




Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: January 2, 2002

TO: Blanco Bayo, Director, Division of Commission Clerk and Administrative Services

FROM: Toni J. McCoy,  Regulatory Analyst, Division of Regulatory Oversight

010979-TI

SUBJECT: Docket No. ~~001979-TI~~, Circlenet. Communications, Inc.

Please add the attached information to the docket file.

Call me if you have any questions, I can be reached at 850/413-6532.

Thank you.

CAF	
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CSR	
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GPO	
PAI	
RCO	
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SER	
OTH	

DOCUMENT NUMBER-DATE

00053 JAN-30

FPSC-COMMISSION CLERK

Circlenet. Communications

1428 Brickell Ave Suite 600
Miami, Florida 33131
305-908-7777 Fax 305-908-7722

November 1, 2001

Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

To Whom It May Concern:

Circlenet. Communications, Inc has the sufficient financial capability to provide, maintain and to meet its lease and ownerships obligation. We are currently generating income from our other divisions, which have a projected gross sale of \$35,000,000 with net profits of \$5,000,000 as of December 2002.

Circlenet. Communications, Inc. is a full service telecommunications company offering bundled services. The concept is simple, one point of contact for all services, and one invoice. Circlenet. Communications, Inc meets the requirements of customer needs by consolidating services and providing true 'Communications Management' i.e., quality products and services at competitive prices within targeted markets. The Company is developing a wide range of marketing and distribution channels in order to expand its customer base, particularly in its target market of small to medium-sized businesses and residential market. The Company will markets its products and services through (i) its direct sales forces; (ii) networks of independent agents and distributors; and (iii) telemarketing organizations.

The existing market opportunity for Circlenet. Communications, Inc continues to be bright. With its operation already profitable, revenues and earnings are forecasted to continue and grow at above average rates. With a clearly defined acquisition strategy, targeting small and fast growing businesses in the communications industry, Circlenet. Communications, Inc ability to continue to grow rapidly into a \$100+ million dollar corporation within the first 36 months of its corporate life is a goal well within its grasp.

We are confident gross sales will be \$3,883,000 with a net profits \$1,150,000 as of December 2001. We have never failed to fulfill our commitments to our suppliers and customers and that we will be able to fulfill our commitment and financial responsibility that are being requested of us.

Sincerely,



El Hassen Ennahou - President
Circlenet. Communications Inc

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NOV 02 2001

Florida Public Service Commission
Division of Regulatory Oversight

Circlenet.Communications

1428 Brickell Ave Suite 600
Miami, Florida 33131
305-908-7777 Fax 305-908-7722

November 1, 2001

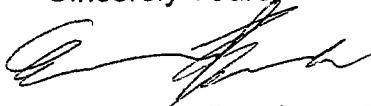
Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

To Whom It May Concern:

As majority shareholder in Circlenet.Communications, Inc I have the sufficient financial capability to provide, maintain and to meet its lease and ownerships obligation. I have been in the Telecommunications field for the last 15 years and have always fulfilled my responsibility.

We have never failed to fulfill our commitments to our suppliers and customers and we will be able to fulfill our commitment and financial responsibility that are being requested of us.

Sincerely Yours,



El Hassen Ennahou - President
Circlenet.Communications Inc.

Circlenet Communication, Inc
Profit & Loss
 January through December 1999

07/06/01

	Jan - Dec '99
Ordinary Income/Expense	
Income	
4000 · Revenue	
4010 · Long Distance Carrier	17,322.19
4000 · Revenue - Other	11,514.36
Total 4000 · Revenue	28,836.55
7000 · Interest Income	23.87
Total Income	28,860.42
Gross Profit	28,860.42
Expense	
6000 · Advertising & Promotion	14,179.56
6010 · Bank Service Charges	2,560.50
6060 · Computer Supplies & Support	5,444.61
6070 · Delivery & Postage	393.15
6100 · Employees Benefits	
6100-01 · Employee Dental	400.89
6100-02 · Employee Health	320.00
Total 6100 · Employees Benefits	720.89
6105 · Escrow FINOVA	70.69
6140 · Meals & Entertainment	3,049.98
6150 · Miscellaneous	0.00
6160 · Office Rental	
6160-00 · Office Rental 444	22,582.54
6160-01 · Office Rental-DR	6,406.25
6160-03 · Office Rental#3854	14,890.00
Total 6160 · Office Rental	43,878.79
6180 · Outside Services	
6180-01 · Accounting/Bookkeeping	2,432.00
6180-02 · Office Help & Security	5,400.00
6180 · Outside Services - Other	9,658.00
Total 6180 · Outside Services	17,490.00
6560 · Payroll Expenses	
6560-01 · Employee Salaries	29,215.80
6580 · Payroll Tax Expenses	2,130.97
6580-01 · Payroll Taxes, 940 & UCT-6	298.29
Total 6560 · Payroll Expenses	31,645.06
6590 · Professional Fees	
6190-06 · Technical Support	19,750.00
6590-01 · Accounting	5,250.00
6590-02 · Legal Fees	20,622.50
6590-03 · Marketing Support	50,000.00
Total 6590 · Professional Fees	95,622.50
6610 · Office Expense & Supplies	
6600-01 · Petty Cash Expenses	3,400.00
6610 · Office Expense & Supplies - Other	4,466.83
Total 6610 · Office Expense & Supplies	7,866.83
6615 · Repairs & Maintenance	29,231.31
6620 · Satellite Expenses	
6620-01 · Connection Fee	10,462.00
6620 · Satellite Expenses - Other	16,745.00
Total 6620 · Satellite Expenses	27,207.00
6625 · Shipping	3,906.47
6630 · Switch Expense	36,084.00
6632 · T-1 & HS Carriers	21,160.00
6640 · Telco Equipment Lease	4,000.00

07/06/01

Circlenet Communication, Inc
Profit & Loss
January through December 1999

	<u>Jan - Dec '99</u>
6650 - Telephone Expense	
6650-02 - Nextel Phones	12,833.72
6650-03 - Telephone Expense-DR	2,985.00
6650-04 - Telephone Expense 1717	4,847.21
6650-05 - Telephone Expense Office	628.43
6650 - Telephone Expense - Other	5,931.18
	<hr/>
Total 6650 - Telephone Expense	27,225.54
6670 - Transfers to DR	179,000.00
6700 - Travel	
6700-01 - Airline Tickets	16,723.33
6700-02 - Lodging	33,913.74
6700 - Travel - Other	19,200.00
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Total 6700 - Travel	69,837.07
6750 - Utilities	4,400.00
6999 - Uncategorized Expenses	27,600.00
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Total Expense	652,573.95
	<hr/>
Net Ordinary Income	-623,713.53
	<hr/>
Net Income	-623,713.53
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Circlenet Communication, Inc
Balance Sheet
As of December 31, 1999

07/06/01

	Dec 31, '99
ASSETS	
Current Assets	
Checking/Savings	
1010 · Checking - Citibank (Miami)	908.91
1020 · Checking - City National	135,314.32
1050 · Money Market - City National	1,493.47
1060 · Payroll - City National	307.30
1090 · Suspense Acct	1,000.00
Total Checking/Savings	139,024.00
Other Current Assets	
1750 · Employee Advance	1,279.50
Total Other Current Assets	1,279.50
Total Current Assets	140,303.50
Fixed Assets	
1500 · Computer Equipment	92,004.34
1515 · Furniture & Fixtures	34,208.87
1520 · LDCS Licenses	
1521 · DR License	100,000.00
Total 1520 · LDCS Licenses	100,000.00
1560 · Office Equipment	2,902.98
1570 · Telco Equipment	
1570-01 · DSU/CSU	3,600.00
1570-02 · Earth Station	61,130.00
1570-03 · Fiberoptic Cables	24,954.00
1570-04 · General Equipment	6,996.25
1570-05 · Hubs	1,570.00
1570-06 · IP Wireless Bridges	30,000.00
1570-07 · Max 6000 Gateway	162,000.00
1570-08 · Power Controllers	1,731.00
1570-09 · Routers	47,295.00
1570-10 · Software	46,500.00
1570-11 · Spectrum Analyzer	5,500.00
1570-12 · Switching Equipment	89,210.89
1570-13 · T1 Lines	59,000.00
1570 · Telco Equipment - Other	15,379.90
Total 1570 · Telco Equipment	554,867.04
Total Fixed Assets	783,983.23
Other Assets	
1700 · Deposits	
1700-01 · Caracas Office	3,050.00
1700-03 · Codetel-DR	150,000.00
1700-05 · Telephone Lines	
1705-03 · PtP-T1	4,300.00
Total 1700-05 · Telephone Lines	4,300.00
Total 1700 · Deposits	157,350.00
1790 · Transfers to Pakistan	40,000.00
1800 · Travel Advances	
1800-05 · Elias Akar	1,000.00
Total 1800 · Travel Advances	1,000.00
Total Other Assets	198,350.00
TOTAL ASSETS	1,122,636.73

07/06/01

Circlenet Communication, Inc
Balance Sheet
As of December 31, 1999

	Dec 31, '99
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	20,668.75
Total Accounts Payable	20,668.75
Other Current Liabilities	
2100 - Payroll Liabilities	494.76
Total Other Current Liabilities	494.76
Total Current Liabilities	21,163.51
Long Term Liabilities	
2300 - Capital Lease Finova-CPU Equip	47,923.33
Total Long Term Liabilities	47,923.33
Total Liabilities	69,086.84
Equity	
3000 - Opening Bal Equity	500.00
3200 - Common Stock	
3200-01 - Class A -Investors	400,000.00
3210-01 - Class A & B - El Hassan Ennahou	380,978.00
3210-02 - Class A & B - Elias Akar	238,425.50
3210-03 - Class A & B - Evelio Oliva	-52,704.53
3210-05 - Class A & B - Jean Medici	169,894.99
3210-06 - Class A & B - Sara Dreyfus	287,000.00
3220-01 - PIC - Rodrigo Vera	-61,680.04
3200 - Common Stock - Other	314,849.50
Total 3200 - Common Stock	1,676,763.42
Net Income	-623,713.53
Total Equity	1,053,549.89
TOTAL LIABILITIES & EQUITY	1,122,636.73

07/06/01

Circlenet Communication, Inc
Profit & Loss
 January through December 2000

	Jan - Dec '00
Ordinary Income/Expense	
Income	
4000 - Revenue	
4010 - Long Distance Carrier	1,618.88
Total 4000 - Revenue	1,618.88
7000 - Interest Income	2,624.24
Total Income	4,243.12
Gross Profit	4,243.12
Expense	
6000 - Advertising & Promotion	6,663.54
6010 - Bank Service Charges	3,044.38
6040 - Charges and Fees	277.77
6050 - Codetel Services	3,358.50
6060 - Computer Supplies & Support	43,377.50
6070 - Delivery & Postage	57,672.67
6090 - Employee Training Course	3,695.50
6100 - Employees Benefits	
6100-01 - Employee Dental	1,136.57
6100-02 - Employee Health	28,389.92
Total 6100 - Employees Benefits	29,526.49
6105 - Escrow FINOVA	706.90
6110 - Insurance	
6110-01 - Property & Grt. Liab.	51,207.47
6110 - Insurance - Other	39.00
Total 6110 - Insurance	51,246.47
6120 - Lease expenses	11,531.85
6140 - Meals & Entertainment	5,744.12
6150 - Miscellaneous	25,695.94
6160 - Office Rental	
6160-00 - Office Rental 444	66,492.55
6160-01 - Office Rental-DR	6,220.00
6160-03 - Office Rental#3854	4,750.00
Total 6160 - Office Rental	77,462.55
6170 - Officers Advance	329,000.00
6180 - Outside Services	
6180-01 - Accounting/Bookkeeping	3,378.00
6180-02 - Office Help & Security	8,509.73
6180 - Outside Services - Other	275.00
Total 6180 - Outside Services	12,162.73
6560 - Payroll Expenses	
6560-01 - Employee Salaries	114,197.67
6580 - Payroll Tax Expenses	10,591.89
6580-01 - Payroll Taxes, 940 & UCT-6	1,197.59
6560 - Payroll Expenses - Other	19,120.00
Total 6560 - Payroll Expenses	145,107.15
6590 - Professional Fees	
6190-06 - Technical Support	0.00
6590-01 - Accounting	10,700.00
6590-02 - Legal Fees	75,024.19
6590-03 - Marketing Support	1,600.00
6590-05 - SEC Filing	7,000.00
6590 - Professional Fees - Other	0.00
Total 6590 - Professional Fees	94,324.19

07/06/01

Circlenet Communication, Inc
Profit & Loss
 January through December 2000

	Jan - Dec '00
6610 · Office Expense & Supplies	
6600-01 · Petty Cash Expenses	3,800.00
6610 · Office Expense & Supplies - Other	37,935.00
Total 6610 · Office Expense & Supplies	41,735.00
6615 · Repairs & Maintenance	6,850.31
6620 · Satellite Expenses	
6620-01 · Connection Fee	28,800.00
6620-02 · Connection Fee-London	16,400.00
Total 6620 · Satellite Expenses	45,200.00
6625 · Shipping	18,477.24
6630 · Switch Expense	13,000.00
6632 · T-1 & HS Carriers	131,909.57
6640 · Telco Equipment Lease	753.87
6650 · Telephone Expense	
6650-01 · MCI WorldCom	2,260.16
6650-02 · Nextel Phones	34,719.16
6650-03 · Telephone Expense-DR	2,820.00
6650-04 · Telephone Expense 1717	8,086.06
6650-05 · Telephone Expense Office	16,043.98
6650 · Telephone Expense - Other	10,800.93
Total 6650 · Telephone Expense	74,730.29
6700 · Travel	
6700-01 · Airline Tickets	54,604.22
6700-02 · Lodging	32,938.18
6700-03 · Other	4,633.28
6700 · Travel - Other	1,500.00
Total 6700 · Travel	93,675.68
6750 · Utilities	5,341.85
6999 · Uncategorized Expenses	0.00
Total Expense	1,332,272.06
Net Ordinary Income	-1,328,028.94
Other Income/Expense	
Other Expense	
8000 · Loss on J. Medici buyout	292,067.61
8010 · Loss on R. Vera buyout	61,680.04
Total Other Expense	353,747.65
Net Other Income	-353,747.65
Net Income	-1,681,776.59

Circlenet Communication, Inc
Balance Sheet
As of December 31, 2000

07/06/01

	Dec 31, '00
ASSETS	
Current Assets	
Checking/Savings	
1000 - Checking - Citibank (DR)	8,000.00
1010 - Checking - Citibank (Miami)	1,772.51
1020 - Checking - City National	1,127.33
1050 - Money Market - City National	1,594.23
1090 - Suspense Acct	1,000.00
Total Checking/Savings	13,494.07
Other Current Assets	
1210 - Employee Receivable-R. Corras	59,000.00
1750 - Employee Advance	1,279.50
Total Other Current Assets	60,279.50
Total Current Assets	73,773.57
Fixed Assets	
1500 - Computer Equipment	137,879.66
1510 - Computer Software	3,035.25
1515 - Furniture & Fixtures	55,615.36
1520 - LDCS Licenses	
1521 - DR License	100,000.00
Total 1520 - LDCS Licenses	100,000.00
1540 - Bie Systems Equipment	
1541 - Software	29,157.60
1540 - Bie Systems Equipment - Other	19,438.40
Total 1540 - Bie Systems Equipment	48,596.00
1550 - Lucent Equipment-capital leases	3,095,405.08
1560 - Office Equipment	3,488.72
1565 - Telecommunications Equipments	268,302.92
1570 - Telco Equipment	
1570-01 - DSU/CSU	3,600.00
1570-02 - Earth Station	61,130.00
1570-03 - Fiberoptic Cables	24,954.00
1570-04 - General Equipment	6,996.25
1570-05 - Hubs	1,570.00
1570-06 - IP Wireless Bridges	30,000.00
1570-07 - Max 6000 Gateway	162,000.00
1570-08 - Power Controllers	1,731.00
1570-09 - Routers	62,795.00
1570-10 - Software	57,199.12
1570-11 - Spectrum Analyzer	5,500.00
1570-12 - Switching Equipment	89,210.89
1570-13 - T1 Lines	152,263.75
1570 - Telco Equipment - Other	15,379.90
Total 1570 - Telco Equipment	674,329.91
Total Fixed Assets	4,386,652.90
Other Assets	
1650 - Start-up expenses	
1650-01 - Marketing Development Fees	197,655.40
1650-02 - Technical Development Fees	180,434.46
Total 1650 - Start-up expenses	378,089.86
1700 - Deposits	
1700-01 - Caracas Office	3,050.00
1700-03 - Codetel-DR	150,000.00

07/06/01

Circlenet Communication, Inc
Balance Sheet
As of December 31, 2000

	Dec 31, '00
1700-05 · Telephone Lines	
1705-03 · PtP-T1	4,300.00
Total 1700-05 · Telephone Lines	4,300.00
Total 1700 · Deposits	157,350.00
1790 · Transfers to Pakistan	628,005.48
1791 · Transfers to Trinidad-Tobago	44,912.00
1800 · Travel Advances	
1800-03 · Derick Jones	5,000.00
1800-04 · El Hassan Ennahou	5,000.00
1800-07 · Robert Corras	4,000.00
Total 1800 · Travel Advances	14,000.00
Total Other Assets	1,222,357.34
TOTAL ASSETS	5,682,783.81
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	409,795.52
Total Accounts Payable	409,795.52
Other Current Liabilities	
2100 · Payroll Liabilities	-216.50
2250 · Due to SH - Elias Akar	-45,000.00
Total Other Current Liabilities	-45,216.50
Total Current Liabilities	364,579.02
Long Term Liabilities	
2300 · Capital Lease Finova-CPU Equip	37,047.73
2310 · Capital Lease GE.-Acc#01-05	1,715,104.63
2320 · Capital Lease GE.-Acc#02	1,065,721.01
2330 · Loan Payable-R&D Network Serv.	56,000.00
Total Long Term Liabilities	2,873,873.37
Total Liabilities	3,238,452.39
Equity	
3000 · Opening Bal Equity	500.00
3200 · Common Stock	
3200-01 · Class A -Investors	3,264,681.07
3210-01 · Class A & B - El Hassan Ennahou	500,978.00
3210-02 · Class A & B - Elias Akar	238,425.50
3210-03 · Class A & B - Evello Ollva	-117,612.53
3210-06 · Class A & B - Sara Dreyfus	548,000.00
3200 · Common Stock - Other	314,849.50
Total 3200 · Common Stock	4,749,321.54
3900 · Retained Earnings	-623,713.53
Net Income	-1,681,776.59
Total Equity	2,444,331.42
TOTAL LIABILITIES & EQUITY	5,682,783.81

07/06/01

Circlenet Communication, Inc
Balance Sheet
As of December 31, 1999

	Dec 31, '99
ASSETS	
Current Assets	
Checking/Savings	
1010 · Checking - Citibank (Miami)	908.91
1020 · Checking - City National	135,314.32
1050 · Money Market - City National	1,493.47
1060 · Payroll - City National	307.30
1090 · Suspense Acct	1,000.00
Total Checking/Savings	139,024.00
Other Current Assets	
1750 · Employee Advance	1,279.50
Total Other Current Assets	1,279.50
Total Current Assets	140,303.50
Fixed Assets	
1500 · Computer Equipment	92,004.34
1515 · Furniture & Fixtures	34,208.87
1520 · LDCS Licenses	
1521 · DR License	100,000.00
Total 1520 · LDCS Licenses	100,000.00
1560 · Office Equipment	2,902.98
1570 · Telco Equipment	
1570-01 · DSU/CSU	3,600.00
1570-02 · Earth Station	61,130.00
1570-03 · Fiberoptic Cables	24,954.00
1570-04 · General Equipment	6,996.25
1570-05 · Hubs	1,570.00
1570-06 · IP Wireless Bridges	30,000.00
1570-07 · Max 6000 Gateway	162,000.00
1570-08 · Power Controllers	1,731.00
1570-09 · Routers	47,295.00
1570-10 · Software	46,500.00
1570-11 · Spectrum Analyzer	5,500.00
1570-12 · Switching Equipment	89,210.89
1570-13 · T1 Lines	59,000.00
1570 · Telco Equipment - Other	15,379.90
Total 1570 · Telco Equipment	554,867.04
Total Fixed Assets	783,983.23
Other Assets	
1700 · Deposits	
1700-01 · Caracas Office	3,050.00
1700-03 · Codetel-DR	150,000.00
1700-05 · Telephone Lines	
1705-03 · PtP-T1	4,300.00
Total 1700-05 · Telephone Lines	4,300.00
Total 1700 · Deposits	157,350.00
1790 · Transfers to Pakistan	40,000.00
1800 · Travel Advances	
1800-05 · Elias Akar	1,000.00
Total 1800 · Travel Advances	1,000.00
Total Other Assets	198,350.00
TOTAL ASSETS	1,122,636.73

07/06/01

Circlenet Communication, Inc
Balance Sheet
As of December 31, 1999

	Dec 31, '99
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	20,668.75
Total Accounts Payable	20,668.75
Other Current Liabilities	
2100 - Payroll Liabilities	494.76
Total Other Current Liabilities	494.76
Total Current Liabilities	21,163.51
Long Term Liabilities	
2300 - Capital Lease Finova-CPU Equip	47,923.33
Total Long Term Liabilities	47,923.33
Total Liabilities	69,086.84
Equity	
3000 - Opening Bal Equity	500.00
3200 - Common Stock	
3200-01 - Class A -Investors	400,000.00
3210-01 - Class A & B - El Hassan Ennahou	380,978.00
3210-02 - Class A & B - Elias Akar	238,425.50
3210-03 - Class A & B - Evelio Oliva	-52,704.53
3210-05 - Class A & B - Jean Medici	169,894.99
3210-06 - Class A & B - Sara Dreyfus	287,000.00
3220-01 - PIC - Rodrigo Vera	-61,680.04
3200 - Common Stock - Other	314,849.50
Total 3200 - Common Stock	1,676,763.42
Net Income	-623,713.53
Total Equity	1,053,549.89
TOTAL LIABILITIES & EQUITY	1,122,636.73

07/06/01

Circlenet Communication, Inc
Profit & Loss
 January through December 2000

	Jan - Dec '00
Ordinary Income/Expense	
Income	
4000 · Revenue	
4010 · Long Distance Carrier	1,618.88
Total 4000 · Revenue	1,618.88
7000 · Interest Income	2,624.24
Total Income	4,243.12
Gross Profit	4,243.12
Expense	
6000 · Advertising & Promotion	6,663.54
6010 · Bank Service Charges	3,044.38
6040 · Charges and Fees	277.77
6050 · Codetel Services	3,358.50
6060 · Computer Supplies & Support	43,377.50
6070 · Delivery & Postage	57,672.67
6090 · Employee Training Course	3,695.50
6100 · Employees Benefits	
6100-01 · Employee Dental	1,136.57
6100-02 · Employee Health	28,389.92
Total 6100 · Employees Benefits	29,526.49
6105 · Escrow FINOVA	706.90
6110 · Insurance	
6110-01 · Property & Grl. Liab.	51,207.47
6110 · Insurance - Other	39.00
Total 6110 · Insurance	51,246.47
6120 · Lease expenses	11,531.85
6140 · Meals & Entertainment	5,744.12
6150 · Miscellaneous	25,695.94
6160 · Office Rental	
6160-00 · Office Rental 444	66,492.55
6160-01 · Office Rental-DR	6,220.00
6160-03 · Office Rental#3854	4,750.00
Total 6160 · Office Rental	77,462.55
6170 · Officers Advance	329,000.00
6180 · Outside Services	
6180-01 · Accounting/Bookkeeping	3,378.00
6180-02 · Office Help & Security	8,509.73
6180 · Outside Services - Other	275.00
Total 6180 · Outside Services	12,162.73
6560 · Payroll Expenses	
6560-01 · Employee Salaries	114,197.67
6580 · Payroll Tax Expenses	10,591.89
6580-01 · Payroll Taxes, 940 & UCT-6	1,197.59
6560 · Payroll Expenses - Other	19,120.00
Total 6560 · Payroll Expenses	145,107.15
6590 · Professional Fees	
6190-06 · Technical Support	0.00
6590-01 · Accounting	10,700.00
6590-02 · Legal Fees	75,024.19
6590-03 · Marketing Support	1,600.00
6590-05 · SEC Filing	7,000.00
6590 · Professional Fees - Other	0.00
Total 6590 · Professional Fees	94,324.19

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Circlenet Communication, Inc
Profit & Loss
 January through December 2000

	Jan - Dec '00
6610 · Office Expense & Supplies	
6600-01 · Petty Cash Expenses	3,800.00
6610 · Office Expense & Supplies - Other	37,935.00
Total 6610 · Office Expense & Supplies	41,735.00
6615 · Repairs & Maintenance	6,850.31
6620 · Satellite Expenses	
6620-01 · Connection Fee	28,800.00
6620-02 · Connection Fee-London	16,400.00
Total 6620 · Satellite Expenses	45,200.00
6625 · Shipping	18,477.24
6630 · Switch Expense	13,000.00
6632 · T-1 & HS Carriers	131,909.57
6640 · Telco Equipment Lease	753.87
6650 · Telephone Expense	
6650-01 · MCI WorldCom	2,260.16
6650-02 · Nextel Phones	34,719.16
6650-03 · Telephone Expense-DR	2,820.00
6650-04 · Telephone Expense 1717	8,086.06
6650-05 · Telephone Expense Office	16,043.98
6650 · Telephone Expense - Other	10,800.93
Total 6650 · Telephone Expense	74,730.29
6700 · Travel	
6700-01 · Airline Tickets	54,604.22
6700-02 · Lodging	32,938.18
6700-03 · Other	4,633.28
6700 · Travel - Other	1,500.00
Total 6700 · Travel	93,675.68
6750 · Utilities	5,341.85
6999 · Uncategorized Expenses	0.00
Total Expense	1,332,272.06
Net Ordinary Income	-1,328,028.94
Other Income/Expense	
Other Expense	
8000 · Loss on J. Medici buyout	292,067.61
8010 · Loss on R. Vera buyout	61,680.04
Total Other Expense	353,747.65
Net Other Income	-353,747.65
Net Income	-1,681,776.59

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Circlenet Communication, Inc
Balance Sheet
As of December 31, 2000

	Dec 31, '00
ASSETS	
Current Assets	
Checking/Savings	
1000 · Checking - Citibank (DR)	8,000.00
1010 · Checking - Citibank (Miami)	1,772.51
1020 · Checking - City National	1,127.33
1050 · Money Market - City National	1,594.23
1090 · Suspense Acct	1,000.00
Total Checking/Savings	13,494.07
Other Current Assets	
1210 · Employee Receivable-R. Corras	59,000.00
1750 · Employee Advance	1,279.50
Total Other Current Assets	60,279.50
Total Current Assets	73,773.57
Fixed Assets	
1500 · Computer Equipment	137,879.66
1510 · Computer Software	3,035.25
1515 · Furniture & Fixtures	55,615.36
1520 · LDCS Licenses	
1521 · DR License	100,000.00
Total 1520 · LDCS Licenses	100,000.00
1540 · Ble Systems Equipment	
1541 · Software	29,157.60
1540 · Ble Systems Equipment - Other	19,438.40
Total 1540 · Ble Systems Equipment	48,596.00
1550 · Lucent Equipment-capital leases	3,095,405.08
1560 · Office Equipment	3,488.72
1565 · Telecommunications Equipments	268,302.92
1570 · Telco Equipment	
1570-01 · DSU/CSU	3,600.00
1570-02 · Earth Station	61,130.00
1570-03 · Fiberoptic Cables	24,954.00
1570-04 · General Equipment	6,996.25
1570-05 · Hubs	1,570.00
1570-06 · IP Wireless Bridges	30,000.00
1570-07 · Max 6000 Gateway	162,000.00
1570-08 · Power Controllers	1,731.00
1570-09 · Routers	62,795.00
1570-10 · Software	57,199.12
1570-11 · Spectrum Analyzer	5,500.00
1570-12 · Switching Equipment	89,210.89
1570-13 · T1 Lines	152,263.75
1570 · Telco Equipment - Other	15,379.90
Total 1570 · Telco Equipment	674,329.91
Total Fixed Assets	4,386,652.90
Other Assets	
1650 · Start-up expenses	
1650-01 · Marketing Development Fees	197,655.40
1650-02 · Technical Development Fees	180,434.46
Total 1650 · Start-up expenses	378,089.86
1700 · Deposits	
1700-01 · Caracas Office	3,050.00
1700-03 · Codetel-DR	150,000.00

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Circlenet Communication, Inc
Balance Sheet
As of December 31, 2000

	Dec 31, '00
1700-05 · Telephone Lines	
1705-03 · PtP-T1	4,300.00
Total 1700-05 · Telephone Lines	4,300.00
Total 1700 · Deposits	157,350.00
1790 · Transfers to Pakistan	628,005.48
1791 · Transfers to Trinidad-Tobago	44,912.00
1800 · Travel Advances	
1800-03 · Derick Jones	5,000.00
1800-04 · El Hassan Ennahou	5,000.00
1800-07 · Robert Corras	4,000.00
Total 1800 · Travel Advances	14,000.00
Total Other Assets	1,222,357.34
TOTAL ASSETS	5,682,783.81
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	409,795.52
Total Accounts Payable	409,795.52
Other Current Liabilities	
2100 · Payroll Liabilities	-216.50
2250 · Due to SH - Elias Akar	-45,000.00
Total Other Current Liabilities	-45,216.50
Total Current Liabilities	364,579.02
Long Term Liabilities	
2300 · Capital Lease Finova-CPU Equip	37,047.73
2310 · Capital Lease GE.-Acc#01-05	1,715,104.63
2320 · Capital Lease GE.-Acc#02	1,065,721.01
2330 · Loan Payable-R&D Network Serv.	56,000.00
Total Long Term Liabilities	2,873,873.37
Total Liabilities	3,238,452.39
Equity	
3000 · Opening Bal Equity	500.00
3200 · Common Stock	
3200-01 · Class A -Investors	3,264,681.07
3210-01 · Class A & B - El Hassan Ennahou	500,978.00
3210-02 · Class A & B - Elias Akar	238,425.50
3210-03 · Class A & B - Evelio Oliva	-117,612.53
3210-06 · Class A & B - Sara Dreyfus	548,000.00
3200 · Common Stock - Other	314,849.50
Total 3200 · Common Stock	4,749,321.54
3900 · Retained Earnings	-623,713.53
Net Income	-1,681,776.59
Total Equity	2,444,331.42
TOTAL LIABILITIES & EQUITY	5,682,783.81

El Hassen Ennahou has served as our *Chief Executive Officer since* October 2, 2000. Mr. Ennahou was the President, CEO and a Director of Stellar Corporation, one of the largest Telecom rental companies in the United States from July 1995 to June 2000. He has been a Director of Sullair from 1998 through 1999, one of the largest Telecom rental companies in Argentina and Supercanal, Argentina's third-largest cable TV provider. Mr. Ennahou also serves on the Boards of Latin Broadband Group, a fixed wireless provider in Argentina, Geoworks Corporation a wireless technology company and TeleServices Group, a telecommunications interconnect company. From 1991 to July 1995, he was a Senior Vice President for the investment banking firm of Houlihan Lokey Howard and Zukin. Ennahou holds an M.B.A. in Finance from Fordham University and a B.S. in Electrical Engineering from Carnegie Mellon University.

FEDERICO FUENTES, CTO and Director of Network Planning, possess more than 25 years of experience with PIT's, Carriers and Multinational Companies:

The development of Virtual Private Networks (VPN for Bank Institutions in Venezuela, Mexico, Central and South America); CANTV; Ameritech; Telscape; Iridium, and personal Venture with prepaid cellular System; and implementing a GSM network in the Eastern of Venezuela. Mr. Fuentes moves into the International arena with StartCom as V.P of international Operation to become later StartCom's. Mr. Fuentes represents a fundamental pillar in our Network Development for its invaluable knowledge on the Market, Infrastructure and the Telecommunication Network Systems of the Caribbean, Andean Region, central and South America.

John Zderic *Director Network Provisioning*, Mr. Zderic joined Circlenet.Communications in November of 1999 as Director of Network Provisioning. His responsibilities will include the coordination for provisioning of Circlenet.Communications's network and the implementation and operation of Circlenet.Communications's Network Operations Center (NOC). He spent 9 years on Southern Bell's Network Staff coordinating with the Southern Bell State staffs regarding Network operations and switching systems. Since 1993 he has worked for several IXC/CLECs in the Miami area. His most recent job assignment was with Pointe Communications.