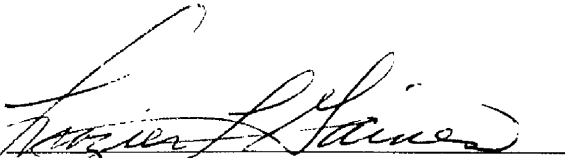


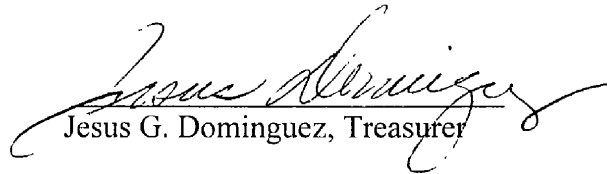
ORIGINAL
020872-TS

August 29, 2002

To Whom It May Concern:

The accompanying statements of LMG Enterprises, LLC for the year ended 12-31-2001 and the seven months ended July 31, 2002, have been prepared internally by us and are true and correct to the best of our knowledge and belief.


Frazier L. Gaines, CEO


Jesus G. Dominguez, Treasurer

ENTREPRENEURIAL CONSULTING, INC.
6350 RIVERSIDE DR.
ATLANTA, GA 30328

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
VMS _____
SEC L
CTH _____

COMMISSIONER OF REVENUE SERVICES

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L.M.G. Enterprises, LLC
Balance Sheet
 As of July 31, 2002

	<u>Jul 31, 02</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · First Union	2,376.50
1010 · First Union Money Market	47.80
Total Checking/Savings	<u>2,424.30</u>
Other Current Assets	
1135 · Goodwill	738,392.00
1140 · Prepayment	100.00
1210 · Employee Advances	3,870.00
1270 · Alva Property	44,173.23
1300 · Due from ATCA	56,957.77
Total Other Current Assets	<u>843,493.00</u>
Total Current Assets	845,917.30
Fixed Assets	
1510 · Office Equipment	29,770.40
1550 · Accum. Depr. - Office Equip	-17,611.96
Total Fixed Assets	<u>12,158.44</u>
Other Assets	
1590 · Investment H&G/CG	140,000.00
Total Other Assets	<u>140,000.00</u>
TOTAL ASSETS	<u><u>998,075.74</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	13,180.48
Total Accounts Payable	<u>13,180.48</u>
Other Current Liabilities	
2100 · Payroll Liabilities	
2100.15 · Benefits	-5,387.04
2100.20 · Bonuses	-76,750.00
2100 · Payroll Liabilities - Other	-204,193.68
Total 2100 · Payroll Liabilities	<u>-286,330.72</u>
2300 · Accruals	-1,864.94
2400 · Due to FLG	799,250.00
2450 · Due to Charles Willerson	-10,000.00
2500 · Due to ITS	31,384.62
Total Other Current Liabilities	<u>532,438.96</u>
Total Current Liabilities	<u>545,619.44</u>
Total Liabilities	545,619.44
Equity	
3400 · Opening Bal Equity	194,223.67
3700 · Retained Earnings	172,392.34
Net Income	85,840.29
Total Equity	<u>452,456.30</u>
TOTAL LIABILITIES & EQUITY	<u><u>998,075.74</u></u>

L.M.G. Enterprises, LLC
Profit & Loss
 January through July 2002

	<u>Jan - Jul 02</u>
Ordinary Income/Expense	
Income	
4500 · Dividends	186,107.00
4600 · Miscellaneous Income	150,710.26
4700 · Interest Income	2,973.42
4900 · Uncategorized Income	120.00
Total Income	<u>339,910.68</u>
Cost of Goods Sold	
5210 · Scrap Metal	13,285.55
Total COGS	<u>13,285.55</u>
Gross Profit	326,625.13
Expense	
6020 · Auto Lease	2,357.68
6030 · Automobile Expense	
6030.05 · Auto - Gas	1,131.49
6030.10 · Auto Repairs	1,590.81
Total 6030 · Automobile Expense	<u>2,722.30</u>
6040 · Bank Service Charge	252.09
6060 · Building Supplies	514.00
6100 · Dues & Subscriptions	4,749.70
6130 · Insurance	
6130.10 · Dental Insurance	77.22
6130.25 · Health Insurance	1,633.00
6130.35 · Life Insurance	6,372.09
Total 6130 · Insurance	<u>8,082.31</u>
6140 · Interest Expense	
6140.15 · Loan Interest	181.36
Total 6140 · Interest Expense	<u>181.36</u>
6170 · Licenses & Permits	2,596.23
6180 · Miscellaneous Expense	1,602.45
6190 · Office Supplies	2,261.02
6200 · Payroll Expenses	1,481.18
6210 · Postage & Delivery	354.26
6220 · Printing	3,749.57
6230 · Professional Fees	
6230.05 · Accounting Fees	545.00
6230.10 · Legal Fees	6,324.47
6230.20 · Management Fees	3,000.00
Total 6230 · Professional Fees	<u>9,869.47</u>
6240 · Rent	14,497.22
6260 · Salaries	178,044.56
6290 · Taxes	
6290.20 · State Tax	100.00
6290.25 · Tangible Tax	710.50
6290.30 · Intangible Tax	207.00
Total 6290 · Taxes	<u>1,017.50</u>
6300 · Telephone	
6300.05 · Cellular	240.51
6300.10 · Internet Connection	143.40
6300.15 · Local	1,390.51
6300.20 · Long Distance	106.84
Total 6300 · Telephone	<u>1,881.26</u>

L.M.G. Enterprises, LLC
Profit & Loss
January through July 2002

	<u>Jan - Jul 02</u>
6320 - Travel & Entertainment	
6320.10 - Meals	3,665.98
6320.15 - Travel	<u>904.70</u>
Total 6320 - Travel & Entertainment	<u>4,570.68</u>
 Total Expense	 <u>240,784.84</u>
 Net Ordinary Income	 <u>85,840.29</u>
 Net Income	 <u><u>85,840.29</u></u>

Form **1065**

U.S. Return of Partnership Income

OMB No. 1545-0099

For calendar year 2001, or tax year beginning _____, and ending _____

2001

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

A Principal business activity MANAGEMENT	Use the IRS label. Otherwise, print or type.	Name of partnership LMG ENTERPRISES, LLC	D Employer identification number 58-2584328
B Principal product or service CONSULTING		Number, street, and room or suite no. If a P.O. box, see page 13 of the instructions. 800 W. CYPRESS CREEK ROAD, #470	E Date business started 11/21/00
C Business code number 561490		City or town, state, and ZIP code FORT LAUDERDALE FL 33309	F Total assets (see page 14 of the instructions) \$ 645,007

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) 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 the tax year ▶ _____ **2**

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	90,673		
	b Less returns and allowances	1b		1c	90,673
	2 Cost of goods sold (Schedule A, line 8)			2	20,315
	3 Gross profit. Subtract line 2 from line 1c			3	70,358
	4 Ordinary inc. (loss) from other partnerships, estates, & trusts (alt. sch.)			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	70,358	
Deductions (see pg. 15 of the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	148,583
	10 Guaranteed payments to partners			10	15,000
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	18,389
	14 Taxes and licenses		SEE STMT 1	14	172
	15 Interest			15	
	16a Depreciation (if required, attach Form 4562)	16a	1,780		
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	1,780
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
19 Employee benefit programs			19	8,661	
20 Other deductions (attach schedule)		SEE STMT 2	20	32,381	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	224,966	
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8			22	-154,608	

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. This declaration is based on all information of which preparer has any knowledge.

TAXPAYER'S COPY

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

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

Paid Preparer's Use Only

Preparer's signature *Evelyn F. Parkes* Date **5/09/02** Check if self-employed

Firm's name (or yours if self-employed), address, and ZIP code **EVELYN F. PARKES, CPA, P.A. 2240 PALM BEACH LAKES BLVD STE 100 WEST PALM BEACH, FL 33409-3403**

Preparer's SSN or PTIN **65-0592349** EIN **65-0592349** Phone no. **561-689-2700**

Schedule A Cost of Goods Sold (see page 18 of the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	20,315
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	20,315
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	20,315

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) ▶

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		
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		
6 Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See page 20 of the instructions		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 2001, 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 20 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 20 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 8 of the instructions		X
12 Enter the number of Forms 8865 attached to this return		

Designation of Tax Matters Partner (see page 20 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	FRAZIER L. GAINES	Identifying number of TMP	
Address of designated TMP	636 NE 13TH COURT		
	POMPANO BEACH FL 33062		

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	-154,608
	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 sch.)	3b	
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4	Portfolio income (loss):	4a	
	a	Interest income	4b	100,000
	b	Ordinary dividends	4c	
	c	Royalty income	4d	
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1085))	4e(1)	
	e	(1) Net long-term capital gain (loss) (attach Schedule D (Form 1065))		
	(2) 28% rate gain (loss) ▶ (3) Qualified 5-year gain ▶	4f		
f	Other portfolio income (loss) (attach schedule)	5	15,000	
5	Guaranteed payments to partners	6		
6	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	7		
7	Other income (loss) (attach schedule)			
Deductions	8	Charitable contributions (attach schedule)	8	
	9	Section 179 expense deduction (attach Form 4562)	9	0
	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	12a(1)	
	(2)	Other than on line 12a(1)	12a(2)	
	b	Qualified rehabilitation expenditures related to rental real estate act. (att. Form 3468)	12b	
	c	Credits (other than cr. shown on lines 12a & 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)	100,000
	(2)	Investment expenses included on line 10 above	14b(2)	
Self- Employ- ment	15a	Net earnings (loss) from self-employment	15a	
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	90,673
Adjust- ments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	445
	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	Name of foreign country or U.S. possession ▶	17b	
	b	Gross income from all sources	17c	
	c	Gross income sourced at partner level		
	d	Foreign gross income sourced at partnership level:		
	(1)	Passive ▶ (2) Listed categories (attach sch.) ▶ (3) General limitation ▶	17d(3)	
	e	Deductions allocated and apportioned at partner level:		
	(1)	Interest expense ▶ (2) Other ▶	17e(2)	
	f	Deductions allocated & apptn. at ptrshp. level to foreign source inc.:		
(1)	Passive ▶ (2) Listed categories (attach sch.) ▶ (3) General limitation ▶	17f(3)		
g	Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	17g		
h	Reduction in taxes available for credit (attach schedule)	17h		
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 SEE STMT 3	21	385
	22	Distributions of money (cash and marketable securities)	22	100,000
	23	Distributions of property other than money	23	
24	Other items & amounts required to be reported separately to partners (att. sch.)			

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, 17g, and 18b						1	-39,608
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			-39,608				

Schedule L 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				4,162
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) SEE STMT 4				6,644
7 Mortgage and real estate loans				
8 Other investments (attach schedule) SEE STMT 5				623,953
9a Buildings and other depreciable assets			12,028	
b Less accumulated depreciation			1,780	10,248
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				645,007
Liabilities and Capital				
15 Accounts payable				
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				645,007
22 Total liabilities and capital				645,007

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.")

1 Net income (loss) per books	-54,993	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Sch. K, ln. 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)	15,000	7 Deductions included on Schedule K, lines 1 through 11, 14a, 17g, 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, 17g, and 18b (itemize):		a Depreciation \$	
a Depreciation \$			
b Travel and entertainment \$ 385		8 Add lines 6 and 7	
	385	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-39,608
5 Add lines 1 through 4	-39,608		

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		6 Distributions: a Cash	100,000
2 Capital contributed during year	800,000	b Property	
3 Net income (loss) per books	-54,993	7 Other decreases (itemize):	
4 Other increases (itemize):			
		8 Add lines 6 and 7	100,000
5 Add lines 1 through 4	745,007	9 Balance at end of year. Subtract ln. 8 from ln. 5	645,007