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Conversant Technologies, Inc.  
Balance Sheet  
September 30, 2001

ASSETS

CURRENT ASSETS

Legacy Bank - Checking  
Special-Legacy Bank  
Accounts Receivable  
Other Receivables  
ILD Advances  
ILD Clearing Account  
Total Current Assets

[REDACTED]

PROPERTY

Furniture & Fixtures  
Equipment  
Jail Equipment  
Jail Phones  
Capitalized Installation  
Accumulated Depreciation  
Total Property

[REDACTED]

OTHER ASSETS

Deposits  
Organization Costs  
Accumulated Amortization - Organ. Costs  
Total Other Assets

[REDACTED]

Total Assets

SEE ACCOUNTANT'S COMPILATION REPORT

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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Balance Sheet  
September 30, 2001

LIABILITIES

CURRENT LIABILITIES

Accounts Payable  
Federal Payroll Taxes Payable  
Income Tax Payable  
Notes Payable - Current  
Total Current Liabilities

[REDACTED]

LONG TERM LIABILITIES

Notes Payable (Net of Current Portion)  
Capitalized Leases  
Deferred Interest  
Total Long Term Liabilities

[REDACTED]

Total Liabilities

[REDACTED]

STOCKHOLDER'S EQUITY

Common Stock  
Additional Paid-in Capital  
Retained Earnings  
Treasury Stock  
Total Stockholder's Equity

[REDACTED]

Total Liabilities & Stockholder's Equity

[REDACTED]

SEE ACCOUNTANT'S COMPILATION REPORT

Conversant Technologies, Inc.  
 Statement of Income  
 Current, YTD, and Ratios  
 Current and 9 Periods Ending September 30, 2001

	Current	%	Year-To-Date	%
<b>INCOME</b>				
Telephone Call Revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Inmate Direct Payments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Administrative Adjustments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>COSTS OF SALES</b>				
Call Validation Expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
LEC Charges	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Billing - Outclearing Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Billing-Adjustments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Billing-Advance Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Billing-Bad Debts	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Local Lines-Recurring	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Long Distance-Dedicated	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Long Distance-Switched	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Local Exchange Carriers	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Frame Relay	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Equipment Repair - On Site	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Equipment Support - Remote	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Call Processing Equipment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Inmate Phone Purchase	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Installation Expense-Labor	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Installation Expense-Mileage	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Commissions to Jails	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Costs of Sales	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>GROSS PROFIT (LOSS)</b>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>EXPENSES</b>				
Advertising	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accounting Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Auto	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Bank Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Charitable Contributions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Commissions & Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Consultant Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Contract Labor	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation Expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dues & Subscriptions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Employee Expense-Admin.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Employee Benefit Programs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Express & Freight	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Entertainment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Entertainment - Non-deductible	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gifts	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Insurance-Auto	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

SEE ACCOUNTANT'S COMPILATION REPORT

Conversant Technologies, Inc.  
 Statement of Income  
 Current, YTD, and Ratios  
 Current and 9 Periods Ending September 30, 2001

	Current	%	Year-To-Date	%
<b>OPERATING EXPENSES - Continued</b>				
Insurance-Liability	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loan Origination Fee	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Legal & Professional Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loan Guarantee Life Insurance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Minor Equipment Costs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Deductible Fines & Penalties	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Office Supplies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Payroll Taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Postage	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Promotional	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Promotional-Red River	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Rent - Office	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Rent - Equipment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Repairs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Salaries	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Storage	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Suspense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Taxes - Franchise	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Taxes - Property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Taxes - Sales	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Telephone	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Trade Shows, Conferences	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Travel	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>OPERATING INCOME (LOSS)</b>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>OTHER INCOME</b>				
Interest Income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Other Income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>OTHER EXPENSES</b>				
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>INCOME TAXES</b>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>NET INCOME (LOSS)</b>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

SEE ACCOUNTANT'S COMPILATION REPORT

Conversant Technologies, Inc.  
Statement of Changes in Stockholders' Equity  
For the Month and Period Ended September 30, 2001

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>
<b>COMMON STOCK</b>		
Balance at beginning of year	[REDACTED]	[REDACTED]
Par value of shares issued	[REDACTED]	[REDACTED]
<b>BALANCE AT END OF YEAR</b>	[REDACTED]	[REDACTED]
<b>ADDITIONAL PAID-IN CAPITAL</b>		
Balance at beginning of year	[REDACTED]	[REDACTED]
Paid in excess of par	[REDACTED]	[REDACTED]
<b>BALANCE AT END OF YEAR</b>	[REDACTED]	[REDACTED]
<b>RETAINED EARNINGS</b>		
Balance at beginning of period/year	[REDACTED]	[REDACTED]
Net income for the period	[REDACTED]	[REDACTED]
<b>BALANCE AT END OF YEAR</b>	[REDACTED]	[REDACTED]
<b>TREASURY STOCK</b>		
Balance at beginning of period/year	[REDACTED]	[REDACTED]
Stock Repurchase	[REDACTED]	[REDACTED]
<b>BALANCE AT END OF YEAR</b>	[REDACTED]	[REDACTED]
<b>TOTAL STOCKHOLDERS' EQUITY</b>	[REDACTED]	[REDACTED]

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