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January 18, 2002

020056-TX

Ms. Blanca S. Bayo, Director
Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: Momentum Business Solutions, Inc.'s Application for Certification to Provide
Alternative Local Exchange Service within the State of Florida

Dear Ms. Bayo:

Enclosed are the original and six copies of this letter and Momentum Business Solutions, Inc.'s Application to Provide Alternative Local Exchange Service within the State of Florida. Also enclosed is a check for \$250.00 to cover the required filing fee. Please file this Application in your usual fashion and acknowledge receipt of this Application by stamping the extra copy of this letter "filed" and returning the copy to me.

If you have any questions concerning this Application, please feel free to contact me.

Sincerely,



Martin P. McDonnell

MPM/rl
Enclosures
Bayo.117

DOCUMENT NUMBER-DATE

00672 JAN 18 02

FPSC-COMMISSION CLERK

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

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

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

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

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

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

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

APPLICATION

1. This is an application for (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:

Momentum Business Solutions, Inc.

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

Momentum Business Solutions

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

2090 Columbiana Road, Suite 3000
Birmingham, Alabama 35216

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

6. Structure of organization:

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

7. If individual, provide:

Name:

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

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

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

Document number F00000002733

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

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

10. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

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

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

(a) The Florida Secretary of State registration number:

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

Name:

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

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

(a) The Florida registration number:

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

63-1248402

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.

NO

(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.

NO

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

(a) The application:

Name: Peggy McKay

Title: Director, Product Management

Address: 2090 Columbiana Road, Suite 3000

City/State/Zip: Birmingham, Alabama 35216

Telephone No.: 205-978-4410 Fax No.: 205-978-4401

Internet E-Mail Address: pmckay@momentumbusiness.com

Internet Website Address: www.momentumbusiness.com

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

Name: Todd Fowler

Title: Vice President, Operations

Address: 2090 Columbiana Road, Suite 3000

City/State/Zip: Birmingham, Alabama 35216

Telephone No.: 205-978-4480 Fax No.: 205-978-4401

Internet E-Mail Address: tfowler@momentumbusiness.com

Internet Website Address: www.momentumbusiness.com

(c) Complaints/Inquiries from customers:

Name: Todd Fowler

Title: Vice President, Operations

Address: 2090 Columbiana Road, Suite 3000

City/State/Zip: Birmingham, Alabama 35216

Telephone No.: 205-978-4480 Fax No.: 205-978-4401

Internet E-Mail Address: tfowler@momentumbusiness.com

Internet Website Address: www.momentumbusiness.com

17. List the states in which the applicant:

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

Alabama, Georgia, and Tennessee

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

North Carolina and Louisiana

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

Alabama, Georgia, Tennessee, Mississippi, South Carolina and Kentucky

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

None

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

None

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

None

18. Submit the following:

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

See Exhibit A Attached.

- 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.**

See Exhibit A Attached.

C. Financial capability.

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

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

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

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

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

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

Attached

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

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

UTILITY OFFICIAL:

<u>Alan L. Creighton</u>	
Print Name	Signature
<u>President & CEO</u>	<u>January 14, 2002</u>
Title	Date
<u>205-978-4440</u>	<u>205-978-4401</u>
Telephone No.	Fax No.
Address: <u>2090 Columbiana Road, Suite 3000</u>	
<u>Birmingham, Alabama 35216</u>	

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

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

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

UTILITY OFFICIAL:

<u>Alan L. Creighton</u>	
Print Name	Signature
<u>President & CEO</u>	<u>January 14, 2002</u>
Title	Date
<u>205-978-4440</u>	<u>205-978-4401</u>
Telephone No.	Fax No.
Address: <u>2090 Columbiana Road, Suite 3000</u>	
<u>Birmingham, Alabama 35216</u>	

INTRASTATE NETWORK (if available)

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

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

1) _____ 2) _____

3) _____ 4) _____

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

1) _____ 2) _____

3) _____ 4) _____

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

POP-to-POP OWNERSHIP

1) _____

2) _____

3) _____

4) _____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name)
(Title) _____ of (Name of Company)

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

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

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name

Signature

Title

Date

Telephone No.

Fax No.

Address:

Exhibit A

Momentum Business Solutions, Inc. Management Biographies

Alan L. Creighton President and CEO

Mr. Creighton graduated from the University of Alabama in 1985 with a Bachelor of Science Degree in Finance with a Minor in Computer Science.

Mr. Creighton joined BellSouth Advanced Systems after graduating from the University of Alabama. BellSouth employed Mr. Creighton as a large business Account Executive until 1988. During his time spent with BellSouth, he consistently achieved objectives and won the "Presidential Circle of Excellence Award". Mr. Creighton later joined NuCel, Inc. a wireless telecommunications company as Director of Marketing. NuCel built entire cellular systems for independent owners of MSA's. From 1989 through 1999, he helped create and build significant businesses (in terms of members, revenues and valuations) in the managed care business. As part of that, Mr. Creighton served in several senior management positions including Vice President, Development, Regional Vice President and President.

Jack M. Salyer Senior Vice President, Sales and Marketing

Mr. Salyer graduated from the University of Georgia in 1988 and holds a Bachelor of Science Degree in Risk Management and Insurance.

Mr. Salyer began his professional career in 1989 with Alnet Communications, a long distance telecommunications company (now part of Global Crossing). During his three years at Alnet, Mr. Salyer held various sales and sales manager positions. His production consistently ranked in the top 10% within the company. He was responsible for selling a wide range of telecommunications products, including voice, data, and dedicated services. From 1992 to 1999, prior to forming Momentum Business Solutions, L.L.C., Mr. Salyer ran the sales organizations for three managed care organizations (Complete Health, Triton Health Systems, and Momentum Health Services). Mr. Salyer was a founding shareholder and officer of both Triton Health Systems and Momentum Health Services, and his sales team significantly surpassed all production projections and quotas.

Todd Fowler
Vice President, Operations

Mr. Fowler graduated from the University of Alabama-Birmingham in 1985 and holds a Bachelor of Science Degree in Marketing. Mr. Fowler began his career at BellSouth Telecommunications, Inc. as Product Manager for CPE. Mr. Fowler quickly took on new responsibilities as Staff Manager responsible for the Billing and Collections product for Interexchange Carriers. Later, Mr. Fowler helped create Federal TransTel managing Billing and Collection contracts with Regional Bell Operating Companies. Mr. Fowler was recruited by Business Telecom, Inc. as Director – Customer Care Services in charge of National Call Center, National Trouble Dispatch Center, Field Support Services, Enhanced Communications Services, and Field Dispatch Operations.

Dennis E. Lipford
Vice President, Finance

Mr. Lipford graduated from Auburn University in 1989 with a Bachelor of Science Degree in Accounting. He joined Ernst & Young after graduating. Ernst & Young employed Mr. Lipford as an auditor until 1992. At that time, Mr. Lipford joined United healthcare, most recently in a senior management position as Vice President, Contracting and Government Programs.

Dr. Hiliare Bruno deSa
Director, Information Technologies

Dr. deSa holds a MB, BS, and Masters Degree in Medical Sciences and is currently certified as a Microsoft Certified Trainer, Certified Technical Trainer, Microsoft Certified Systems Engineer, Microsoft Certified Professional and Internet and Certified Novell Engineer. He began his career as a physician in internal medicine, but Dr. deSa moved into information technologies achieving many certifications as described above and has a wide range of experience, ranging from ISP management, network administration, and database application development. Most recently, Dr. deSa was with BellSouth Telecommunications and EDS working as Project Management, managing 450 NT and Novell servers and 20,000 work stations in a nine state region.

Peggy D. McKay
Director, Product Management

Ms. McKay graduated from the University of Alabama in Birmingham with a Bachelor of Science Degree in Business Administration. Ms. McKay has 35 years experience in the telecommunication industry, including positions at AT&T and BellSouth. Ms. McKay retired from BellSouth effective May 31, 2000.

Ms. McKay's career began as a Long Distance Operator in 1967 and held positions including Service Representative, Communications Consultant, Systems Designer, Manager and Director. Ms. McKay spent much of her career in the "line" business and has had experience working in customer ordering, billing, CPE sales, bid response sales technical support and Interconnection.

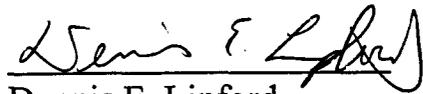
Ms. McKay joined the BellSouth Interconnection Sales team as Director in 1997, which supported the Competitive Local Exchange Carriers (CLECs). She managed the Complex Resale Support Group, which received and processed complex resale orders from CLECs. She then managed a team responsible for supporting the CLECs, which included subject matter experts in the areas of operational support system (OSS) interfaces, local interconnection trunking, billing, local number portability, unbundled network elements, and collocation.

After retiring, Ms. McKay was contracted by BellSouth to develop and deliver training to CLECs on subjects, to include collocation, unbundled network elements, LENS, and switched port loop combinations.

Momentum Business Solutions, Inc.

Florida Application Financial Statement Affirmation

Management hereby affirms that the accompanying financial statements of Momentum Business Solutions, Inc. are true and correct. It is management's opinion that the accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.



Dennis E. Lipford
Vice President, Finance

11/7/02
Date



Alan L. Creighton
President and CEO

11/7/2002
Date

Momentum Business Solutions, Inc.
Balance Sheet
November 30, 2001
UNAUDITED

**MBS
Inc.**

Assets

Current assets:

Cash and cash equivalents	\$1,867,859
Accounts receivable	\$10,210
Access fees receivable	\$17,564
Pledged Securities	\$1,936,140
Other	\$8,033

Total current assets \$3,839,806

Property and equipment, net	\$869,531
Deferred income taxes	\$563,654
Deposits	\$178,538

Intangible assets, net

Franchise fees	\$74,708
----------------	----------

Total Assets \$5,526,237

Liabilities & stockholders' equity

Current liabilities:

Accounts payable	\$46,289
Accrued payroll and taxes	\$269,255
Hedge liability	\$1,789,373
Current portion of capital lease obligations	\$83,731
Current portion of notes payable	\$144,204
Payable to affiliate	-

Total current liabilities \$2,332,852

Capital lease obligations \$175,373

Notes payable \$57,275

Equity

Common stock	\$168
Additional paid in capital	\$4,403,292
R/E (deficit)	<u>(\$1,442,723)</u>

Total stockholders' equity \$2,960,737

Total liabilities & stockholders' equity \$5,526,237

Momentum Business Solutions, Inc.
Consolidated Statement of Income
For the Eleven Months Ended November 30, 2001

	MBS Inc.
Sales	
Local phone service	\$146,357
Long distance phone service	\$29,282
Shipping service	\$47,114
Internet service	\$325
Local access fees	<u>\$17,564</u>
	<u>\$240,642</u>
Cost of Sales	
Local phone service	\$78,490
Long distance phone service	\$15,624
Shipping service	\$34,438
Internet service	<u>\$213</u>
	<u>\$128,765</u>
Gross Margin	<u>\$111,877</u>
Other Income	
Interest income	\$27,321
Unrealized gain (loss) on HFI securities	\$690
Unrealized gain (loss) on hedge liability	\$11,527
Expenses	
Selling and administrative	\$1,970,450
Interest expense	\$39,987
Depreciation and amortization	<u>\$104,588</u>
Loss before taxes	(\$1,963,610)
Income tax benefit (expense)	<u>\$555,682</u>
Net loss	<u><u>(\$1,407,928)</u></u>

MBS, Inc.
 Consolidated Statement of Stockholders' Equity
 For the eleven months ended November 30, 2001
 UNAUDITED

	Common Stock	Additional Paid in Capital	Preferred Stock	R/E (Deficit)	Total Equity
Total stockholders' equity, beginning	\$168	\$16,607	-	(\$34,795)	(\$18,020)
Capital contributions	-	\$4,386,685	-	-	\$4,386,685
Net loss	-	-	-	(\$1,407,928)	(\$1,407,928)
Total stockholders' equity, ending	<u>\$168</u>	<u>\$4,403,292</u>	<u>-</u>	<u>(\$1,442,723)</u>	<u>\$2,960,737</u>

MOMENTUM BUSINESS SOLUTIONS
Projected Income Statement
2002

	2002												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
REVENUES													
LONG DISTANCE	\$27,163	\$49,383	\$77,631	\$111,889	\$150,161	\$192,246	\$236,467	\$278,476	\$318,385	\$356,298	\$392,316	\$426,533	\$2,616,9
LOCAL SERVICE	\$167,853	\$290,491	\$456,654	\$658,171	\$883,300	\$1,130,860	\$1,390,980	\$1,638,093	\$1,872,851	\$2,095,871	\$2,307,740	\$2,509,016	\$15,401,8
SHIPPING	\$16,785	\$28,393	\$44,353	\$63,848	\$85,705	\$109,805	\$135,817	\$160,528	\$184,004	\$206,306	\$227,493	\$247,620	\$1,510,6
ISP	\$2,686	\$4,543	\$7,096	\$10,216	\$13,713	\$17,569	\$21,731	\$25,684	\$29,441	\$33,009	\$36,399	\$39,619	\$241,7
DSL	\$980	\$5,124	\$10,650	\$17,297	\$24,689	\$32,790	\$41,283	\$49,352	\$57,018	\$64,300	\$71,218	\$77,791	\$452,4
ACCESS FEES	\$19,502	\$33,987	\$53,429	\$77,006	\$103,346	\$132,311	\$162,745	\$191,657	\$219,124	\$245,217	\$270,006	\$293,555	\$1,801,8
TOTAL REVENUE	\$234,968	\$411,922	\$649,813	\$938,427	\$1,260,914	\$1,615,580	\$1,989,022	\$2,343,791	\$2,680,822	\$3,001,001	\$3,305,171	\$3,594,133	\$22,025,5
COST OF GOODS SOLD													
LONG DISTANCE	\$15,211	\$27,655	\$43,473	\$62,658	\$84,090	\$107,658	\$132,421	\$155,946	\$178,295	\$199,527	\$219,697	\$238,858	\$1,465,4
LOCAL SERVICE	\$83,926	\$145,246	\$228,327	\$329,086	\$441,650	\$565,430	\$695,490	\$819,047	\$936,426	\$1,047,936	\$1,153,870	\$1,254,508	\$7,700,9
SHIPPING	\$12,085	\$20,443	\$31,934	\$45,971	\$61,708	\$79,059	\$97,788	\$115,580	\$132,483	\$148,540	\$163,795	\$178,287	\$1,087,6
ISP	\$1,746	\$2,953	\$4,613	\$6,640	\$8,913	\$11,420	\$14,125	\$16,695	\$19,136	\$21,456	\$23,659	\$25,753	\$157,1
DSL	\$980	\$5,124	\$9,585	\$15,567	\$20,739	\$26,232	\$33,027	\$38,495	\$43,334	\$48,225	\$51,989	\$56,009	\$349,3
ACCESS FEES	\$4,290	\$7,477	\$11,754	\$16,941	\$22,736	\$29,108	\$35,804	\$42,165	\$48,207	\$53,948	\$59,401	\$64,582	\$396,4
TOTAL COGS	\$118,239	\$208,897	\$329,686	\$476,863	\$639,836	\$818,907	\$1,008,655	\$1,187,928	\$1,357,881	\$1,519,631	\$1,672,412	\$1,817,997	\$11,156,9
GROSS PROFIT	\$116,729	\$203,025	\$320,127	\$461,564	\$621,078	\$796,673	\$980,367	\$1,155,863	\$1,322,941	\$1,481,370	\$1,632,760	\$1,776,137	\$10,868,6
OPERATING EXPENSES:													
ADMINISTRATIVE COST	\$230,795	\$243,989	\$254,537	\$312,301	\$347,797	\$376,595	\$429,597	\$448,469	\$466,655	\$495,002	\$521,725	\$523,129	\$4,650,5
DEPRECIATION/AMORTIZATION	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000	\$45,000	\$46,000	\$486,0
SALES COST	\$463,564	\$554,473	\$627,471	\$683,165	\$753,218	\$818,797	\$872,248	\$851,041	\$865,233	\$913,582	\$908,772	\$899,050	\$9,210,6
TOTAL OPERATING EXPENSE	\$729,359	\$834,462	\$919,007	\$1,033,466	\$1,140,015	\$1,235,392	\$1,342,845	\$1,341,510	\$1,374,888	\$1,452,585	\$1,475,497	\$1,468,179	\$14,347,2
PRETAX PROFIT (LOSS)	(\$612,630)	(\$631,437)	(\$598,881)	(\$571,902)	(\$518,937)	(\$438,719)	(\$362,478)	(\$185,647)	(\$51,947)	\$28,785	\$157,262	\$307,957	(\$3,478,5
PROVISION FOR TAXES		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET PROFIT (LOSS)	(\$612,630)	(\$631,437)	(\$598,881)	(\$571,902)	(\$518,937)	(\$438,719)	(\$362,478)	(\$185,647)	(\$51,947)	\$28,785	\$157,262	\$307,957	(\$3,478,5

**MOMENTUM BUSINESS SOLUTIONS
PRO FORMA CASH FLOW STATEMENT
2002**

	2002												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
CASH FLOW - OPERATIONS:													
NET PROFIT (LOSS)	(\$612,630)	(\$631,437)	(\$598,881)	(\$571,902)	(\$518,937)	(\$438,719)	(\$362,478)	(\$185,647)	(\$51,947)	\$28,785	\$157,262	\$307,957	(\$3,478,573)
NON-CASH ITEMS													
DEPRECIATION	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000	\$45,000	\$46,000	\$486,000
CASH FLOW - OPERATING:													
INCOME TAXES			(\$125,000)										(\$125,000)
TOTAL CASH FLOW - INVESTING	\$0	\$0	(\$125,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$125,000)
CASH FLOW - INVESTING:													
PURCHASE FIXED ASSETS	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$600,000)
TOTAL CASH FLOW - INVESTING	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$600,000)
CASH FLOW - FINANCING:													
CAPITAL CONTRIBUTIONS	\$1,500,000			\$1,000,000								\$0	\$2,500,000
CAPITAL LEASE OBLIGATIONS - FIXED ASSETS	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$360,000
PRINC/INTEREST ON NOTES	(\$25,000)	(\$27,000)	(\$29,000)	(\$31,000)	(\$33,000)	(\$35,000)	(\$37,000)	(\$39,000)	(\$41,000)	(\$43,000)	(\$45,000)	(\$47,000)	(\$432,000)
TOTAL CASH FLOW - FINANCING	\$1,505,000	\$3,000	\$1,000	\$999,000	(\$3,000)	(\$5,000)	(\$7,000)	(\$9,000)	(\$11,000)	(\$13,000)	(\$15,000)	(\$17,000)	\$2,860,000
NET CASH FLOW	\$877,370	(\$642,437)	(\$735,881)	\$415,098	(\$532,937)	(\$453,719)	(\$378,478)	(\$202,647)	(\$69,947)	\$9,785	\$137,262	\$286,957	(\$857,573)
BEG BALANCE - CASH & INVESTMENTS	\$1,750,000	\$2,627,370	\$1,984,933	\$1,249,052	\$1,664,150	\$1,131,213	\$677,494	\$299,016	\$96,369	\$26,422	\$36,207	\$173,470	\$1,750,000
END BALANCE - CASH & INVESTMENTS	\$2,627,370	\$1,984,933	\$1,249,052	\$1,664,150	\$1,131,213	\$677,494	\$299,016	\$96,369	\$26,422	\$36,207	\$173,470	\$460,427	\$892,427

Momentum Business Solutions, Inc. Financial Capabilities Summary

Momentum Business Solutions, Inc., is funded by private investors who have committed to \$7 million in funding. \$4.5 million has been received in 2001, and an additional \$2.5 million has been committed and will be funded during the first quarter of 2002.

Momentum's management team believes that the \$7 million in funding is sufficient to fund the Company's operations until such time that the Company reaches break even and becomes profitable during the fourth quarter of 2002. No additional funding should be required. Included in this application are projected profit and loss and cash flow statements, which demonstrate management's plan for 2002.

After October 2002, Momentum Business Solutions, Inc., will be profitable and cash flow positive, and as such, will have the financial wherewithal to provide and maintain the requested service for its customers, and fund its lease or ownership obligations.