customers of Complete Choice service cannot take advantage of special promotions for Complete Choice service or Area Plus service with the Complete Choice option or any of the services/features specified in 3. Preceding unless specifically allowed by the terms of the special promotion.
- B. Rates and Charges
 - 1. Individual Line service
 - a. Per line
 - (1) Monthly Rate \$49.95
 - (2) Suspend Rate \$25.00

A3 BASIC LOCAL EXCHANGE SERVICE (Cont'd)

A3.3 Local Calling Areas

A3.3.1 General

The rates specified in A3.4.1 entitle customers to access all stations bearing the ILEC central office designation of the area in which the customer's stations is located.

The Company is a reseller of services from the ILEC. The Company cannot determine or change the local calling areas. The local calling areas are determined by the ILEC in conjunction with the Commission. The Company concurs with the description and legal definition of local service areas as shown in the ILEC's Tariff on file with the Commission. The local calling areas are itemized in the Tariff filed by the ILEC in Section A3.6. of that Tariff.

A3.3.2 Local Access And Transport Area (LATA)

The Company is a reseller of services from the ILEC. The Company cannot determine or change the Local Access and Transport Area (LATA). LATA's are determined by the ILEC in conjunction with the Commission. The LATA's are itemized in the Tariff filed by the ILEC in Section A3.6. of that Tariff.

A3.4 Monthly Exchange Rate

A3.4.1 Flat Rate Service

A. The rates specified herein, with zone mileage charges when applicable to service furnished outside the base rate area of an exchange, entitle customers to an unlimited number of messages to all stations lines bearing the designation of central office within the serving exchange and additional exchanges as determined by the ILEC and itemized in the Tariff of the ILEC in Section A3.6.

1. State – Wide Rate
 - a. Monthly Residence Rate \$29.95

A3.5 Directory Assistance Service

A3.5.1 General

- A. The Company furnishes Directory Assistance through the facilities of the ILEC for the purpose of aiding customers in obtaining telephone numbers.
- B. When the ILEC receives a 1-411 dialed call and the caller provides a state, city, and name, the ILEC will either:
 1. Provide the listed and available telephone number(s) requested, or
 2. Apprise the caller that the number(s) cannot be provided because the listing(s) is private (non-published), or not available in the ILEC's database.
- C. Directory Assistance does not provide telephone numbers associated with private (non-published) listing but does furnish numbers for semi-private (non-listed) listings.

A3.5.2 Application Of Rates

There will be a charge for all customer calls to Directory Assistance.

A3 BASIC LOCAL EXCHANGE SERVICE (Cont'd)

A3.5 Directory Assistance Service (Cont'd)

A3.5.3 Rates And Charges

- A. Directory Assistance service – (maximum of two listing requests per call)
1. Receipt of listing associated with lines located within the Local Calling Area or NPA/LATA serving area of the originating line.
 - a. Per Call \$0.50
 - b. Directory Assistance service surcharge \$0.50
 2. Receipt of listing associated with lines located outside the NPA/LATA serving area of the originating line and within in the state of FLORIDA
 - a. Per call \$1.00
 - b. Directory Assistance service surcharge \$0.50
 1. Receipt of listing associated with lines located outside the state FLORIDA
 - a. Per Call \$1.00
 - b. Directory Assistance service surcharge \$0.50

A3.6 Operator Assisted Local Calls

A3.6.1 General

- A. When the caller requests operator assistance and the call is completed within the local calling area, a service charge will be applied.

A3.6.2 Application Of Charges

- A. The appropriate service charge of local operator assistance, as specified in A3.6.3, will be applied to each completed call except:
1. For calls to the Company for official telephone business;
 2. For emergency calls to agency type telephone numbers, such as to those agencies of the federal, state, or local government which have the capability and legal authority to provide aid in emergency situations, and to any emergency medical number;
 3. When the caller identifies himself as being handicapped an unable to place the call due to his handicap; or
 4. When the caller advises he has had service trouble in reaching the terminating number.
- B. The call may be billed to the originating individual line, local calling card number, third number, collect, or any other special Company-approved identification number.
- C.

A3.6.3 Service Charges

- A. A service charge will be applied for each "completed" local operator assistance call as follows:
1. Station-to-Station
 - a. Dialed Calling Card Charge \$0.80
 - b. Operator Assisted Charge \$2.25
 - c. Operator Dialed Surcharge \$0.80
 - d. Partially Automated Surcharge \$0.50
 2. Person-to-Person
 - a. Each Call Charge \$4.90
 - b. Operator Dialed Surcharge \$0.80

A3 BASIC LOCAL EXCHANGE SERVICE (Cont'd)

A3.7 Local Operator Verification/Interruption Service

A3.7.1 General

Verification Service provides operator assistance in determining if a called line is in use. Interruption Service provides for operator interruption of a conversation in progress on a called line. The customer may request these services for a charge, where facilities are available from the ILEC, by calling "O" Operator.

A3.7.2 Application Of Charges

- A. The charges specified in A3.7.3 following will apply to all requests except:
 - 1. Emergency requests in which the caller identifies that the request is to
 - a. An official public emergency agency,
 - b. An emergency medical number, or
 - c. Privately endowed and operated suicide, drug, alcohol, or runaway crisis reporting center.
- B. Verification: A charge applies each time the operator verifies a called line and hears voice communication.
- C. Interruption: A charge applies to each time the operator interrupts a conversation that is in progress on the called line. The charge is for the interrupt service and does not depend on whether the called party agrees to release the line and accept the call.
- D. If an operator both verifies the condition of the line and interrupts conversation on the same request, the interrupt charge only applies.
- E. The charges for Verify/Interrupt service are in addition to any applicable message rates.

A3.7.3 Rates

- A. Verification Charge, per call \$2.00
- B. Interruption Charge, per call \$3.00

A3.8 Concession Service

A3.8.1 General

- A. The classes of subscribers specified following are allowed a concession on any and all services furnished by the Company
- B. Concessions are not allowed to customers except members of the LLC or other operational business units of the Company where so noted, from the regular rates for any services and/or equipment:

A3.8.2 Other Company Operational Groups

- A. Any business wholly owned and operated by FAIR FINANCIAL LLC will be allowed a concession. Other business owned by FAIR FINANCIAL LLC will be billed an amount equal to the amount the Company is billed for the service by the ILEC. This concession will apply to any and all services supplied to the Company by the ILEC for use in a business owned by FAIR FINANCIAL LLC.

A3 BASIC LOCAL EXCHANGE SERVICE (Cont'd)

A3.8 Concession Service (Cont'd)

A3.8.4 Members Of The LLC

- A. For purpose of this section the following definitions apply;
 - 1. A "Member" of the LLC is defined as a person(s) identified in Exhibit "A" of the "Operating Agreement of Limited Liability Company" as filed with the Secretary of State of the State of Tennessee on September 23, 1997 and/or each person who may thereafter become a Member of the LLC.
- B. Any Member of the LLC will be allowed a 100 percent concession on the service provided at the Member's premises. This concession will apply to any and all services supplied to the Company by the ILEC for use in the premises of the Member.

A3.9 Base Rate Area

The Base Rate Area is determined by the ILEC

A3.10 Local Directory Assistance Call Completion Service

A3.10.1 Description Of Service

- A. Local Directory Assistance Call Completion (DACC) is an optional service provided to users of Local Directory Assistance (DA) Service. When dialing 1-411, local DA customers may choose to have the telephone number they are requesting dialed by the DA Operator System.
- B. The service is available to Residence customers except where blocked by the Company.
- C. Individual message detail is not included as part of this service.
- D. The service is available only where billing and network capability exists from the ILEC.
- E. The Company may block DACC calls originating from the telephone line of any customer whose credit history required the Company to place a full toll restriction on the customer's line.

A3.10.2 Application Of Charges And Exemptions

- A. Chargeable Calls
 - 1. For charging purposes, a DACC completed call is as defined in Section A1. of this Tariff.

A3.10.3 Rates And Charges

- A. Service Charges
 - 1. Directory Assistance Call Completion Charge
 - a. Charge Per Completed Call \$1.00

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A4. SERVICE CHARGES

CONTENTS

A4.1	Definitions
A4.2	Application Of Charges
A4.2.1	General
A4.2.2	Line Activation Application
A4.2.3	Line Change Charge Application
A4.2.4	Premises Work Charge Application
A4.2.5	Service Charge Exceptions
A4.3	Schedule Of Charges For Connecting Or Changing Service
A4.3.1	Rates And Charges
A4.4	Service Expediting Charge
A4.4.1	General
A4.4.2	Rates And Charges
A4.5	Trouble Determination Charge
A4.5.1	General
A4.5.2	Rates And Charges

A4. SERVICE CHARGES

A4.1 Definitions

Service Charge

Service Charge is a nonrecurring charge or charges applying to the ordering, moving, changing, rearranging or furnishing of telecommunications services or facilities. Service Charges are categorized as:

A. Line Activation Charge

Line Activation Charge applies for establishing or reestablishing an exchange access line. The charge includes service ordering, ILEC central office work, ILEC exchange access line work and an ILEC standard voice miniature six-position network interface.

B. Line Change Charge

Line Change Charge applies per line per customer request to miscellaneous changes on existing service including, but not limited to, the receiving, recording, and processing of customer requests to change services or add new or additional services, telephone number change, and/or suspend/restore.

C. Premises Work Charge

Premises Work Charge is a nonrecurring charge based on the labor time and miscellaneous material required to perform customer requested work such as rearranging the drop wire, protector, and/or network interface.

Customer Request

The term "per customer request" as used in this section shall be defined as a customer request for service that is ordered at the same time to be provided on the same date, the same premises, the same system, and the same account.

Network Interface

The network interface is a FCC approved standard registration program jack, which is used at the demarcation point as a means of connection between the telecommunications network and the customer's inside wire and/or equipment.

Demarcation Point

The point of demarcation and/or interconnection between the ILEC communications facilities and the customer's terminal equipment, protective apparatus or wiring at the customer's premises. ILEC-installed facilities at, or constituting, the demarcation point shall consist of wire or a jack conforming to Subpart F of Part 68 of the Federal Communications Commissions rules.

A4. SERVICE CHARGES

A4.2 Application Of Charges

A4.2.1 General

- A. Except as provided hereinafter, the following are subject to service charges:
 - 1. All classes of Basic Exchange Service
 - 2. Miscellaneous service arrangements and auxiliary equipment
- B. The Line Activation Charge includes a ILEC standard voice miniature six position network interface for simple type services which do not require other network interfaces
- C. Installation charges throughout this Tariff may be applicable in addition to the charges in this section.
- D. Service charges are required to be paid at the time of application for service or customer request.

A4.2.2 Line Activation Charge Application

- A. The Line Activation Charge is applicable per line if the customer is requesting only one line or if multiple lines are being ordered.
- B. The Line Activation Charge applies:
 - 1. For the connection or reconnection of an exchange access line. The charge is applicable per exchange line.

A4.2.3 Line Change Charge Application

- A. The Line Change Charge is applicable per line per customer request if the customer is requesting changes on only one line or on multiple lines.
- B. If the Line Activation Charge applies on a customer request, any additional Line Change Charges applicable for the same customer request will be billed at the Line Change Charge rate.
- C. The Line Change Charge applies:
 - 1. For each telephone number changed when requested by the customer.
 - 2. For each line where changes are being made at the customer's request.

A4. SERVICE CHARGES

A4.2 Application Of Charges (Cont'd)

A4.2.4 Premises Work Charge Application

- A. The appropriate Line Activation Charge or Line Change Charge applies in addition to the Premises Work Charge.
- B. Premises Work Charges apply per customer request, per Company or ILEC employee performing billable work on the customer's premises. The sum of their time is used to determine the number of fifteen-minute increments to be billed. Only one initial increment is to be billed per customer request except when the customer specifically requests more employees than the Company or ILEC would normally dispatch. Where the customer specifically requests additional employees, the initial increment charge will also apply per additional Company or ILEC employee specifically requested.
- C. Premises Work Charges apply:
 1. For, but not limited to, rearrangement of drop wire, protector and/or interface.
 2. As required for Trouble Determination.
- D. The charge for a Network Interface jack applies in addition to the appropriate Premises Work Charges for installing a Network Interface at the customer's request on existing service.
- E. The customer may request an estimate before ordering work done. When an estimate is provided, the estimate is not binding on the Company or ILEC and the charge to be billed is based on the actual billable time necessary to complete the request.

A4.2.5 Service Charge Exceptions

- A. Service Charges do not apply for:
 1. Converting existing service to Lifeline.
 2. The move from a premises when has been destroyed or made untenable by a disaster such as a tornado, fire, flood, etc., when equivalent service is established, to the new/temporary location or for the move back into the original location.
 3. Requests for full or partial disconnection.

A4.3 Schedule Of Charges For Connecting Or Changing Service

A4.3.1 Rates And Charges

- A. Line Activation Charge
 1. Applies per exchange access line.
 - a. Residence Line (per customer request) \$30.00
- B. Line Change Charge
 1. Applies per exchange access line.
 - a. Residence Line (per customer request) \$25.00
- C. Premises Work Charge
 1. First 15-minute increment of fraction thereof
 - a. Residence per increment \$50.00
 2. Each additional 15-minute increment or fraction thereof
 - a. Residence per increment \$20.00

A4. SERVICE CHARGES

A4.4 Service Expediting Charge

A4.4.1 General

- A. When a customer requests that service be provided in advance of the established service interval, and the Company or ILEC is able to comply, A Service Expediting Charge applies. The Company or ILEC will determine minimum intervals required to provide service and will not expedite in advance of such intervals. These minimum intervals may vary according to the type and amount of service requested and/or the location where the service is to be provided.
- B. The charge is applicable per exchange, per customer request.
- C. The charge applies to all other service and installation charges normally applicable.
- D. The definition of an established service interval, for purpose of applying this charge, is that interval which was agreed to by the Company and/or ILEC and the customer during the initial negotiation for service where flexible dates are available or where predetermined intervals must be offered.
- E. If the Company commits to an expedited service date and then fails to meet the commitment, the customer shall not be responsible for the Service Expediting Charge and the Company shall have no further liability to the customer for its failure to meet the commitment.

A4.4.2 Rates And Charges

- A. Residence Service Nonrecurring Charge \$30.00

A4.5 Trouble Determination Charge

A4.5.1 General

- A. The customer shall be responsible for the payment of Company charges for visits by the Company or ILEC to the customer's premises which are required in connection with a customer's service difficulty or trouble when it is determined that the source of the difficulty or trouble is on the customer's side of the demarcation point. This charge does not include any isolation work beyond the demarcation point.

A4.5.2 Rates And Charges

- A. Trouble Determination for customers with Residence basic exchange service will be provided based on Premises Work Charges as described in A4.2.4 at the rates applicable to Residence customers.

A5. DIRECTORY LISTINGS

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- A5.1 Regulations Applicable To Directory Listings**
 - A5.1.1 General**

- A5.2 Residence Listing**
 - A5.2.1 General**

- A5.3 Non-Published (Private) Listing**
 - A5.3.1 General**
 - A5.3.2 Rate Application**

- A5.4 Non-Listed (Semiprivate) Listing**
 - A5.4.1 General**
 - A5.4.2 Rate Application**

- A5.5 Miscellaneous Listing**
 - A5.7.1 RingMaster® Service Listing**

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A5. DIRECTORY LISTINGS

A5.1 Regulations Applicable To Directory Listing

A5.1.1 General

- A. The rates and regulations specified herein for directory listings apply only to the alphabetical section of the directory. Listings are intended solely for the purpose of identifying a customer's telephone number and as an aid to the use of the telephone service.
- B. The listing of subscribers, either without charge or at the rate specified herein for other listings are arranged alphabetically and are not intended for special prominence of arrangement. In accepting listings as requested by customers or prospective customers, the ILEC nor the Company will not be a party to controversies between customers as a result of the publication of such listings in the ILEC directories.
- C. Listings must conform to the ILEC's specifications with respect to its directories. The ILEC reserves the right to reject listings when its sole judgment, such listing would violate the integrity of company records and its directories, confuse individuals using the directory, or when the customer cannot provide satisfactory evidence that he is authorized to do business as requested.
- D. The ILEC reserves the right to limit the length of any listing to one line in the directory by use of abbreviations when, in its sole judgment, the clearness of the listing and the identification of customer is not impaired thereby.
- E. One listing, except client listings, is furnished without extra charge as specified in the following:
 1. Each basic local exchange service line
- F. When in the sole judgment of the ILEC, the use of listings in excess of the listing permitted without charge as previously outlined, are needed for better identification of the customer, such listings may be provided without charge.
- G. Generally, the Company omits the address from the directory listing. At the customer's request an address may be shown. An address may be:
 1. A number(s) and/or letter(s) followed by the name of a street, building, a shopping center/mall, apartment complex, industrial park, or similar facility
 2. Rural route and/or box number
 3. A name of a street, building, shopping center/mall, apartment complex, industrial park, or similar facility
 4. A community name only
 5. The listed address may not include P.O. Box or use the word or abbreviation of suite, floor, or apartment before numbers used in the identification.
- H. Liability of the Company due to directory errors and omissions is as specified in Section A2. of this Tariff.
- I. A Line Change Charge, as specified in Section A4. of this Tariff, applies when an order is issued solely to add or change a directory listing.

A5. DIRECTORY LISTINGS

A5.2 Residence Listing

A5.2.1 General

Generally, a residence listing consists of a surname, given name, or dual name and/or initials, and the telephone number. When a single name listing is requested by the customer, the Company may require satisfactory evidence as to the validity of the requested name. The main listing is ordinarily the name of the individual who subscribes for the service, but the listing may be in the name of a second party residing at the address where service is provided if so designated by the customer.

A5.3 Non-Published (Private) Listing

A5.3.1 General

- A. A non-published listing is not listed in either the alphabetical section of the ILEC directory or directory assistance records and will not be furnished upon request of a calling party. However, when a call is placed from a telephone number associated with a non-published listing, the name and or number may be disclosed if the called party has the necessary equipment for receiving and/or disclosing incoming names and/or telephone number.
- B. An incoming call to a customer with a non-published listing will be completed by the ILEC only when the calling party places the call by number. The ILEC will adhere to this practice notwithstanding any claim of emergency the calling party may present. The acceptance by the ILEC of the customer's request to furnish a non-published telephone number does not create any relationship or obligation, direct or indirect, to any person other than the customer.
- C. In the absence of gross negligence or willful misconduct, no liability for damages arising from publishing a non-published telephone number in the directory or disclosing said number to any person shall attach to the ILEC or the Company. Where a non-published listing is published in the directory, the ILEC and/or Company's liability shall be limited to and satisfied by a refund of any monthly charges when the Company may have made for such listing. The customer indemnifies and saves the ILEC and/or Company harmless against any and all claims for damages caused or claimed to be caused, directly or indirectly, by the publication of a non-published listing or the disclosing of said listing information to any person.
- D. For accounting purpose, the telephone number, name, and address of a customer with a non-published listing will be provided to the Long Distance Carrier(s) which furnish the customer long distance message telecommunications service.
- E. The telephone number, name and address of the customer may be disclosed in connection with E911 service, whether the Company, ILEC or any other person provides such service. The customer waives any privacy interest in his telephone number, name, and address in connection with E911 service.

A5.3.2 Rate Application

- A. Non-Published Listing
 1. Monthly Rate \$5.00

A5. DIRECTORY LISTINGS

A5.4 Non-Listed (Semiprivate) Listing

A5.4.1 General

- A. A non-listed listing is not listed in the alphabetical section of the ILEC's directory, but is maintained on directory assistance records and will be furnished upon the request of a calling party.
- B. The acceptance by the ILEC of the customer's request to furnish a non-listed listing does not create any relationship or obligation, direct or indirect, to any person other than the customer.
- C. In the absence of gross negligence or willful misconduct, no liability for damages arising from publishing a non-listed telephone number in the directory shall be attached to the ILEC and/or Company. Where such a number is published in the directory, the Company and/or ILEC's liability shall be limited to and satisfied by a refund of any monthly charges, which the Company may have made for such non-listing. The customer indemnifies and saves the Company and/or ILEC harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-listed listing.
- D. There telephone number, name and address of the customer may be disclosed in connection with E911 service, whether such service is provided by the ILEC, Company or any other person. The customer waives any privacy interests in his telephone number, name and address in connection with E911 service.

A5.4.2 Rate Application

- A. Non-Listed Listing
 - 1. Monthly Rate \$4.00

A5.5 Miscellaneous Listing

A5.5.1 RingMaster ® Service Listing

- A. One listing for each RingMaster ® service number will be furnished on a listed or non-listed basis at no charge to the customer.
- B. A RingMaster ® service listing must be either business or residence as identified by class of service.
- C. Other listings may be provided at the rates and regulations specified in this Tariff.

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A6. MISCELLANEOUS SERVICE ARRANGEMENTS

CONTENTS

A6.1	Touch-Tone Calling Service
A6.1.1	General
A6.2	Optional Calling Services
A6.2.1	General
A6.2.2	Provisions Of Service
A6.2.3	Rates
A6.3	Call Restriction Services
A6.3.1	General

A6. MISCELLANEOUS SERVICE ARRANGEMENTS

A6.1 Touch-Tone Calling Service

A6.1.1 General

- A. Touch-Tone Calling Service provides for the origination of telephone calls by means of instruments equipped for tone-type address signaling.
- B. The service is furnished for use with individual central office lines.
- C. Touch-Tone Calling Service, for individual line service requires special ILEC central office equipment and will be provided only in those central office areas where a central office has been equipped for Touch-Tone Service.
- D. In central office areas where Touch-Tone service is available it is provided at no cost to the customer.

A6.2 Optional Calling Services

A6.2.1 General

- A. Call Waiting
Provides the user, busy on a call, with a private signal, which alerts him to unanswered call waiting to be completed to his number. The user may, then, hold the existing call, answer the incoming call and alternately talk on both calls until one has been terminated.
- B. Call Forwarding Variable
Provides for transferring incoming calls to another telephone number by dialing a code and the telephone number of the service to which calls are to be transferred. Satisfactory transmission levels cannot be assured on calls forwarded outside the local calling area
- C. Three-Way Calling
Permits an existing call to be held, and by dialing, a second telephone call can be established and added to the connection. Two toll points may be connected on a Three-Way Calling. Normal transmission performance cannot be assured on all calls.
- D. Speed Calling
Provided for the calling of a 7 or 10 digit telephone number by dialing an abbreviated code. The arrangement available has a 6 and 20 or 8 and 30 number capacity, depending on the serving facilities.
- E. Call Waiting Deluxe (CWD)
This service allows a residence customer to control the treatment applied to incoming calls while the customer is off-hook on a call. Call Waiting Deluxe includes the functionality of the Call Waiting feature and Caller ID feature.

The customer must have a Calling Identification Delivery feature, such as Caller ID Basic or Caller ID Deluxe for the calling identification data of the waiting call to be provided following the Call Waiting Deluxe alerting tone.

A6. MISCELLANEOUS SERVICE ARRANGEMENTS

A6.2 Optional Calling Services (Cont'd)

A6.2.1 General (Cont'd)

F. Call Return

This feature enables a customer to place a call to the telephone number associated with the most recent call received whether or not the call was answered or the number is known. The customer can dial a code to request that the network place the call.

G. Repeat Dialing

Repeat Dialing, when activated, automatically redials the last number the customer attempted to call. If the called line is not busy, the call will be placed.

If the called line is busy, a confirmation announcement is heard, the customer hangs up and a queuing process begins. For the next 30 minutes both the calling and the called lines are checked periodically for availability to complete the call. If during the queuing process the called line becomes idle, the customer is notified, via a distinctive ring, that the network is ready to place the call. When the customer picks up the telephone the call will automatically be placed.

H. Call Selector

Call Selector provides a distinctive ringing pattern to the subscribing customer for up to six specific telephone numbers.

The customer creates a screening list of up to six telephone numbers through an interactive dialing sequence. When a call is received from one of the predetermined telephone numbers, the customer is alerted with a distinctive ringing pattern (short, long, short). Calls from telephone number not included on the screening list will produce a normal ring.

I. Call Block

This feature provides the customer the ability to prevent incoming calls from up to six telephone numbers.

A screening list is created by the customer either by adding the last number associated with the line (incoming or outgoing), or by pre-selecting the telephone numbers to be blocked. When a call is placed to the customer's number from a number on the screening list, the caller receives an announcement indicating that the party he is attempting to call does not wish to receive his call at this time.

J. Call Tracing

Call tracing enables the customer to initiate an automatic trace of the last call received.

Upon activation by the customer, the network automatically sends a message to the ILEC's Security Department indicating the calling number, the time the trace was activated, and in some locations, the time the offending call was received. The customer using this feature would be required to contact the Annoyance Call Bureau for further action. The customer is not provided the traced number.

A6. MISCELLANEOUS SERVICE ARRANGEMENTS

A6.2 Optional Calling Services (Cont'd)

A6.2.1 General (Cont'd)

K. Caller ID - Basic (Number Delivery)

This feature enables the customer to view on a display unit the Directory Number (DN) on incoming telephone calls.

When Caller ID – Basic is activated on a customer's line, the Directory Numbers of incoming calls are displayed on the called CPE during the first long silent interval of the ringing cycle.

Any customer subscribing to Caller ID – Basic will be responsible for the provision of a display device, which will be located on the customer's premises. The installation, repair, and technical capability of that equipment to function in conjunction with the features specified herein will be the responsibility of the customer. The Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein.

L. Caller ID – Deluxe (Name and Number Delivery)

This feature enables the customer to view on a display unit the calling party Directory Name and Directory Number on incoming telephone calls.

A maximum of 15 characters is allowed for transmission of the calling party Directory Name.

When Caller ID – Deluxe is activated on a customer's line, the calling party Directory Name and Directory Number on incoming calls will be displayed on the called CPE during the first long silent interval of the ringing cycle. The date and time of the call is also transmitted to the Caller ID – Deluxe customer.

Any customer subscribing to Caller ID – Deluxe will be responsible for the provision of a display device, which will be located on the customer's premises. The installation, repair and technical capability of that equipment to function in conjunction with the feature specified herein will be the responsibility of the customer. The Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein.

M. Calling Number Delivery Blocking – Per Call

Calling Number Delivery Blocking – Per Call allows a customer to temporarily prevent the transmission of that customer's Directory Number and/or Directory Name and thus control its availability to the called party. Calling Number Delivery Blocking does not prevent transmission of the calling party number on services such as E911 that utilize Automatic Number Identification (ANI) for delivery of the calling number

A6. MISCELLANEOUS SERVICE ARRANGEMENTS

A6.2 Optional Calling Services (Cont'd)

A6.2.1 General (Cont'd)

O. Anonymous Call Rejection

This feature allows customers to automatically reject incoming calls when the call originates from a telephone number, which has invoked a blocking feature that prevents the delivery of their number to the called party. When Anonymous Call Rejection is activated on the customer's line and an incoming call marked private is received, the called party's telephone will not ring. The call will be routed to an announcement and subsequently terminated. The announcement informs the calling party that the person he or she is trying to reach will not accept the call as long as the calling number is not delivered. Incoming calls are checked for acceptance or rejection by Anonymous Call Rejection regardless of the current state of the ACR customer's line (e.g., off hook or idle).

A service order is required to establish or discontinue Anonymous Call Rejection. Subsequent to establishment, the feature can be activated and deactivated at the customer's discretion through the use of preassigned feature access codes.

- N. RingMaster® service will enable a customer to have up to three telephone numbers associated with a single line. Customers subscribing to this service will be able to receive calls dialed to two or three separate telephone numbers without having a second or third line. A distinctive ringing pattern will be provided for each of the additional telephone numbers to facilitate identification of incoming calls. A distinctive Call Waiting tone for each additional telephone number will be provided, where facilities permit, to customers subscribing to Call Waiting service.

A6.2.2 Provisions Of Service

- A. The individual optional calling services are limited to those areas served by central offices arranged for Optional Calling Services.
- B. The services are furnished in connection with individual line service.
- C. Appropriate service charges apply except during Company selected periods of special promotion

EFFECTIVE

A6. MISCELLANEOUS SERVICE ARRANGEMENTS

A6.2 Optional Calling Services (Cont'd)

A6.2.3

Rates

A. Individual Features	Monthly Rate	Monthly Rate
a. Call Waiting		\$5.00
b. Call Forwarding Variable		\$5.00
c. Three-Way Calling		\$5.00
d. Speed Calling (8 Code)		\$5.00
e. Speed Calling (30 Code)		\$5.00
f. Call Waiting Deluxe		\$8.00
g. Repeat Dialing, per line	-	\$5.00
h. Call Selector (per line)		\$5.00
i. Call Block (per line)		\$5.00
j. Call Tracing (per line)		\$5.00
k. Caller ID-Basic (Number delivery) (per line)		\$10.00
l. Caller ID Deluxe (with ACR) (per line)		\$10.00
m. Anonymous Call Rejection (per line)		\$5.00
n. Calling Number Delivery Blocking – Permanent Per Line (Non-Published Listing Customers)		\$0.00
o. Call Return		\$5.00
p. RingMaster		\$5.00
B. Individual Features	Per Use	Per Use
a. Three Way Calling		\$1.00
b. Call Return		\$1.00
c. Repeat Dialing		\$1.00

A6.3 Call Restriction Services

A6.3.1

General

- A. Call Restriction is a service, which enables the Company to restrict certain types of calls from being placed over the customer line.
- B. Where available the Company will restrict the customer's ability to place or receive any call, which will increase the customer's monthly bill.
- C. Call Restriction is furnished only from central offices equipped to provide the service and where facilities permit.
- D. Call Restriction does not provide restriction of non-chargeable calls to Company numbers, such as repair service, public emergency service numbers (911), or 1+800 calling.
- E. Placing Call Restriction on the customer's line does not relieve customers of responsibility for calls charged to their numbers.
- E. The Company shall not be liable to any person for damages of any nature or kind arising out of, or resulting from, or in connection with the provision of this service, including without limitation, the inability of station users to access the operator for any purpose.