



Verizon Avenue

Two Conway Park
150 Field Drive, Suite 300
Lake Forest, IL 60045

December 1, 2003

Florida Public Service Commission
Division of the Commission Clerk
and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399 – 0850

031091-77
031088-75

**RE: Application for Transfer of Certificates
From OnePoint Communications – Georgia, LLC d/b/a Verizon Avenue
to Verizon Avenue Corp.**

Enclosed with this letter is an application for the transfer of the certificates of OnePoint Communications – Georgia, LLC d/b/a Verizon Avenue (“OPC”) to its parent company, Verizon Avenue Corp. (“Verizon Avenue”). Also enclosed with the application is the required non-refundable application fee of \$250.00 (two hundred fifty dollars) in the form of a check payable to the Florida Public Service Commission.

OPC is currently a certificated telecommunications provider in the State of Florida. OPC operates in the State under the authority of Certificate No. 5250 as an Alternative Local Exchange Carrier, and Certificate No. 5251 as an Interexchange Carrier. Both certificates were granted by the Florida Public Service Commission (“Commission”) in October 1997. OPC is a wholly owned subsidiary of Verizon Avenue Corp.

Verizon Avenue Corp. is the parent company of OPC, and is in its turn an indirect wholly owned subsidiary of Verizon Communications Inc. Verizon Avenue currently is structured with four geographically oriented operations Limited Liability Companies (“LLC”), of which OPC is one. In an effort to streamline operations and to alleviate customer confusion, it is the intent of Verizon Avenue Corp. to eliminate the four LLC structure, and to place all operations across the country under the Verizon Avenue name. In order to achieve that goal, an important preliminary effort is to change the certifications in each state to be in the name of Verizon Avenue Corp. No tariffed customer rates, terms or conditions will change as a result of this certificate transfer, and the company anticipates virtually no customer confusion with the transfer.

The enclosed application on Form PSC/CMU 8 provides the information required to effect this transfer of certificates, as stipulated under Commission Rule Nos. 25-24.805. Verizon Avenue Corp and OnePoint Communications – Georgia, LLC d/b/a

DOCUMENT NUMBER-DATE

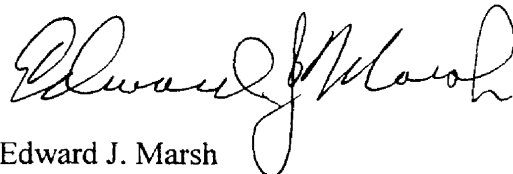
12296 DEC-38

FPSC-COMMISSION CLERK

Verizon Avenue respectfully request that the enclosed application be approved, that Verizon Avenue be approved as the holder of Certificate Nos. 5250 and 5251, and that those certificates be transferred to Verizon Avenue Corp.

If there are any questions concerning this application, or if the Commission requires any other information, please contact either Mr. Richard P. Kolb, Vice President – Regulatory, on 847-582-8721, or the undersigned on 847-582-8722. You may also reach us at the address above, or on our facsimile number of 847-582-8801. Mr. Kolb's email address is dick.kolb@verizon.com, and my email address is ed.marsh@verizon.com.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Edward J. Marsh". The signature is fluid and cursive, with a large initial "E" and "M".

Edward J. Marsh
Verizon Avenue Corp.

Enclosures:

Original + 6 copies
Application Fee

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:

Verizon Avenue Corp.

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

Verizon Avenue

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

Two Conway Park
150 Field Drive, Suite 300
Lake Forest, IL 60045

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

None

6. Structure of organization:

- | | |
|---------------------------------------------------------|----------------------------------------------|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input checked="" 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:

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

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

F98000002686 (Copy attached)

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:

G01029900040 (Copy attached)

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): 36-4225811

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.

Not applicable; no such judgments rendered

(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.

Not applicable; no such relationships

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

(a) The application:

Name: Richard P. Kolb

Title: Vice President - Regulatory

Address: Two Conway Park, 150 Field Drive, Suite 300

City/State/Zip: Lake Forest, IL 60045

Telephone No.: 847-582-8721 Fax No.: 847-582-8801

Internet E-Mail Address: dick.kolb@verizon.com

Internet Website Address: www.verizon.com /avenue

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

Name: Richard P. Kolb

Title: (As above)

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

(c) Complaints/Inquiries from customers:

Name: Richard P. Kolb

Title: (As above)

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

17. List the states in which the applicant:

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

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia,
(Florida – as parent company of OnePoint Communications – Georgia, LLC d/b/a
Verizon Avenue), Georgia, North Carolina, South Carolina, Illinois, Ohio, Arizona,
California, Colorado,

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

Idaho

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

(In addition to those listed in (a) above); Connecticut, Massachusetts, New Jersey, New York, Rhode Island, West Virginia, Tennessee, Indiana, Michigan, Texas, Hawaii, Oregon, Washington

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

Not denied authority anywhere.

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

No regulatory penalties imposed by any jurisdiction

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

No such civil court proceedings in any jurisdiction

18. Submit the following:

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

(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.

(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.

Verizon Avenue Corp. is the parent company of OnePoint Communications – Georgia, LLC d/b/a Verizon Avenue (OPC). OPC has been certificated in Florida, and has provided both telephone services by resale and High Speed Internet Service as an Internet Service Provider, to residents of Florida under Certificate Numbers 5250 and 5251 granted in October 1997. This Application is made in order to transfer those Certifications from OPC to its parent Company, Verizon Avenue Corp. Verizon Avenue Corp. is an indirect, wholly owned subsidiary of Verizon Communications Inc. Verizon Avenue Corp. has sufficient financial resources to continue to provide the telephone and internet services to its Florida customers, and to continue in business in Florida, in exactly the same manner it has provided those services since 1997.

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. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

<u>Richard P. Kolb</u>	<u>Richard P. Kolb</u>
Print Name	Signature
<u>Vice President - Regulatory</u>	<u>12/1/03</u>
Title	Date
<u>847-582-8721</u>	<u>847-582-8801</u>
Telephone No.	Fax No.

Address:

**Two Conway Park
150 Field Drive, Suite 300
Lake Forest, IL 60045**

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

By my signature below, I, the undersigned official, 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:

Richard P. Kolb 

Print Name **Signature**
Vice President - Regulatory 12/1/03

Title **Date**
847-582-8721 847-582-8801

Telephone No. **Fax No.**

Address:

**Two Conway Park
150 Field Drive, Suite 300
Lake Forest, IL 60045**

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) (None) 2)

3) _____ 4)

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

1) (None) 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) (None)

2) _____

3) _____

4) _____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name)
(Title) Richard P. Kolb, Vice President - Regulatory
of (Name of Company)


OnePoint Communications – Georgia, LLC d/b/a Verizon Avenue

and current holder of Florida Public Service Commission Certificate Number # 's
5250 and 5251, have reviewed this application and join in the petitioner's
request for a:

- () sale
(X) transfer
() assignment

of the above-mentioned certificates.

UTILITY OFFICIAL:

<u>Richard P. Kolb</u>	<u></u>
Print Name	Signature
<u>Vice President - Regulatory</u>	<u>12/01/03</u>
Title	Date
<u>847-582-8721</u>	<u>847-582-8801</u>
Telephone No.	Fax No.

Address:

Two Conway Park
150 Field Drive, Suite 300
Lake Forest, IL 60045

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR TRANSFER OF CERTIFICATE

ONE POINT COMMUNICATIONS – GEORGIA d/b/a VERIZON AVENUE

AND

VERIZON AVENUE CORP.

ATTACHMENT 1

QUESTION 9

VERIZON AVENUE CORP. FLORIDA REGISTRATION



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

January 12, 2001

C T CORPORATION SYSTEM
TALLAHASSEE, FL

Re: Document Number F98000002686

The Amendment to the Application of a Foreign Corporation for ONEPOINT COMMUNICATIONS CORP. which changed its name to VERIZON AVENUE CORP., a Delaware corporation authorized to transact business in Florida, was filed on January 12, 2001.

The certification you requested is enclosed.

Should you have any questions regarding this matter, please telephone (850) 487-6050, the Amendment Filing Section.

Cheryl Coulliette
Document Specialist
Division of Corporations

Letter Number: 901A00002027

State of Florida



Department of State

I certify the attached is a true and correct copy of the Amendment to the Application of a Foreign Corporation, filed on January 12, 2001, for ONEPOINT COMMUNICATIONS CORP. which changed its name to VERIZON AVENUE CORP., a Delaware corporation authorized to transact business in Florida, as shown by the records of this office.

The document number of this corporation is F98000002686.

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



CR2E022 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

APPLICATION BY FOREIGN CORPORATION TO FILE AMENDMENT TO
APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN
FLORIDA

FILED
01 JAN 12 PM 3 09
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

SECTION I (1-3 must be completed)

1. OnePoint Communications Corp.
Name of corporation as it appears within the records of the Department of State.
2. Incorporated under laws of: Delaware
3. Date authorized to do business in Florida: 5/11/98

SECTION II (4-7 complete only the applicable changes)

4. If the amendment changes the name of the corporation, when was the change effected under the laws of its jurisdiction of incorporation?

December 15, 2000

5. Name of corporation after the amendment, adding suffix "corporation," "company," "incorporated," or appropriate abbreviation, if not contained in new name of the corporation:

Verizon Avenue Corp.

6. If the amendment changes the period of duration, indicate new period of duration.

7. If the amendment changes the jurisdiction of incorporation, indicate new jurisdiction.

8. If the Amendment changes the principal address, indicate new address: Two Conway Park, 150 Field Drive, Suite 300, Lake Forest, Illinois 60045

William F. Wallace

January 10, 2001

Signature

Date

Name and Title

William F. Wallace, President

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR TRANSFER OF CERTIFICATE

ONE POINT COMMUNICATIONS – GEORGIA d/b/a VERIZON AVENUE

AND

VERIZON AVENUE CORP.

ATTACHMENT 2

QUESTION 10

FICTITIOUS NAME REGISTRATION



FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

January 30, 2001

VERIZON AVENUE
TWO CONWAY PARK, 150 FIELD DRIVE
STE. 300
LAKE FOREST, IL 60045

Subject: **VERIZON AVENUE**

REGISTRATION NUMBER: **G01029900040**

This will acknowledge the filing of the above fictitious name registration which was registered on January 29, 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. 001A00005423

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Application For Registration of Fictitious Name of VERIZON AVENUE, registered with the Department of State on January 29, 2001, as shown by the records of this office.

The Registration Number of this Fictitious Name is G01029900040.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Thirtieth day of January, 2001



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR TRANSFER OF CERTIFICATE

ONE POINT COMMUNICATIONS – GEORGIA d/b/a VERIZON AVENUE

AND

VERIZON AVENUE CORP.

ATTACHMENT 3

QUESTIONS 18A and 18B

TECHNICAL AND MANAGERIAL CAPABILITY

Application of Verizon Avenue Corp.

Executive Biographies

Verizon Avenue Corp.

Mr. William F. Wallace

Mr. Wallace is currently Chief Executive Officer of Verizon Avenue Corp., where he has worked since 1996. Verizon Avenue is a leading provider of telephone and High Speed Internet Service to residents of multiple dwelling unit residential complexes. Prior to joining Verizon Avenue, Mr. Wallace was the Chief Operating Officer at Gemini Consulting, a global management consulting company. He was responsible for the day-to-day operations of the \$500 million business. Prior to that he co-founded and built a \$100 million communications business unit for Gemini, leading its growth from \$10 million to \$100 million in three years. Mr. Wallace brings over 20 years of experience in telecommunications. He worked closely with senior executives at telecommunications companies worldwide, leading teams to implement strategic and operational programs that generated significant financial benefits. He received his BA in Government at Harvard College, with a secondary concentration in economics, and his MBA at Harvard Graduate School of Business.

Ms. Andrea L. Custis

Ms. Custis is President and Chief Operating Officer of Verizon Avenue Corp., responsible for day-to-day sales and operations. Before accepting that position in January 2003, she had more than 25 years experience in the telecommunications industry, having joined Bell of Pennsylvania in 1977 as a management trainee. Immediately prior to joining Verizon Avenue Corp, Ms. Custis served as Group President – Sales and Marketing for Verizon Communications Advanced Services Group, responsible for dial-up, DSL and dedicated Internet access service to businesses, consumers and more than 400 Internet service providers. Ms. Custis has been honored as one of the 2003 “Distinguished Black Women” by Black Women in Sisterhood for Action, and by Network Journal magazine as one of the 25 most influential black women in business.

Mr. Robert C. Wheatley II

Mr. Wheatley is Chief Financial Officer of Verizon Avenue Corp. He joined the company in 1999, and was named to his current position in 2002. He is responsible for all financial and accounting affairs of the company. He graduated from Mary Washington College with a BS degree concentrated in Accounting, and received recognition as a Certified Public Accountant in 1995.

Mr. Kelley Dunne

Mr. Dunne is Executive Vice President for Verizon Avenue Corp. He is responsible for all provisioning and Customer Care operations of the Company. Mr. Dunne joined Verizon Avenue after ten years in the telecommunications field. During his seven year tenure with AT&T, he held management positions in Network Operations, Data Network Planning, Network Security and Bell Laboratories. During his last assignment with AT&T, Mr. Dunne was regional Technical Manager for AT&T's Carrier Markets Division, and was directly involved in AT&T's negotiations and wholesale agreements with several Regional Bell Operating Companies. Prior to AT&T, he spent four years in the US Army Signal Corps as a field testing officer for the deployment of the Army's first digital wireless communications system. Mr. Dunne received his BS degree in Communications Systems Management from Ohio University, and his MS degree in Information and Communications Sciences from Ball State University.

Mr. Richard P. Kolb

Mr. Kolb is Vice President – Regulatory for Verizon Avenue Corp., a position he has held since 1999. Mr. Kolb has over 36 years of experience in the telecommunications industry. From 1966 through 1998, he held a number of management positions at Ameritech in the Information Services, Personnel, Finance and Regulatory organizations. His fifteen years of Regulatory experience include rate development, witnessing, policy and strategy development and coordination, and external affairs assignments at both the Federal and State levels. Mr. Kolb received his BS from the University of Illinois, an MBA from Loyola University – Chicago, and a JD from John Marshall School of Law. He was admitted to legal practice in the State of Illinois in 1979.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR TRANSFER OF CERTIFICATE

ONE POINT COMMUNICATIONS – GEORGIA d/b/a VERIZON AVENUE

AND

VERIZON AVENUE CORP.

ATTACHMENT 4

SECTION C

FINANCIAL REPORTS

Verizon Avenue
Consolidating Income Statement
For the Twelve Months Ending December 31, 2001

Verizon Avenue
Consolidating Balance Sheet
For the Twelve Months Ending December 31, 2001

	<u>VZA</u> <u>Consolidated</u>
REVENUES	
Local	\$17,132,838.79
LD	\$15,865,614.02
Video	\$140,954.06
Internet	\$848,192.95
Affiliate Revenue	\$9,648,160.00
	<hr/>
Total Net Revenues	\$43,635,759.82
RESELLING COSTS	
Long Distance	\$9,929,489.05
Local	\$14,673,947.43
Cable	\$56,307.53
Network Connectivity	\$3,248,010.26
Internet Reselling Costs	\$60,151.75
Data Installs	\$1,613,924.77
Agent Commissions	\$460,688.99
Revenue Sharing	\$251,105.20
Developer Payments	\$12,433,572.21
	<hr/>
Total Reselling Expense	\$42,727,197.19
	<hr/>
Gross Margin	\$908,562.63
General & Administrative Expenses	
Salaries & Wages	\$49,873,820.06
Payroll Taxes & Emp Benefits	\$8,169,557.87
Temporary Employees	\$2,236,553.64
Other Employee Costs	\$2,886,572.78
Travel & Entertainment	\$2,796,353.75
Office Rel & Office Supplies	\$1,237,846.14
Insurance	\$503,577.24
Telephone, Cellular, Pager	\$1,835,013.35
Field Operations	\$716,433.96
Bldg & Equip Rent Exp	\$7,998,452.18
Professional & Consulting	\$1,427,417.01
Legal	\$324,466.26
Marketing & Promotions	\$4,622,513.47
Systems - Recurring	\$7,121,675.95
Systems - Devlpmt	\$2,026,936.84
Other Expenses	(\$12,631,082.48)
Bad Debt	\$6,586,450.20
Affiliate Charges	\$0.00
	<hr/>
Total SG&A	\$87,732,558.22
	<hr/>
EBITDA	(\$86,823,995.59)
Interest Expense	\$23,568,645.85
Interest Income	\$421,999.74
Depreciation Expense	\$7,225,496.13
Amortization Expense	\$13,448,060.00
Gains & Losses	(\$2,563,409.64)
Income Taxes	(\$41,915,841.61)
	<hr/>
NET INCOME	(\$91,291,765.86)
	<hr/> <hr/>

	<u>VZA</u> <u>Consolidated</u>
ASSETS	
Cash	\$1,236,323
Short-term Marketable Securities	\$7,584,023
	<hr/>
Cash and Cash-like Instruments	\$8,820,346
Affiliate Receivable	\$3,074,137
Other Receivable	\$5,865,891
Trade Receivable	\$1,959,416
Allowance for Uncollectible Accounts	(\$1,676,255)
	<hr/>
Accounts Receivable - Net	\$9,223,189
Prepaid Expenses	\$8,019,323
Inventory	\$57,085
Current Deferred Federal Tax Benefit	\$20,008,938
Total Current Assets	\$46,128,881
	<hr/>
Property, Plant & Equipment	\$95,383,404
Accumulated Depreciation	(\$11,367,401)
	<hr/>
Net Property, Plant & Equipment	\$84,016,003
Investment in Affiliated Subs	\$0
Intangible Assets	\$276,981,817
Accumulated Amortization	(\$14,361,650)
Other Assets	\$8,556,329
Deposits	\$406,545
Deferred Tax Asset	\$53,447,649
	<hr/>
Total Assets	\$455,175,574
	<hr/> <hr/>
Liabilities & Stockholder's Equity	
Affiliate Payable	\$1,399,498
Accounts Payable	\$12,007,125
Debt - Current	\$1,145,860
Accrued Liabilities	\$33,347,304
Other Current Liabilities	\$2,477,940
	<hr/>
Total Current Liabilities	\$50,377,727
Long Term Debt	\$462,463,701
Other Deferred Obligations	\$1,404,847
Common Stock	\$0
Preferred Stock	\$0
Additional Paid-In-Capital	\$37,500,025
Retained Earnings	(\$5,278,837)
Net Profit/(Loss)	(\$91,291,766)
Comprehensive Income - Unrealized Gain/Loss	(\$123)
	<hr/>
Total Liabilities & Stockholder's Equity	\$455,175,574
	<hr/> <hr/>

Venzon Avenue
Consolidating Income Statement
For the Twelve Months Ending December 31, 2001

	OPC - Colorado	OPC - Illinois	OPC - Georgia	OPC - Holdings	VIC PMTS-DC	NorthEast Region	OPC Corp/Admin	OPC Consol	OnePoint	VZA before	ELIM	VZA
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	Sum	Services	ELIM		Consolidated
REVENUES												
Local	\$5,381,744 57	\$1,823,254 98	\$6,466,597 34		\$3,462,976 46	(\$1,734 56)	\$0 00	\$17,132,838 79		\$17,132,838 79		17,132,838 79
LD	3,032,317 98	766,438 17	3,355,490 66		111,688 21		0 00	7,265,835 02	8,599,679 00	\$15,865,614 02		15,865,614 02
Video		(132 86)	140,579 87		507 05		0 00	140,954 06		\$140,954 06		140,954 06
Internet	334,860 36	37,212 50	79,336 56		326,800 45	69,983 08	0 00	848,192 95		\$848,192 95		848,192 95
Affiliate Revenue							9,648,160 00	9,648,160 00		\$9,648,160 00		9,648,160 00
Total Net Revenues	8,748,922 91	2,626,772 79	10,042,004 43	0 00	3,901,972 17	68,248 52	9,648,160 00	35,036,080 82	8,599,679 00	43,635,759 82	0 00	43,635,759 82
RESELLING COSTS												
Long Distance	1,412,841 69	411,843 31	1,354,626 76		138,585 29		0 00	3,317,897 05	6,611,592 00	9,929,489 05		9,929,489 05
Local	5,193,047 54	1,211,005 55	5,582,549 64		2,685,677 19	1,436 46	231 05	14,673,947 43		14,673,947 43		14,673,947 43
Cable		2,105 59	54,201 94				0 00	56,307 53		56,307 53		56,307 53
Network Connectivity	1,290,468 84	223,099 29	343,321 84		1,003,236 19	297,884 10	0 00	3,248,010 26		3,248,010 26		3,248,010 26
Internet Reselling Costs	25,492 00	5,650 75			18,668 00	12,341 00	0 00	60,151 75		60,151 75		60,151 75
Data Installs	706,528 23	209,919 08	152,464 46		289,685 01	255,327 99	0 00	1,613,924 77		1,613,924 77		1,613,924 77
Agent Commissions	120,869 99	26,290 00	120,856 50		190,682 50	1,990 00	0 00	460,688 99		460,688 99		460,688 99
Revenue Sharing	59,090 04	40,072 87	54,286 63		97,655 66		0 00	251,105 20		251,105 20		251,105 20
Developer Payments	4,913,384 10	718,899 17	2,565,793 41		3,722,361 23	513,134 30	0 00	12,433,572 21		12,433,572 21		12,433,572 21
Total Reselling Expense	13,721,722 43	2,848,885 61	10,228,101 18	0 00	8,234,551 07	1,082,113 85	231 05	36,115,605 19	6,611,592 00	42,727,197 19	0 00	42,727,197 19
Gross Margin	(4,972,799 52)	(222,112 82)	(186,096 75)	0 00	(4,332,578 90)	(1,013,865 33)	9,647,928 95	(1,079,524 37)	1,988,087 00	908,562 63	0 00	908,562 63
General & Administrative Expenses												
Salaries & Wages	2,696,123 69	915,310 21	1,636,713 73		2,766,361 51	1,851,369 68	37,856,445 24	47,722,324 06	2,151,496 00	49,873,820 06		49,873,820 06
Payroll Taxes & Emp Benefits	536,928 01	149,079 95	329,201 34		466,517 30	331,297 73	6,142,879 54	7,955,903 87	213,654 00	8,169,557 87		8,169,557 87
Temporary Employees	167,176 59	2,223 00	11,984 36		49,521 63	156,052 17	1,830,491 89	2,217,449 64	19,104 00	2,236,553 64		2,236,553 64
Other Employee Costs	35,372 02	23,204 48	11,639 51		1,134 67	6,610 45	2,599,651 65	2,677,612 78	208,960 00	2,886,572 78		2,886,572 78
Travel & Entertainment	324,833 66	69,791 61	152,656 48		159,835 40	186,063 16	1,734,804 44	2,667,984 75	128,369 00	2,796,353 75		2,796,353 75
Office Rel & Office Supplies	84,096 25	5,322 04	42,411 36		25,622 34	75,735 33	933,599 82	1,166,787 14	71,059 00	1,237,846 14		1,237,846 14
Insurance							493,508 24	493,508 24	10,069 00	503,577 24		503,577 24
Telephone, Cellular Payer	231,119 10	58,768 97	109,407 06		141,283 06	87,889 32	1,130,342 84	1,758,810 35	76,203 00	1,835,013 35		1,835,013 35
Field Operations	292,644 21	53,498 25	57,339 97		200,926 18	70,761 00	41,264 35	716,433 96		716,433 96		716,433 96
Bldg & Equip Rent Exp	942,750 54	54,410 70	583,230 07		201,755 95	856,706 35	5,100,368 57	7,739,222 18	259,230 00	7,998,452 18		7,998,452 18
Professional & Consulting	43,451 47	8,621 00	16,293 00		102,028 05	94,018 97	1,117,350 52	1,381,763 01	45,654 00	1,427,417 01		1,427,417 01
Legal					4,101 14		281,921 12	286,022 26	38,444 00	324,466 26		324,466 26
Marketing & Promotions	64,081 12	7,886 00	34,557 54		106,645 53	31,218 53	3,997,979 75	4,242,368 47	360,145 00	4,622,513 47		4,622,513 47
Systems - Recurring	47,243 43	38,384 05	903 83			250 00	7,034,894 64	7,121,675 95		7,121,675 95		7,121,675 95
Systems - Devlpmt							2,026,936 84	2,026,936 84		2,026,936 84		2,026,936 84
Other Expenses	54,618 43	8,687 28	135,006 00		37,426 16	42,032 35	(12,936,615 70)	(12,658,845 48)	27,763 00	(12,631,082 48)		(12,631,082 48)
Bad Debt	2,256,706 69	519,634 34	3,230,505 84		763,617 40	(1 85)	(192,302 22)	6,578,160 20	8,290 00	6,586,450 20		6,586,450 20
Affiliate Charges	21,894,548 37	7,393,063 41	23,611,956 62		14,604,356 35	1,039,345 14	(68,543,269 89)	(0 00)		(0 00)		(0 00)
Total SG&A	29,671,693 58	9,307,885 29	29,963,806 71	0 00	19,671,132 67	4,829,348 33	(9,349,748 36)	84,094,118 22	3,638,440 00	87,732,558 22	0 00	87,732,558 22
EBITDA	(34,644,493 10)	(9,529,998 11)	(30,149,903 46)	0 00	(24,003,711 57)	(5,843,213 66)	18,997,677 31	(85,173,642 59)	(1,650,353 00)	(86,823,995 59)	0 00	(86,823,995 59)
Interest Expense	118 50	38 47	8 42		105 38		23,568,375 08	23,568,645 85	370,016 00	23,938,661 85	(370,016)	23,568,645 85
Interest Income							413,736 74	413,736 74	8,263 00	421,999 74		421,999 74
Depreciation Expense	1,689,757 46	171,688 57	410,095 49	30,896 90	607,532 83	108,093 72	3,872,601 16	6,890,666 13	334,830 00	7,225,496 13		7,225,496 13
Amortization Expense			2,925 08				13,168,017 92	13,170,943 00	277,117 00	13,448,060 00		13,448,060 00
Gains & Losses		27,849 29	(338,631 62)				(2,252,627 31)	(2,563,409 64)		(2,563,409 64)		(2,563,409 64)
Income Taxes							(41,915,841 61)	(41,915,841 61)		(41,915,841 61)		(41,915,841 61)
NET INCOME	(36,334,369 06)	(9,673,875 86)	(30,901,564 07)	(30,896 90)	(24,611,349 78)	(5,951,307 38)	18,465,634 19	(89,037,728 86)	(2,624,053 00)	(91,661,781 86)	0 00	(91,291,765 86)

Verizon Avenue
Consolidating Balance Sheet
For the Twelve Months Ending December 31, 2001

	OPC - Colorado	OPC - Illinois	OPC - Georgia	OPC - Holdings	VIC-Elimin	VIC-RMTS-DC	Corp Elimin	NorthEast Region	OPC Corp/Admin	VZA	OnePoint	Consol VZA	ELIM	VZA
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	Sum	Services	before Elim		Consolidated
ASSETS														
Cash	\$68,060	\$36,067							\$705,292	\$809,419	\$426,904	\$1,236,323		\$1,236,323
Short-term Marketable Securities									7,584,023	7,584,023		\$7,584,023		\$7,584,023
Cash and Cash-like Instruments	68,060	36,067	0	0	0	0	0	0	8,289,315	8,393,442	426,904	8,820,346	0	8,820,346
Affiliate Receivable									3,074,137	3,074,137		\$3,074,137		\$3,074,137
Other Receivable	101,291	2,088,746	11,488			(1,187)		(11,398)	3,676,951	5,865,891		\$5,865,891		\$5,865,891
Trade Receivable	757,636	(80,844)	1,180,590			398,474		4,186	(399,304)	1,860,738	98,678	\$1,959,416		\$1,959,416
Allowance for Uncollectible Accounts	(320,338)	(16,271)	(512,792)			(221,363)			(597,171)	(1,667,935)	(8,320)	(\$1,676,255)		(\$1,676,255)
Accounts Receivable - Net	538,589	1,991,631	679,286	0	0	175,924	0	(7,212)	5,754,613	9,132,831	90,358	9,223,189	0	9,223,189
Prepaid Expenses	283,460	70,197	270,187			242,723		46,119	7,087,334	8,000,020	19,303	\$8,019,323		\$8,019,323
Inventory										0	57,085	\$57,085		\$57,085
Current Deferred Federal Tax Benefit									20,008,938	20,008,938		\$20,008,938		\$20,008,938
Total Current Assets	890,109	2,097,895	949,473	0	0	418,647	0	38,907	41,140,200	45,535,231	593,650	46,128,881	0	46,128,881
Property, Plant & Equipment	14,693,141	2,989,404	3,582,595			7,810,021		2,610,272	62,769,413	94,454,926	928,478	\$95,383,404		\$95,383,404
Accumulated Depreciation	(1,607,975)	(210,437)	(710,880)	(15,542)		(1,587,309)		(113,547)	(6,636,064)	(10,881,754)	(485,647)	(\$11,367,401)		(\$11,367,401)
Net Property, Plant & Equipment	13,085,166	2,779,047	2,871,715	(15,542)	0	6,222,712	0	2,496,725	56,133,349	83,573,172	442,831	84,016,003	0	84,016,003
Investment in Affiliated Subs				48,130,551	(48,130,551)		(185,879,673)		189,280,228	3,400,555		\$3,400,555	(3,400,555)	\$0
Intangible Assets			29,685						274,236,600	274,266,265	2,715,532	\$276,981,817		\$276,981,817
Accumulated Amortization			(10,344)						(13,780,679)	(13,791,023)	(570,627)	(\$14,361,650)		(\$14,361,650)
Other Assets	2,084,506	146,721	1,068,900			4,474,946		781,256	0	8,556,329		\$8,556,329		\$8,556,329
Deposits	124,440	65,738	86,148			11,839		4,000	97,453	389,618	16,927	\$406,545		\$406,545
Deferred Tax Asset									53,447,649	53,447,649		\$53,447,649		\$53,447,649
Total Assets	16,184,221	5,089,401	4,995,577	48,115,009	(48,110,551)	11,128,144	(185,879,673)	3,320,888	600,554,800	455,377,816	3,198,313	458,576,129	(3,400,555)	455,175,574
Liabilities & Stockholder's Equity														
Affiliate Payable		520,336							879,162	1,399,498		\$1,399,498		\$1,399,498
Accounts Payable	761,320	916,015	262,754			744,509		198,704	8,479,140	11,362,442	310,977	\$11,673,419	333,706	\$12,007,125
Debt - Current			(656)						1,146,516	1,145,860		\$1,145,860		\$1,145,860
Accrued Liabilities	3,175,297	474,539	968,109			1,016,717		189,498	26,643,547	32,467,707	1,249,613	\$33,717,320	(370,016)	\$33,347,304
Other Current Liabilities	342,971	151,715	436,172			177,183		2,443	(36,408)	1,074,076	1,403,864	\$2,477,940		\$2,477,940
Total Current Liabilities	4,279,588	2,062,605	1,666,379	0	0	1,938,409	0	390,645	37,111,957	47,449,583	2,964,454	50,414,037	(36,310)	50,377,727
Long Term Debt									459,410,622	459,410,622	3,053,079	\$462,463,701		\$462,463,701
Other Deferred Obligations	26,385		24,422					44,155	1,309,885	1,404,847		\$1,404,847		\$1,404,847
Common Stock									0	2,810,883		\$2,810,883	(2,810,883)	\$0
Preferred Stock									0	923,378		\$923,378	(923,378)	\$0
Additional Paid-In-Capital	90,149,340	62,518,628	73,698,771	35,764,120	(49,130,551)	80,114,497	(185,879,673)	8,855,726	(78,590,833)	37,500,025		\$37,500,025		\$37,500,025
Retained Earnings	(41,936,723)	(49,817,956)	(39,492,431)	12,381,786	1,000,000	(46,313,412)		(18,331)	162,889,905	(1,307,162)	(3,971,675)	(\$5,278,837)		(\$5,278,837)
Net Profit/(Loss)	(36,334,369)	(9,673,876)	(30,901,564)	(30,897)		(24,611,350)		(5,951,307)	18,423,387	(89,079,976)	(2,581,806)	(\$91,661,782)	370,016	(\$91,291,766)
Comprehensive Income - Unrealized Gain/Loss									(123)	(123)		(\$123)		(\$123)
Total Liabilities & Stockholder's Equity	16,184,221	5,089,401	4,995,577	48,115,009	(48,110,551)	11,128,144	(185,879,673)	3,320,888	600,554,800	455,377,816	3,198,313	458,576,129	(3,400,555)	455,175,574

**Verizon Avenue
Income Statement
For the Twelve Months Ending December 31, 2002**

**Verizon Avenue
Balance Sheet
For the Twelve Months Ending December 31, 2002**

	<u>VZA</u> <u>Consolidated</u>
REVENUES	
Local	\$9,761,898.74
LD	\$2,691,760.56
Video	
Internet	\$5,337,290.13
Verizon One	
Affiliate Revenue	\$21,675,180.00
	<hr/>
Total Net Revenues	\$39,466,129.43
RESELLING COSTS	
Local	\$7,946,759.99
LD	\$437,922.14
Cable	\$3,097.47
Network Connectivity	\$6,203,632.29
Internet Reselling Costs	\$4,442.00
Verizon One	
Data Installs	\$4,236,604.16
Agent Commissions	\$593,155.83
Revenue Sharing	\$219,035.90
Developer Payments	\$18,346,751.40
	<hr/>
Total Reselling Expense	\$37,991,401.18
	<hr/>
Gross Margin	\$1,474,728.25
General & Administrative Expenses	
Salaries & Wages	\$51,303,948.85
Payroll Taxes & Emp Benefits	\$9,148,848.54
Temporary Employees	\$2,076,693.71
Other Employee Costs	\$1,879,955.05
Travel & Entertainment	\$2,881,934.09
Office Rel & Office Supplies	\$1,366,234.82
Insurance	\$664,706.68
Telephone, Cellular, Pager	\$1,782,026.92
Field Operations	\$883,148.15
Bldg & Equip Rent Exp	\$13,112,988.73
Professional & Consulting	\$1,237,476.41
Legal	\$93,408.74
Marketing & Promotions	\$6,076,743.17
Systems - Recurring	\$4,195,393.87
Systems - Devlpmt	\$1,137,153.39
Other Expenses	\$20,069,790.94
Bad Debt	\$959,774.67
Affiliate Charges	\$0.00
	<hr/>
Total SG&A	\$118,870,226.73
	<hr/>
EBITDA	(\$117,395,498.48)
Interest Expense	\$31,728,632.47
Interest Income	\$76,884.86
Depreciation Expense	\$10,486,182.34
Income Taxes	(\$55,969,884.57)
	<hr/>
NET INCOME	(\$103,563,543.86)
	<hr/>
Total Operating Expenses	\$167,347,810.25

	<u>VZA</u> <u>Consolidated</u>
ASSETS	
Cash	(\$2,248,352)
Short-term Marketable Securities	\$3
	<hr/>
Cash and Cash-like Instruments	(\$2,248,349)
Affiliate Receivable	\$1,179,420
Other Receivables	\$832,985
Trade Receivables	\$1,421,599
Allowance for Uncollectible Accounts	(\$568,477)
	<hr/>
Accounts Receivable - Net	\$2,865,527
Prepaid Expenses	\$4,861,046
Total Current Assets	\$5,478,224
Property, Plant & Equipment	\$103,588,494
Accumulated Depreciation	(\$16,994,944)
	<hr/>
Net Property, Plant & Equipment	\$86,593,550
Investment in Affiliated Subs	(\$1,895,371)
Intangible Assets	\$276,981,816
Accumulated Amortization	(\$14,362,639)
	<hr/>
Other Assets	\$10,359,697
Deposits	\$389,894
	<hr/>
Total Assets	\$363,545,171
	=====
Liabilities & Stockholder's Equity	
Affiliate Payable	\$4,533,001
Accounts Payable	\$2,034,756
Taxes Payable	(\$5,858,785)
Debt - Current	\$30,867
Accrued Liabilities	\$28,007,190
Other Current Liabilities	\$523,160
	<hr/>
Total Current Liabilities	\$29,270,189
Long Term Debt	\$564,458,507
Other Deferred Obligations	(\$37,549,809)
Additional Paid-In Capital	\$7,500,000
Retained Earnings	(\$96,570,049)
Net Profit/(Loss)	(\$103,563,544)
Comprehensive Income - Unrealized Gain/Loss	(\$123)
	<hr/>
Total Liabilities & Stockholder's Equity	\$363,545,171
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Venzon Avenue Corp
Balance Sheet
For the Twelve Months Ending December 31, 2002



	OPC - Colorado YTD	OPC - Illinois YTD	OPC - Georgia YTD	OPC - Holdings YTD	VIC-Elimin YTD	VIC-RMTS-DC YTD	Corp Elimin YTD	NorthEast Region YTD		OPC Corp/Admin YTD	OPC Consol Sum	OPC Consol GL
ASSETS												
Cash	\$150	\$36,067										
Short-term Marketable Securities									(\$2,287,162) 3	\$2,693 3	(\$2,284,569) 3	(\$2,248,351) 3
Cash and Cash-like Instruments	150	36,067	0	0	0	0	0	0	(2,287,159)	2,593	(2,284,566)	(2,248,349)
Affiliate Receivable									1,179,420	1,179,420	1,179,420	1,179,420
Other Receivables	72,719	148,979	994			(1,450)		(91,669)	538,593	703,412	832,985	832,985
Trade Receivables	386,762	441,914	279,999			245,827		70,607	(3,510)	1,421,599	1,421,599	1,421,599
Allowance for Uncollectible Accounts	(320,367)	(40,899)	(513,407)			(221,363)			527,359	527,359	(568,477)	(568,477)
Accounts Receivable - Net	139,114	550,194	(232,414)	0	0	23,014	0	(21,062)	1,714,503	692,178	2,406,681	2,865,527
Prepaid Expenses	1,143,465	161,850	486,159			877,343		480,036	1,712,201	1,712,201	4,861,046	4,861,046
Total Current Assets	1,282,729	748,111	253,745	0	0	900,357	0	458,974	(572,656)	2,406,972	1,834,316	5,478,225
Property, Plant & Equipment	10,760,099	3,790,252	5,208,819			15,119,061		9,671,083	71,279	58,967,901	59,039,180	103,588,494
Accumulated Depreciation	(1,515,618)	(728,618)	(513,655)	(27,175)		(2,627,157)		(801,278)	(38,010)	(10,743,433)	(10,781,443)	(16,994,944)
Net Property, Plant & Equipment	9,244,481	3,061,634	4,695,164	(27,175)	0	12,491,904	0	8,869,805	33,269	48,224,468	48,257,737	86,593,550
Investment in Affiliated Subs				48,130,551	(48,115,658)		(185,879,673)		183,969,409	183,969,409	(1,895,371)	(1,895,371)
Intangible Assets									276,981,816	276,981,816	276,981,816	276,981,816
Accumulated Amortization			(11,333)						(14,351,306)	(14,351,306)	(14,362,639)	(14,362,639)
Other Assets	2,015,394	189,368	931,194			5,295,620		1,928,121		0	10,359,697	10,359,697
Deposits	142,141	65,738	77,148			4,200		3,500	97,167	97,167	389,894	389,894
Total Assets	12,684,745	4,064,851	5,945,918	48,103,376	(48,115,658)	18,692,081	(185,879,673)	11,260,400	446,060,532	50,728,607	496,789,139	363,545,172
Liabilities & Stockholder's Equity												
Affiliate Payable		523,794							2,309,207	2,309,207	4,533,001	4,533,001
Accounts Payable	325,480	455,130	359,016			782,913		131,062	(228,206)	209,361	(18,845)	2,034,756
Taxes Payable									(5,479,735)	(5,479,735)	(5,858,785)	(5,858,785)
Debt - Current									30,867	30,867	30,867	30,867
Accrued Liabilities	2,578,773	456,421	1,347,516			1,727,798		94,296	6,225,486	16,193,900	22,419,386	28,007,190
Other Current Liabilities	404,919	350,499	394,043			325,233		78,877	(1,059,717)	29,306	(1,030,411)	523,160
Total Current Liabilities	3,309,172	1,785,844	2,100,575	0	0	2,835,944	0	304,235	1,767,035	16,463,434	18,230,469	29,270,189
Long Term Debt									564,167,185	291,322	564,458,507	564,458,507
Other Deferred Obligations	22,443		23,387					92,324	(38,664,914)	976,951	(37,687,963)	(37,549,809)
Additional Paid-In Capital	56,092,640	50,965,500	43,057,874	35,748,765	(49,130,551)	49,130,551	(185,879,683)	15,448	7,499,456	7,499,456	7,500,000	7,500,001
Retained Earnings	(78,228,945)	(59,491,732)	(70,393,995)	12,350,889	1,000,000	(70,924,762)		(5,969,638)	163,130,185	11,957,949	175,088,134	(96,570,049)
Net Profit/(Loss)	(37,232,247)	(12,659,653)	(21,127,288)	(11,632)		(36,570,218)		(15,394,566)	30,545,519	(10,409,108)	20,136,411	(103,563,544)
Comprehensive Income - Unrealized Gain/Loss									(123)		(123)	(123)
Total Liabilities & Stockholder's Equity	(56,036,937)	(19,400,041)	(46,339,447)	48,088,022	(48,130,551)	(55,528,485)	(185,879,683)	(20,952,197)	728,444,343	19,280,548	747,724,891	363,545,171

Verizon Avenue Corp
Income Statement
For the Twelve Months Ending December 31, 2002



November MTD Actuals	December MTD Actuals	December Budget	Favorable/ (Unfavorable)		December YTD Actuals	December YTD Budget	Favorable/ (Unfavorable)
REVENUES							
\$667,259 04	\$634,935 76	\$255,775 00	379 161	Local	\$9,761,898 74	\$2,501,810 00	7,260,089
191,043 73	198,696 01	80,310 00	118,386	LD	2,691,760 56	783,309 00	1,908,452
(3,610 24)				Video			
662,828 35	670,755 52	1,154,004 26	(483,249)	Internet	5,337,290 13	11,452,516 85	(6,115,227)
		89,986 00	(89,986)	Verizon One		305,970 00	(305,970)
2,130,610 00	971,620 00	1,394,750 00	(423,130)	Affiliate Revenue	21,675,180 00	22,599,950 00	(924,770)
<hr/>							
3,648,130 88	2,476,007 29	2,974,825 26	(498,818)	Total Net Revenues	39,466,129 43	37,643,555 85	1,822,574
RESELLING COSTS							
640,388 22	674,930 25	292,198 00	(382,732)	Local	7,946,759 99	2,790,342 00	(5,156,418)
85,781 00	(164,641 61)	51,855 00	216,497	LD	437,922 14	507,279 75	69,358
	178 27		(178)	Cable	3,097 47		(3,097)
473,152 59	730,787 50	902,929 65	172,142	Network Connectivity	6,203,632 29	9,107,795 49	2,904,163
				Internet Reselling Costs	4,442 00		(4,442)
		121,217 00	121,217	Verizon One		537,747 00	537,747
424,878 70	310,981 62	465,663 53	154,682	Data Installs	4,236,604 16	5,085,672 70	849,069
54,185 00	79,036 38	97,395 71	18,359	Agent Commissions	593,155 83	1,398,081 93	804,926
69,439 83				Revenue Sharing	219,035 90		(219,036)
2,140,880 95	4,325,003 44	1,092,778 74	(3,232,225)	Developer Payments	18,346,751 40	13,392,710 14	(4,954,041)
<hr/>							
3,888,706 29	5,956,275 85	3,024,037 63	(2,932,238)	Total Reselling Expenses	37,991,101 18	32,819,629 01	(5,171,772)
<hr/>							
(240,575 41)	(3,480,268 56)	(49,212 37)	(3,431,056)	Gross Margin	1,474,728 25	4,823,926 84	(3,349,199)
General & Administrative Expenses							
4,414,787 54	4,045,412 67	4,053,102 87	7,690	Salaries & Wages	51,303,948 85	47,996,000 76	(3,307,948)
730,321 94	977,289 21	819,236 35	(158,053)	Payroll Taxes & Emp Benefits	9,148,848 54	9,719,524 55	570,676
72,257 86	53,550 54	28,332 67	(25,218)	Temporary Employees	2,076,693 71	340,000 04	(1,736,694)
108,977 12	282,294 16	149,902 93	(132,391)	Other Employee Costs	1,879,955 05	1,833,835 16	(46,120)
329,668 43	403,309 67	228,958 85	(174,351)	Travel & Entertainment	2,881,934 09	2,716,531 20	(165,403)
94,338 96	110,286 02	134,964 39	24,678	Office Rel & Office Supplies	1,366,234 82	1,619,572 68	253,338
55,931 96	76,480 12	63,479 19	(13,001)	Insurance	664,706 68	761,054 28	96,348
153,307 32	159,878 12	168,872 94	8,995	Telephone, Cellular, Pager	1,782,026 92	1,903,809 28	121,782
51,504 75	344,838 64	82,081 14	(262,758)	Field Operations	883,148 15	541,855 36	(341,293)
956,037 50	3,429,170 41	802,815 58	(2,626,355)	Bldg & Equip Rent Exp	13,112,988 73	9,633,782 96	(3,479,206)
84,764 16	406,108 72	62,880 78	(343,228)	Professional & Consulting	1,237,476 41	1,558,565 36	321,089
2,591 77	1,336 26	16,666 67	15,330	Legal	93,408 74	200,000.04	106,591
996,283 80	1,092,349 47	406,668 03	(685,681)	Marketing & Promotions	6,076,743 17	5,336,709 00	(740,034)
137,924 26	(593,842 62)	624,528 11	1,218,371	Systems - Recurring	4,195,393 87	6,915,552 88	2,720,159
123,459 09	112,834 09		(112,834)	Systems - Developmt	1,137,153 39		(1,137,153)
3,289,321 36	590,966 75	623,468 33	32,502	Other Expenses	20,069,790 94	7,439,514 63	(12,630,276)
(70,401 47)	(73,996 20)	104,659 74	178,656	Bad Debt	959,774 67	1,124,353 72	164,579
0 00	(0 00)	0 00		Affiliate Charges	0 00	0 00	
<hr/>							
11,531,076 35	11,418,266 03	8,370,618.57	(3,047,647)	Total SG&A	118,870,226 73	99,640,661 90	(19,229,565)
<hr/>							
(11,771,651 76)	(14,898,534 59)	(8,419,830 94)	6,478,704	EBITDA	(117,395,498 48)	(94,816,735 06)	22,578,763
<hr/>							
2,613,431 30	3,790,205 39	3,379,649 00	(410,556)	Interest Expense	31,728,632 47	37,720,728 00	5,992,096
976 16	1,254 82		1,255	Interest Income	76,884 86		76,885
925,430 04	935,566 89	1,742,472 83	806,906	Depreciation Expense	10,486,182 34	16,762,284 02	6,276,102
(5,496,891 12)	(6,868,068 22)	(4,739,684 00)	2,128,384	Income Taxes	(55,969,884 57)	(52,254,909 55)	3,714,975
<hr/>							
(9,812,645 82)	(12,754,983 83)	(8,802,268 77)	(3,952,715)	NET INCOME	(103,563,543 86)	(97,044,837 53)	(6,518,706)
<hr/>							
16,345,212 68	18,310,108 77	13,137,129 03	(5,172,980)	Total Operating Expenses	167,347,810 25	149,222,574 93	(18,125,235)

Verizon Avenue Corp
Income Statement
For the Six Months Ending June 30, 2003

Verizon Avenue Corp
Balance Sheet
For the Six Months Ending June 30, 2003

	June 2003 <u>YTD</u>
REVENUES	
Local	\$2,684,268.48
LD	823,911.07
Internet	3,888,604.26
Verizon One	
Affiliate Revenue	7,971,958.00
	<hr/>
Total Net Revenues	15,368,741.81
RESELLING COSTS	
Local	2,412,644.65
LD	368,198.20
Network Connectivity	3,851,252.80
Verizon One	17,994.01
Data Installs	1,764,928.66
Agent Commissions	382,841.95
Revenue Sharing	43,174.95
Developer Payments	6,122,181.22
	<hr/>
Total Reselling Expense	14,963,216.44
	<hr/>
Gross Margin	405,525.37
General & Administrative Expenses	
Salaries & Wages	28,338,413.60
Payroll Taxes & Emp Benefits	5,133,777.77
Temporary Employees	319,857.39
Other Employee Costs	596,931.56
Travel & Entertainment	1,456,462.12
Office Rel & Office Supplies	453,916.08
Insurance	369,629.18
Telephone, Cellular, Pager	798,277.07
Field Operations	377,205.50
Bldg & Equip Rent Exp	3,854,482.03
Professional & Consulting	426,257.28
Legal	24,230.05
Marketing & Promotions	723,839.72
Systems - Recurring	3,216,105.76
Systems - Devlpmt	364,391.11
Other Expenses	1,048,380.44
Bad Debt	562,758.42
Affiliate Charges	0.00
	<hr/>
Total SG&A	48,064,915.08
	<hr/>
EBITDA	(47,659,389.71)
Interest Expense	16,122,028.65
Interest Income	2,527.75
Depreciation Expense	5,920,708.12
Income Taxes	#REF!
	<hr/>
NET INCOME	#REF!
	<hr/>
Total Operating Expenses	68,948,839.64

ASSETS

	June 2003 <u>YTD</u>
Cash	\$1,151,085
Short-term Marketable Securities	
	<hr/>
Cash and Cash-like Instruments	1,151,085
Affiliate Receivable	(2,892,602)
Other Receivables	(50,169)
Trade Receivables	(214,528)
Allowance for Uncollectible Accounts	(131,607)
	<hr/>
Accounts Receivable - Net	(3,288,906)
Prepaid Expenses	(6,113,929)
Current Deferred Federal Tax Benefit	(15,053,335)
Total Current Assets	(23,305,085)
Property, Plant & Equipment	496,769
Accumulated Depreciation	(1,032,700)
	<hr/>
Net Property, Plant & Equipment	(535,931)
Investment in Affiliated Subs	
Intangible Assets	
Accumulated Amortization	
Other Assets	(76,988)
Deposits	
	<hr/>
Total Assets	(23,918,004)
	=====
Liabilities & Stockholder's Equity	
Affiliate Payable	(844,184)
Accounts Payable	441,484
Taxes Payable	(5,661,780)
Debt - Current	798
Accrued Liabilities	(717,616)
Other Current Liabilities	(3,445)
	<hr/>
Total Current Liabilities	(6,784,743)
Long Term Debt	(6,633,451)
Other Deferred Obligations	14,925
Additional Paid-In Capital	
Retained Earnings	
Net Profit/(Loss)	(10,514,734)
Comprehensive Income - Unrealized Gain/Loss	
	<hr/>
Total Liabilities & Stockholder's Equity	(23,918,003)
	=====

Verzon Avenue Corp
Balance Sheet
For the Six Months Ending June 30, 2003

	OPC Consol GL
ASSETS	
Cash	(\$3,095,750)
Short-term Marketable Securities	3
Cash and Cash-like Instruments	(3,095,747)
Affiliate Receivable	1,967,055
Other Receivables	945,903
Trade Receivables	699,855
Allowance for Uncollectible Accounts	(499,829)
Accounts Receivable - Net	3,112,984
Prepaid Expenses	7,611,858
Current Deferred Federal Tax Benefit	(32,575,533)
Total Current Assets	(24,946,438)
Property, Plant & Equipment	108,718,080
Accumulated Depreciation	(22,912,383)
Net Property, Plant & Equipment	85,805,697
Investment in Affiliated Subs	(1)
Intangible Assets	276,981,816
Accumulated Amortization	(14,362,639)
Other Assets	11,624,247
Deposits	689,894
Total Assets	335,792,576
Liabilities & Stockholder's Equity	
Affiliate Payable	2,960,971
Accounts Payable	603,845
Taxes Payable	(30,253,689)
Debt - Current	32,443
Accrued Liabilities	19,631,649
Other Current Liabilities	237,943
Total Current Liabilities	(6,786,838)
Long Term Debt	617,975,435
Other Deferred Obligations	(37,457,623)
Additional Paid-In Capital	8,340,940
Retained Earnings	(200,974,521)
Net Profit/(Loss)	(45,304,695)
Comprehensive Income - Unrealized Gain/Loss	(123)
Total Liabilities & Stockholder's Equity	335,792,575
Current Ratio	367.57%
Quick Ratio	-0.25%
Debt to Total Assets	184.03%