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IDAHO PUBLIC
UTILITIES COMMISSION

**Application of BAK Communications, LLC
For a Certificate of Public Convenience and
Necessity To Provide Competing Local
Exchange Service In the State of Idaho**

GNR-T-03-18

Comes now BAK Communications, LLC ("BAK") requesting that it be granted a certificate of public convenience and necessity to operate as a competitive local exchange carrier in the State of Idaho. Further to this application, BAK provides the following information:

1. Proposed Services

BAK proposes to offer competitive local exchange services to residential customers in the State of Idaho using a combination of the resale platform and the Unbundled Network Elements provided by the Incumbent Local Exchange Carriers (ILEC) as specified by the 1996 Telecommunications Act.

As such, BAK does not need to install its own equipment or establish its own facilities since it will be dependent on already existing facilities leased or resold from the ILEC.

2. Form of Business

Full Legal Name of Applicant and Main Office Address:
BAK Communications, LLC
444 S. Flower St. Suite 4188
Los Angeles, CA 90071

For inquiries regarding this applications:
Anthony Manzilla
Chief Operations Officer - BAK Communications, LLC
951 Old County Road Suite 239
Belmont, CA 94002
Phone (415) 519-8997 or (510) 375-03871
FAX (213) 688-2187
Email antonio3221@hotmail.com

BAK is a California based Corporation whose primary business is providing long distance service to residential customers through prepaid calling cards, and 1+ service that is subscribed to. Attached are BAK's articles of incorporation for the State of California, and its documents from the Secretary of State of Idaho.

3. Telecommunications Service

BAK intends to begin providing services three (3) months from whence the commission approves this application for a CPCN, and approves the tariffs that BAK is to provide the commission at a later date.

Customers to be served are residential consumers who wish to avail of our services.

4. Service Territory

Due to the nature of the resale and UNE services being proposed by BAK Communications, the service territory it can serve is dependent on (1) where the Commission allows it to operate; and (2) where the ILEC offers resale and/or UNE. As such, BAK requests that it be granted full statewide authority, and BAK concurs with the territories specified on ILEC (Qwest Communications) tariffs.

5. Financial Information

Attached are BAK financial records from the first quarter 2002 to the end of the first quarter 2003. We hope that this will be sufficient to prove adequate financial capability for the services being proposed.

6. Illustrative Tariff Filing

Attached is BAK illustrative tariff, which is being included for the sole purpose of elucidating the types of service BAK intends to offer. As interconnection agreements have yet to be negotiated with the ILEC pending approval of this application, the rates proposed are subject to change.

7. Customer Contacts

The primary customer contact for complaints or inquiries from both the public and the Public Utilities Commission is:

Anthony Manzilla
Chief Operations Officer – BAK Communications, LLC
951 Old County Road Suite 239
Belmont, CA 94002
Phone (415) 519-8997 or (510) 375-0381
Email antonio3221@hotmail.com
Toll-Free Number for complaints: (888) 326-8683

8. Interconnection Agreements

BAK has filed for an interconnection agreement with SBC Communications, for its 13-States. However, for the State of Idaho BAK still needs to file an interconnection agreement with Qwest Communications, which it intends to do as soon as competitive local authority is granted.

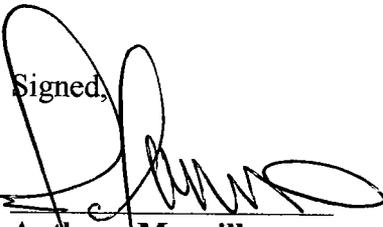
9. Compliance with Commission Rules

BAK Communications has reviewed the Commissions rules, and intends and agrees to comply with them, or will request a waiver for rules that are inapplicable.

10. Escrow Account or Security Bond

As per the illustrative tariffs attached, BAK does not intend to charge any customer deposits for services provided.

Wherefore, BAK Communications, LLC respectfully requests that this application for a certificate of public convenience and necessity be granted by the Idaho Public Utilities Commission.

Signed,

Anthony Manzilla
Chief Operations Officer
BAK Communications, LLC

12 May 2003



State of California
 Bill Jones
 Secretary of State

200119110094
 File# _____

FILED
 In the Office of the Secretary of State
 of the State of California

JUL 05 2001

Bill Jones
 BILL JONES, Secretary of State

**LIMITED LIABILITY COMPANY
 ARTICLES OF ORGANIZATION**

A \$70.00 filing fee must accompany this form.
 IMPORTANT – Read instructions before completing this form.

This Space For Filing Use Only

1. Name of the limited liability company (end the name with the words "Limited Liability Company," "Ltd. Liability Co.," or the abbreviations "LLC" or "L.L.C.")
 BAK Communications, LLC

2. The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the Beverly-Killea limited liability company act.

3. Name the agent for service of process and check the appropriate provision below:
 Nichole Mongeon _____ which is
 an individual residing in California. Proceed to item 4.
 a corporation which has filed a certificate pursuant to section 1505. Proceed to item 5.

4. If an individual, California address of the agent for service of process:
 Address: 1108 E. 17th St.
 City: Santa Ana State: CA Zip Code: 92701

5. The limited liability company will be managed by: (check one)
 one manager more than one manager single member limited liability company all limited liability company members

6. Other matters to be included in this certificate may be set forth on separate attached pages and are made a part of this certificate. Other matters may include the latest date on which the limited liability company is to dissolve.

7. Number of pages attached, if any: 0

8. Type of business of the limited liability company. (For informational purposes only)
 Telecommunications

9. **DECLARATION:** It is hereby declared that I am the person who executed this instrument, which execution is my act and deed.

Darin Margules
 Signature of Organizer

Darin Margules
 Type or Print Name of Organizer

July 3, 2001
 Date

10. RETURN TO:
 NAME Darin Margules, Esq.
 FIRM Tyre Kamins Katz & Granof
 ADDRESS 1880 Century Park East, Suite 300
 CITY/STATE Los Angeles, CA
 ZIP CODE 90067

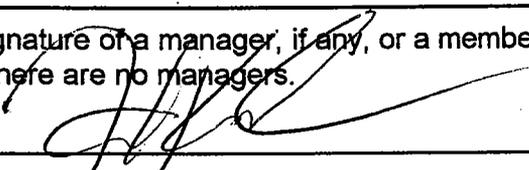




APPLICATION FOR REGISTRATION OF ~~DEFECTIVE~~ FOREIGN LIMITED LIABILITY COMPANY AM 10: 20

(Instructions on back of application)

SECRETARY OF STATE
STATE OF IDAHO

- The name of the limited liability company is: BAK Communications, LLC
- If the name of the limited liability company is not permissible or is not available in Idaho, the name the foreign limited liability company will use in Idaho is: _____
- The jurisdiction under whose laws the limited liability company is organized is California, and the date of its formation was July 5, 2001
- The name and address of the registered agent in Idaho is: TCS Corporate Services, Inc.
5527 Kendall Street, Boise, ID 83706
- The address of the limited liability company's office in the jurisdiction under whose laws it is organized is: _____
1108 E. 17th Street, Santa Ana, CA 92701
- The address of the limited liability company's principal office, if other than the address in #5 above, is: _____
- The address to which correspondence should be addressed is: _____
1108 E. 17th Street, Santa Ana, CA 92701
- Signature of a manager, if any, or a member if there are no managers.


Fred Kunik

Typed or Printed Name
Manager Member

Secretary of State use only

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IDAHO SECRETARY OF STATE
10/05/2001 05:00
CK: 2032 CT: 152131 BH: 422893
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Biographies of Principals

Irving Barr – Chairman

Fred Kunik – President

Irving Barr and Fred Kunik are the founders and main stakeholders of BAK Communications, LLC. Their primary expertise is in financing firms, and as such they have maintained a large chain of money transfer / check cashing stores all over the nation. In 2001, they founded and funded BAK Communications, and acquired the services of Rabih Aridi, and later on Anthony Manzilla as well to handle the operations and marketing of BAK's telecommunication activities.

Rabih Aridi – Chief Executive Officer

Rabih Aridi's telecommunications expertise comes from being the founder of several long distance companies in California. He was one of the pioneer entrepreneurs who entered the prepaid phone card industry. Since then, he has moved on to providing prepaid 1+ long distance service, which is currently the main source of revenue for BAK Communications.

William J. Nolan III – Chief Financial Officer & Secretary

William J. Nolan III has had extensive experience managing the financial departments of various firms for 26 years now. He has been responsible for all accounting and treasury functions of those companies and handled additional administration of insurance and legal matters. He has also been in charge of the audit and compensation committees of these firms.

Anthony Manzilla – Chief Operations Officer

Anthony Manzilla has had experience founding and managing several telecommunications firms for over 20 years with products and services ranging from phone systems to domestic and international long distance. His latest company is TGEC Communications, LLC a California based resale and facilities based CLEC which is currently still profitable and in operation.

BAK Communications, LLC
Illustrative Tariff
Schedule 1
Original Sheet No. 1-T

ILLUSTRATIVE TARIFF SCHEDULE
APPLICABLE TO THE
COMPETITIVE LOCAL EXCHANGE SERVICES
OF
BAK COMMUNICATIONS, LLC

TARIFF CHECK SHEET

<u>Sheet</u>	<u>Revisions</u>
1-T	Original
2-T	Original
3-T	Original
4-T	Original
5-T	Original
6-T	Original
7-T	Original
8-T	Original
9-T	Original
10-T	Original
11-T	Original
12-T	Original
13-T	Original
14-T	Original
15-T	Original
16-T	Original
17-T	Original
18-T	Original
19-T	Original

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Preliminary Statement

This illustrative tariff sets forth the rates and rules of BAK Communications, LLC (the "Company") applicable to its provision of competitive facilities-based and resale local exchange services pursuant to the rules and regulations established by the FCC and various public utility commissions.

The rates and rules contained herein are subject to change pursuant to the rules and regulations of each specific Public Utility Commission.

Symbols Used In This Tariff

- (C) To signify changed listing, rules, or condition which may affect rate charges
- (D) To signify discontinued materials, including listing, rate, rule or condition.
- (I) To signify an increase
- (L) To signify material relocated from or to another part of tariff schedule with no change in text, rate, rules or conditions.
- (N) To signify new materials including listing, rate, rule or condition
- (R) To signify reduction
- (T) To signify change in wording of text but no change in rate, rule or condition.

Service Area Map

The Company concurs in the local exchange boundaries of the ILEC as set forth in the tariffs of said company. The PUC has authorized ILEC to provide local exchange services in all the local exchange territories in the State as shown on their maps.

Applicability

This tariff is applicable to the competitive local exchange services offered by the Company.

Territory

The Company concurs in the local exchange boundaries of the ILEC and is authorized to provide competitive local exchange service in all such areas in the State.

Description of Services

The Company has been authorized by the Public Utility Commission to provide competitive local exchange services including dial tone and the ability to place and receive telephone calls within the local exchange boundaries of ILEC. A more detailed description of the services available under this tariff (and the rates therefore) is set forth in Rate Schedules immediately following. The services described in this tariff are available to residential (non-business) customers only.

Rate Schedules

The following rates are applicable to the following residential, non-business competitive local exchange services of the Company.

1.0 Description of Competitive Local Exchange Services

Local Exchange Services provide a Customer with a connection to the public switched telephone network (PSTN), which enables the Customer to:

- A. Receive calls from other stations on the network;
- B. Access the Company's services as set forth in this tariff;
- C. Access intraLATA, interLATA and international calling services provided by other certified common carriers;
- D. Access to the (at no additional charge) to the Company's business office or to its trouble hotline for service related assistance; and access 9-1-1 service for emergency calling.

2.0 Measurements of Calling Areas for Usage Rates

The calling areas for usage rates specified in "zones" mirror the areas that are described in the dominant ILEC tariff for that region.

3.0 Rate Components

Rates for local exchange service consists of these five components:

- A. Nonrecurring Service Installation Charges
- B. Monthly Access Line Rates
- C. Calling Features
- D. Directory Assistance Usage
- E. Inside Wiring Service

4.0 Monthly Access Line Rates

4.1 Nonrecurring Service Installation Charges

Charges for provisioning of the line, including any charges incurred for placing orders with dominant LEC s are one-time charges and cost \$ 30.00.

4.2 Monthly Access Line Rates

BAK Residential Plans:

i. **Economy Service Plan - \$ 29.00**

Includes:

Direct Dial Line with unlimited local calling

ii. **Standard Service Plan - \$ 34.00**

Includes:

Direct Dial Line with unlimited local calling

Caller ID Feature

Any other standard feature (except 3-way calling)

iii. **Deluxe Service Plan - \$ 44.00**

Includes:

Direct Dial Line with unlimited local calling

Caller ID Feature

3-Way Calling

Any 2 additional standard features as outlined below

4.3 Standard Calling Features

Calling features are charged at a standard rate of \$ 5.00 per feature, unless acquired through our plans as outlined above. These features include:

Call Waiting

Call Forwarding

Priority Ringing

Call Screening

Call Return

3-Way Calling

Anonymous Call Rejection

Caller ID

4.4 Directory Assistance

Directory Assistance is charged at \$0.75 per call.

4.5 Inside Wiring

In the case of a faulty jack within the Customers' residence, the Company is to offer an inside wiring service to be charged at \$ 50.00 per premise visit.

Taxes and Surcharges

In addition to the charges specifically pertaining to the Company's services, certain federal, state, and local surcharges, taxes and fees will be applied. These surcharges, taxes, and fees are calculated based upon the amount billed to the end user by dominant LEC s for standard billed service, and are added onto the Company's bill. Such charges include, but are not limited to, the surcharges and fees ordered by the PUC.

Directory and Listing Services

Availability of Directories

Subscription to a Local Exchange Service entitles the Customer to receive a copy of any alphabetical or classified telephone directory for Customers' local calling area that is published by the Company or provided to the Company by another directory publisher, subject to the Company's right to pass on to the Customer any direct costs the Company must bear for the provision of such directory to the Company.

Non-Published Service

Primary numbers will be non-published at the request of the Customer. The Customer name, address and telephone number will not be listed in any telephone directory, street address directory, or in the directory assistance records available to the general public.

This information, as well as call forwarding information from unlisted telephone numbers, shall be released by the company in response to legal process or to certain authorized governmental agencies provided the requesting agency complies with the regulations referenced in Rule 18, below, or to the Patriot Act as passed by Congress.

Rules

Rule 1 – Definitions

Certain Terms used generally throughout this tariff or the Company, are defined below.

Applicant: Any person that has applied to the Company for service

Authorized User: A person authorized to use the service provided by the Company, and is specifically named in the application for service.

Company: BAK Communications, LLC, the issuer of this tariff

CSR: Customer Service Representative, responsible for answering queries, accepting orders for new service, and taking trouble complaints.

Customer: The person ordering service, and is responsible for payment of charges and compliance with company regulations.

Demarcation Point: The Company concurs with the definition of “demarcation point” as set forth in the ILEC local exchange tariffs.

ILEC: Incumbent Local Exchange Carrier

PUC: The Public Utility Commission

Rule 2 – Description of Service

The Company provides competitive local exchange services including dial tone and the ability to place and receive telephone calls, within the local exchange boundaries of ILEC. A more detailed description of the competitive local exchange services available from the Company is set forth in the Rate Schedules portion of this tariff.

Rule 3 – Application for Service

Service is initiated by arrangement between the Company and the Customer. This is normally initiated through oral contact by Customer with a CSR, wherein Customer is informed of all rates and charges for the service Customer requests, and any other rates or charges which will appear on the Customers' bill, and an arrangement is assumed to have been made at the Company's receipt of the first payment for the one-time service activation, and one month's worth of service.

Within 10 days of initiating the service order, Company is to provide a confirmation letter setting forth a brief description of the services ordered and itemizing all charges, which appear on the Customers' bill.

Rule 4 – Contracts

At the option of the Company, and with the approval of the PUC, service may be offered on a contract basis to meet specialized requirements of the Customer not contemplated in this tariff. The terms of each contract shall be mutually agreed upon between the Customer and the Company and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, or other customized features that might not be included in the Company's general service offerings.

Rule 5 – Special Information Required on Forms

Each of the Company' bills for telephone service shall contain information regarding the following:

- (a) When to pay the bill
- (b) Billing detail including service period
- (c) How to pay the bill
- (d) Hotline for Billing Questions
- (e) In addition to the above, each bill shell include the following statement:

“This bill is due and payable within 14 days of the date it was issued; non-payment for service will be constituted as a cancellation of service from BAK Communications, and your service will be subject to disconnection. Should you question this bill, please request an explanation from the Company. The Company’s address is 444 S. Flower Street, Suite 4188 Los Angeles, CA 90071.

“If you believe you have been billed incorrectly you may file a complaint with the PUC. To avoid having service disconnected, payment of the disputed bill should be made ‘under protest’ to the PUC or payment arrangements should be made agreeable to the Company pending the outcome of the Commissioner of Consumer Affairs branch shall review, communicate the results of its review to the parties, and inform you of your recourse to pursue the matter further with the Commission”

Rule 6 – Credit and Deposits

The company does not require any deposits for services provided.

Rule 7 – Payment Methods

Customer Payments are accepted using the three options listed below:

- (a) Credit Card Payment – a merchant account is to be established to verify cards, and avoid credit card fraud.
- (b) Money Orders – These are to be accepted if mailed to the Company’s office address.
- (c) Swift Pay – An Agreement is to be established between the Company and Western Union for Western Union to accept payments placed by Customers for Company’s service. CSR’s are to orally direct Customers to their nearest Western Union agent location.

Rule 8 – Notices

Any notice the Company may give to a Customer shall be deemed properly given when delivered, if delivered in person or when deposited with the US Postal Service, with appropriate postage, and addressed to the Customers' billing address or to such address as may be subsequently given by the Customer to the Company.

Except for cancellation of service or as otherwise provided for by these rules, any notice from any Customer to the Company is done orally, or by written notice mailed to the Company's business address.

Rule 9 – Rendering and Payment of Bills

The Customer is responsible for the payment of all charges for facilities and services furnished to the Customer. Billing periods are monthly, and invoices are sent to the Customer two weeks before the billing period expires. Payment is due before the start of the next billing period, and nonpayment of a bill may result in service suspension.

If a service is suspended, a reactivation fee of \$ 20.00 applies and must be paid in addition to the monthly service charge if a suspended customer wishes to continue service.

Rule 10 – Disputed Bills

In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer can take the following course of action within two (2) years of the disputed bill's billing date.

- (a) First, the Customer may request, and the Company will perform, an investigation and review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection if the Company notifies the Customer in writing of such delinquency and impending disconnection.

- (b) Second, if there is still disagreement about the disputed amount after and after review by a manager of the Company, the Customer may appeal to the PUC Consumer Affairs Branch for its investigation and decision.
- (c) To avoid disconnection of service, the Customer must submit the claim and, if the bill has not been paid, deposit the amount in dispute with the PUC within seven (7) calendar days after the date the Company notifies the Customer that its investigation and review are completed and that such deposit with the PUC must be made or service will be suspended. The disputed amount must be made payable to the PUC.
- (d) The company cannot suspend Customers' service for nonpayment as long as the Customer complies with (c) above. After the investigation and review are completed by the Company as mentioned in (a) above, if the Customer elects not to deposit the amount in dispute with the PUC, such amount becomes due and payable at once. If Customer fails to pay the amount within seven (7) calendar days after the Company informs the customer that its investigation and review are completed, service will be suspended. However, service is not to be discontinued prior to the due date shown on the bill.
- (e) If the customer deposits the disputed amount with the PUC, the Company shall respond to any requests from the PUC for information within ten (10) business days. The PUC will review the claim of the disputed amount, communicate the results of its review to the Customer and Company, and make disbursement of the deposited amount.

Rule 11 – Discontinuance and Restoration of Service

11.1 Cancellation of Service by a Customer

A Customer is responsible for notifying the Company either in writing or orally of his/her desire to discontinue service on or before the date of discontinuance. Payments made for a month's worth of service will be charged for the full amount even if the Customer elects to cancel within the period that has been paid (i.e. pro-rated credits for service discontinued within a paid billing period shall not be granted by the Company).

If a new Customer cancels his order for service before the service begins, the one-time service activation fee will not be refunded to cover non-recoverable portions of expenditures incurred by the company for ordering and provisioning such services.

11.2 Cancellation for Cause by Company

Service may be discontinued for nonpayment of any charges owed to the Company. Invoices are sent two (2) weeks before the due date of the bill, and if the amount invoiced is not paid by the due date and no contact is initiated by the Customer to arrange payment, service is discontinued with the assumption that the Customer seeks to terminate service.

11.3 Restoration of Service

There is a \$ 20.00 per line charge for restoration of service once it has been suspended.

11.4 Fraud

The Company reserves the right to refuse or discontinue service without advance notice if the acts of the customer are such as to indicate intention to defraud the Company. This includes fraudulently placing and receiving calls, and/or ordering service under different names for the same address once service has been terminated.

Rule 12 – Optional Rates and Information Provided to the Public

A copy of this tariff schedule and advice letters will be available for public inspection in the Company's business office during regular business hours. Copies of the Company's tariff schedule and advice letters are available to the public on the Company Website and at a nominal cost on paper to cover photocopying, postage, and/or transmission expenses.

Rule 13 – Temporary Service

Temporary service will be provided at the option of the Company if such service provision is consistent with the best interests of the Company. Rates and conditions for such service will be those published in this tariff schedule.

Rule 14 – Continuity of Service

In the event of prior knowledge of an interruption of service for a period exceeding one day, the Customer will, if feasible, be notified in writing at least one week in advance of such known interruption.

Rule 15 – Limitation of Liability

15.1 General

- (a) The provisions of this rule do not apply to errors and omissions caused by willful misconduct, fraudulent conduct or violations of the law by the Customer.
- (b) In the event an error or omission is caused by the gross negligence of the Company, the liability of the Company shall be limited to and in no event exceed the sum of \$ 5,000.
- (c) The Company will not be held liable for service interruptions caused by the Customers' facilities, equipment, or systems.
- (d) Except as provided in the liability of the company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in any of the services or facilities furnished by the Company up to and including its local loop demarcation point, including exchange, toll, private line, supplemental equipment, alphabetical directory listings (excluding the use of boldface type) and all other services, shall in no event exceed an amount equal to the pro rate charges to the Customer for the period during which the services or facilities are affected by the mistake, omission, interruption, delay, error or defect, provided, however, that where any mistake, omission, interruption, delay, error or defect in any one service or facility affects or diminishes the value of any other service said liability shall include such diminution but in no event shall the liability exceed the total amount of the charges to the Customer for all services or facilities for the period affected by the mistake, omission, interruption, delay, error or defect.

15.2 Service Interruptions

(a) Allowances for Service Interruptions

Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by the Customer or the operation or malfunction of the malfunction of the facilities, power or equipment provided by the Customer as set forth in 15.2 c below for the part of the service that the interruption affects. For purposes of this rule, an interruption is deemed to exist from the time it is reported to or detected by the Company.

(b) Temporary Suspension for Repairs

The Company shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, the Company will give the Customers who may be affected as reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and if practicable at times that will cause the least inconvenience. When the Company is repairing or changing its facilities where applicable, it shall take appropriate precautions to avoid unnecessary interruptions or conversations or Customers' service.

(c) Credit Allowances

A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when a Customer reports a service, facility, or circuit to be interrupted and releases it for testing or repair. An interruption period ends when the service, facility or circuit is operative again. If a customer reports a service, facility or service to be interrupted but declines to release it for testing or repair, then this is considered impaired, but not interrupted.

Credit allowances shall be provided in the form of long distance minutes as provided by our long distance carrier of choice. A long distance credit of 30 minutes will be issued for each 24-hour period that the service facility or circuit is interrupted. Credits shall not be provided for impaired service, facilities or circuits.

(d) Limitations on Credit Allowances

No credit allowance will be made for:

- a. Interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company.

- b. Interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities
- c. Interruptions due to the failure or malfunction of non-Company equipment
- d. Interruptions of service during a period in which the Company is not given a full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions
- e. Interruptions of service during a period in which the Customer continues to use the service on an impaired basis
- f. Interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements
- g. Interruptions of service due to circumstances or causes beyond the control of the Company

15.3 Errors in Transmitting, Receiving or Delivering Oral Messages by Telephone

The Company shall not be liable for errors in transmitting, receiving or delivering oral messages by telephone over the lines of the Company and connecting utilities.

15.4 Loss Arising from Non-Delivery of Written Messages

The Company shall be liable for loss or damage that may occur in the course of the employment of any messenger not to exceed twenty-times the charge for such messenger service, and shall be liable for loss or damage that may occur in the transmission over its lines not exceeding the amount received for receiving the same.

Rule 16 – Prorating of Bills

Any prorated bill shall use a 30-day month to calculate the pro-rata amount. Prorating shall apply only to recurring charges. All non-recurring and usage charges incurred during the billing period shall be billed in addition to any prorated amounts.

Rule 17 – Limitation of Service

17.1 Services and Facilities

Service is offered subject to the availability of the necessary facilities or equipment and subject to the provisions of this tariff; and all facilities provided under this tariff are directly controlled by the Company, and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company.

17.2 Assignment or Transfer

Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service. Title to all facilities provided by the Company under this tariff remains with the Company.

Rule 18 – Change of Service Provider

18.1 Solicitation of Customer Authorization for Service Termination and Transfer

Solicitations by the Company or its agents, of customer authorization for termination of service with an existing carrier and the subsequent transfer to a new carrier must include current rate information on the new carrier and information regarding the terms and conditions of service by the Company or its agents, must conform to PUC Rulings. All solicitations sent by the Company or its agents to Customers must be legible and printed in a minimum point size type of at least 10 points. A penalty or fine of up to \$ 500 may apply for each violation of this rule.

18.2 Unauthorized Service Termination and Transfer (“Slamming”)

The Company will be held liable for both the unauthorized termination of service with an existing carrier and the subsequent unauthorized transfer to its own service. The Company is responsible for the actions of its agents that solicit unauthorized termination and transfers. A carrier who engages in such unauthorized activity shall restore the Customer’s service to the original carrier without charge to the Customer. All billings during the unauthorized service period shall be refunded to the applicant or Customer. A penalty or fine payable to the Commission may apply to each violation of this Rule.

As prescribed under the Public Utilities Code, each day of continuing violation shall constitute a separate and distinct offense. The Company will reimburse the original carrier for reestablishing service at the tariff rate of the original carrier.

Rule 19 – Privacy

The Company is restricted from releasing nonpublic Customer information. For each new Customer, and on an annual basis for continuing Customers, the Company shall provide in writing, a description of how it handles Customers' private information and a disclosure of any ways that such information might be used or transferred that would not be obvious to the Customer. The Company is subject to the credit information and calling record privacy rules.

Rule 20 – 911 Service

The Company provides 9-1-1 services for emergency calling at no charge.

Rule 21 – Blocking Access to 900 and 976 Services

The Company will block all access to 900 and 976 pay-per-call telephone services.

Rule 22 – Demarcation Point

The Company concurs in the definition of Local Loop Demarcation Point as set forth in ILEC Tariffs.

**BAK Communications LLC
Profit & Loss**

January through November 2002

	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	TOTAL
Income												
6301000 - Phone Cards	1,873,381.32	2,188,065.91	1,794,707.74	1,777,153.84	2,110,106.74	1,763,624.34	1,804,059.64	2,087,678.06	2,113,325.70	2,518,752.61	1,984,914.96	21,985,770.86
6301010 - Phone Service Business	0.00	0.00	0.00	0.00	0.00	116,738.89	134,265.01	97,958.41	111,869.08	35,035.80	115,140.78	611,007.97
6302000 - One Plus	74,316.63	203,038.34	219,550.67	110,595.47	93,059.09	158,750.83	111,473.57	68,234.98	68,478.81	70,774.65	66,716.75	1,244,489.79
6302007 - GDD/China Project	0.00	0.00	0.00	0.00	0.00	2,917.94	36,602.93	74,720.45	116,147.68	163,407.58	175,148.01	588,944.59
6302008 - Philippines Project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,188.05	17,631.81	23,435.50	30,676.34	80,931.70
6303000 - Other Income	0.00	6.06	0.00	0.00	336.00	48.00	0.00	13.50	336.71	558.36	404.94	1,703.57
Total Income	1,947,697.95	2,391,110.31	2,014,258.41	1,887,749.31	2,203,501.83	2,042,080.00	2,086,401.15	2,307,793.45	2,427,789.79	2,811,464.50	2,373,001.78	24,492,848.48
Cost of Goods Sold												
7401000 - Carrier Cost - Phone Cards	1,625,864.76	1,793,977.33	1,505,599.88	1,552,902.54	1,842,706.24	1,541,818.28	1,574,537.41	1,724,457.20	1,784,240.49	2,086,701.72	1,618,964.37	18,652,770.22
7401010 - Carrier Cost - Phone Serv. Bus.	0.00	0.00	0.00	0.00	0.00	81,874.80	83,474.20	80,578.32	83,952.15	20,464.22	81,470.17	431,813.86
7402000 - Carrier Cost - One Plus	40,000.00	128,609.78	136,079.67	45,146.73	42,065.78	100,959.80	56,540.86	30,023.39	30,127.50	30,788.85	29,355.37	669,687.73
7402007 - Carrier Cost - China/GDD	0.00	0.00	0.00	0.00	0.00	8,288.00	24,392.00	41,165.00	57,392.88	75,778.97	77,065.12	284,082.07
7402008 - Carrier Cost - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,042.74	7,758.00	10,311.62	13,497.59	35,609.95
7402500 - Local Loop Cost - General	-5,876.52	94,087.23	32,218.63	14,431.57	9,818.98	18,511.31	17,932.56	34,449.94	30,943.59	24,583.03	39,261.51	310,361.83
7403000 - Other Cost - Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,925.00	14,325.00	20,262.96	47,512.96
Total COGS	1,659,988.24	2,016,674.34	1,674,898.18	1,612,480.84	1,894,581.00	1,751,452.19	1,756,877.03	1,914,716.59	2,007,339.71	2,262,953.41	1,879,877.09	20,431,838.62
Gross Profit	287,709.71	374,435.97	339,360.23	275,268.47	308,920.83	290,627.81	329,524.12	393,076.86	420,450.08	548,511.09	493,124.69	4,061,009.86
Expense												
8511001 - Salaries - Cust.Care-LongDist.	8,687.38	9,642.23	32,631.57	12,404.91	22,976.34	14,050.17	12,006.78	12,598.75	15,058.57	28,239.34	21,720.36	190,016.40
8511002 - Salaries - Cust.Care-PhoneCards	30,423.68	23,935.42	12,798.27	31,177.67	18,753.70	25,020.63	32,769.06	15,401.52	19,167.28	27,729.97	18,551.18	255,728.38
8511003 - Salaries - Administration	1,722.73	1,609.31	1,849.22	426.42	1,598.52	2,071.34	1,718.52	1,948.73	-39.27	0.00	0.00	12,905.52
8511004 - Salaries - Accounting & HR	16,874.58	21,091.16	26,159.96	25,835.20	30,065.36	25,601.45	26,574.46	37,157.73	26,534.69	20,959.63	20,308.91	277,346.13
8511005 - Salaries - Management	20,057.13	18,096.97	22,809.74	20,790.42	24,843.10	20,824.98	13,860.57	28,714.55	18,734.24	27,417.22	21,020.05	237,168.97
8511006 - Salaries - IT	24,819.61	28,255.76	27,234.33	27,405.32	38,241.16	37,221.53	43,216.24	31,533.71	34,854.03	52,607.14	38,969.80	384,358.63
8511007 - Salaries - China/GDD	0.00	0.00	0.00	0.00	6,010.67	12,338.75	20,908.47	33,453.76	32,206.30	41,271.79	36,961.25	183,150.99
8511009 - Salaries - Telemarketing	3,076.92	1,834.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,911.68
8511011 - Overtime - CCare-LD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	990.84	990.84
8511012 - Overtime - Customer Care-PC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.52	49.52
8511013 - Overtime - Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8511014 - Overtime - Accounting & HR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	374.35	374.35
8511015 - Overtime - Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8511016 - Overtime - IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8511017 - Overtime - GDD/China	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,328.30	7,328.30
8511098 - EE 401(K) Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,345.33	1,345.33
8511107 - Origination Fees - GDD/China	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8511109 - Commissions - Telemarketing	0.00	9,785.09	43.19	5,430.58	12,054.21	8,065.24	6,709.96	10,569.73	11,324.38	13,368.21	15,398.68	50,861.00
8511201 - Bonuses - CCare-LD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,061.52	6,373.80	17,261.39	10,090.04	82,875.02
8511202 - Bonuses - CCare-PC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8511203 - Bonuses - Administration	0.00	0.00	143.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	143.94
8511204 - Bonuses - Accounting & HR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8511205 - Bonuses - Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8511206 - Bonuses - IT	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
8511207 - Bonuses - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,145.49	26,930.02	32,532.32	37,030.84	120,638.67
8511217 - Profit Sharing - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,692.97	0.00	1,692.97	0.00	1,692.97
8511218 - Profit Sharing - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65.00	311.49
8511301 - Employee Benefits - CCare-LD	25.38	74.42	299.88	481.13	8.27	64.67	144.87	233.58	-4.50	232.12	100.00	1,626.17
8511302 - Employee Benefits - CCare-PC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	914.31
8511303 - Employee Benefits - Admin.	2,651.18	2,651.18	139.88	224.61	19.55	265.68	39.30	273.93	52.63	266.35	50.00	1,318.00
8511304 - Employee Benefits - Acct. & HR	10.00	102.47	102.47	118.55	25.98	11.11	11.11	273.93	19.30	222.92	20.00	804.26
8511305 - Employee Benefits - Management	25.36	293.78	99.89	317.53	0.00	24.07	98.14	233.58	46.10	248.40	90.00	1,478.85
8511307 - Employee Benefits - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	233.58	-16.94	508.13	130.00	899.21
8511405 - Training/Seminars - Management	1,854.78	0.00	0.00	0.00	625.00	0.00	0.00	0.00	0.00	0.00	0.00	625.00
8511406 - Training/Seminars - IT	0.00	0.00	0.00	0.00	696.50	0.00	0.00	0.00	0.00	0.00	0.00	2,551.28
8511501 - Temporary Office Help - CC-LD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,099.65
8511503 - Temporary Office Help - Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,458.92
8511602 - Cust. Care/Insr.Impact/THouse	10,031.93	9,504.42	9,124.59	5,761.66	1,617.73	1,117.79	1,902.50	1,292.52	1,339.17	4,082.87	1,591.73	47,366.91
8511606 - Outside Services Casual - IT	0.00	0.00	0.00	247.50	0.00	0.00	0.00	65.00	0.00	0.00	0.00	65.00
8511607 - Outside Services Casual - China	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

BAK Communications LLC
Profit & Loss

January through November 2002

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01/15/03

Accrual Basis

	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	TOTAL
8511608 - Customer Care - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,820.48	1,600.00	1,600.00	1,600.00	7,620.48
8511803 - Professional Fees - Admin	0.00	0.00	460.00	4,067.50	0.00	2,301.38	0.00	437.50	0.00	0.00	0.00	7,266.38
8511804 - Professional Fees - Acct & HR	0.00	197.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,470.00	43,479.77
8511805 - Professional Fees - Mgmt	10,545.65	8,392.86	869.58	5,925.28	438.75	5,079.29	870.44	2,403.75	1,190.17	2,000.00	2,000.00	37,705.77
8511806 - Professional Fees - IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00	4,058.70
8511807 - Professional Fees - China	0.00	0.00	0.00	0.00	0.00	1,386.00	3,805.00	0.00	0.00	0.00	1,395.00	6,586.00
8511809 - Professional Fees - Telemktg	4,866.17	2,863.50	3,501.00	9,266.73	3,373.86	0.00	0.00	0.00	0.00	0.00	0.00	23,871.26
8511900 - Payroll - PCS Processing	340.53	290.77	473.86	389.57	294.34	329.03	350.36	323.74	325.90	558.97	300.78	4,007.85
8511901 - Payroll - C.Care-LD	700.93	737.96	2,610.57	1,838.11	1,124.01	960.54	960.54	1,007.90	1,380.55	1,521.59	1,280.24	14,154.79
8511902 - Payroll Taxes - C.Care-PC	2,620.94	2,025.91	1,522.65	7,876.69	2,167.21	3,134.78	3,134.81	1,393.81	541.21	1,703.50	1,447.36	26,791.50
8511903 - Payroll Taxes - Administration	147.68	135.35	172.83	573.20	41.41	241.40	202.22	231.05	8.05	0.00	0.00	1,753.19
8511904 - Payroll Taxes - Accounting & HR	1,507.64	1,750.94	1,961.66	3,089.22	2,392.77	2,026.76	2,511.96	1,598.62	1,598.62	1,378.57	1,172.22	21,895.17
8511905 - Payroll Taxes - Management	1,693.17	1,342.03	1,657.09	1,823.71	1,444.78	622.87	622.87	568.13	180.21	198.14	428.33	11,858.95
8511906 - Payroll Taxes - IT	2,147.10	2,450.07	1,928.57	3,461.20	3,428.17	3,151.33	3,516.17	2,341.64	2,755.79	4,146.76	3,660.15	32,986.95
8511907 - Payroll Taxes - China/GDD	0.00	0.00	0.00	0.00	682.95	1,352.63	1,908.34	3,301.41	3,235.11	3,602.30	3,295.39	17,378.13
8511909 - Payroll Taxes - Telemarketing	260.00	155.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	415.04
8512003 - Rent Expenses - 444 S. Flower	17,000.00	17,000.00	21,417.11	18,169.00	19,189.39	21,071.20	18,220.94	18,559.44	18,154.00	18,164.00	20,736.83	207,693.91
8512006 - Rent Expenses - Quinby Bldg	1,305.32	0.00	2,652.40	0.00	2,652.40	1,326.20	1,326.20	1,326.30	1,326.30	1,326.30	1,326.30	14,567.72
8512103 - Utilities - Extra AC & Lights	0.00	0.00	2,186.71	607.06	627.57	586.88	874.49	631.16	0.00	0.00	1,689.90	7,183.77
8512106 - Utilities - IT	1,904.52	0.00	3,222.12	0.00	3,497.32	1,574.55	1,565.43	1,942.23	1,610.55	1,812.15	1,611.99	18,740.86
8512201 - Parking - Cust. Care - LD	440.00	390.00	195.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	210.00	1,450.70
8512202 - Parking - Cust. Care-PhoneCards	2,430.00	2,235.00	2,934.00	227.56	450.25	975.71	534.25	285.78	-76.89	309.73	333.84	10,639.23
8512203 - Parking - Administration	1,146.00	1,140.00	1,425.00	0.00	0.00	124.26	21.70	5.46	40.62	42.16	10.54	3,955.74
8512204 - Parking - Accounting & HR	225.00	390.00	942.00	490.85	642.00	1,517.52	1,310.91	871.26	235.90	1,184.20	902.30	8,711.94
8512205 - Parking - Management	390.00	390.00	985.00	769.50	666.00	624.74	436.57	469.89	310.53	639.04	313.51	5,594.78
8512206 - Parking - IT	975.00	975.00	1,423.25	196.65	753.00	1,139.70	651.86	600.54	132.90	817.20	669.30	8,334.40
8512207 - Parking - China/GDD	0.00	0.00	0.00	0.00	0.00	318.39	630.96	673.77	86.88	725.84	1,253.96	3,689.80
8512208 - Parking - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	175.00	167.40	203.20	50.80	596.48
8512301 - Transportation Metro - CCare-LD	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	350.00
8512302 - Transportation Metro - CCare-PC	350.00	342.00	1,292.00	200.00	1,000.00	1,000.00	900.00	800.00	750.00	450.00	450.00	7,534.00
8512303 - Transportation Metro - Adm	120.00	42.00	42.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	21.00	297.00
8512304 - Transportation Metro - Acct HR	84.00	84.00	184.00	150.00	50.00	200.00	200.00	200.00	150.00	150.00	353.43	1,805.43
8512305 - Transportation Metro-Management	0.00	0.00	0.00	2,007.02	0.00	562.25	224.50	616.85	0.00	0.00	251.50	3,662.12
8512306 - Transportation Metro - IT	170.00	120.00	50.00	367.00	532.50	642.00	590.25	590.25	590.25	590.25	590.25	4,832.75
8512307 - Transportation Metro -China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	350.00	400.00	500.00	500.00	550.00	2,300.00
8512405 - Auto Expenses - Management	1,087.05	0.00	847.05	0.00	0.00	2,427.59	0.00	0.00	1,997.51	0.00	0.00	6,369.20
8512504 - Messenger - Accounting & HR	0.00	0.00	0.00	0.00	175.83	0.00	167.10	56.10	56.10	37.40	0.00	492.53
8512507 - Messenger - China/GDD	0.00	0.00	0.00	0.00	136.95	0.00	0.00	0.00	0.00	0.00	0.00	136.95
8512602 - Travel Expenses - CCare-PC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.96	0.00	0.00	14.96
8512603 - Travel Expenses - Admin.	0.00	65.76	0.00	0.00	21.08	0.00	0.00	0.00	100.22	654.75	0.00	841.81
8512605 - Travel Expenses - Mgmt	1,831.93	0.00	3,533.50	848.84	1,796.43	3,331.84	3,294.26	207.86	540.54	3,285.04	324.50	18,994.74
8512608 - Travel Expenses - Philippines	0.00	851.37	207.71	624.65	498.62	563.10	1,747.72	746.70	3,020.83	512.63	847.82	9,621.15
8512703 - Rental Equipment - Adm.	0.00	56.73	0.00	240.73	0.00	0.00	240.73	0.00	0.00	240.73	0.00	3,029.35
8512706 - Rental Equipment - IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	721.19	61.59	778.92
8512802 - Advertising - C.Care-PC	0.00	695.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	695.00
8512803 - Advertising - Administration	1,268.53	1,182.69	0.00	35.00	796.30	0.00	0.00	0.00	0.00	0.00	0.00	3,282.52
8512804 - Advertising - Accounting & HR	0.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00
8512805 - Advertising - Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8512807 - Advertising - China/GDD	0.00	0.00	0.00	0.00	0.00	210.00	140.00	140.00	122.50	0.00	2,410.00	3,057.50
8512907 - Preopening Expenses - China/GDD	200.00	200.00	2.18	10.90	373.53	222.53	215.00	14,052.65	16,548.08	17,526.08	16,570.08	64,696.89
8513003 - Postage-U.S. Mail - Admin.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,869.14
8513004 - Postage-U.S. Mail - Acct & HR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.88
8513007 - Postage-U.S. Mail - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8513008 - Postage-U.S. Mail - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8513101 - Postage-Overnight - CC-LD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.90
8513103 - Postage-Overnight - Admin.	481.43	212.05	106.80	29.95	24.47	21.96	76.82	19.33	33.81	0.00	0.00	1,006.62
8513104 - Postage-Overnight - Acct & HR	32.82	86.40	80.26	121.43	95.43	94.43	78.75	113.88	69.79	65.98	96.24	679.94
8513105 - Postage-Overnight - Management	0.00	33.67	192.44	331.18	59.93	236.79	38.70	6.68	20.82	77.89	0.00	998.10
8513106 - Postage-Overnight - IT	76.84	96.00	89.61	120.85	47.37	61.69	132.16	26.70	128.49	76.95	890.70	1,747.36
8513107 - Postage-Overnight - China/GDD	0.00	0.00	0.00	0.00	0.00	87.42	84.00	77.48	75.75	21.63	155.51	501.79
8513108 - Postage-Overnight - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64.26	0.00	0.00	0.00	64.26

BAK Communications LLC
Profit & Loss

January through November 2002

Accrual Basis

	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	TOTAL
8513206 - Freight & Delivery - IT	486.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.00	517.98
8513303 - Billing/Mailing - One Plus	25,376.57	18,075.57	54,463.90	21,334.77	16,017.05	17,723.97	22,564.96	18,773.98	17,837.52	8,259.09	13,702.07	234,129.45
8513307 - Billing/Mailing - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	412.00	7,686.25	19,872.39	28,906.12	36,990.76	93,867.52
8513308 - Billing/Mailing - Philippines	0.00	0.00	0.00	0.00	0.00	0.00	412.00	0.00	2,684.72	2,279.39	3,111.32	8,467.43
8513403 - Tax Compliance - One Plus	0.00	0.00	0.00	2,330.00	0.00	5,170.00	0.00	4,930.00	5,000.00	2,524.18	3,144.34	23,098.57
8513601 - Telephone Expenses - C.Care-LD	7,109.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,595.78
8513602 - Telephone Expenses - C.Care-PC	0.00	76.98	75.58	0.00	0.00	0.00	0.00	85.42	85.42	88.28	86.57	498.25
8513603 - Telephone Expenses - Administra	1,686.26	1,107.90	1,803.49	1,455.66	935.59	1,857.88	1,880.92	1,991.88	1,614.02	2,146.85	2,161.01	18,641.46
8513604 - Telephone Expenses - Acct. & HR	0.00	0.00	0.00	91.35	90.98	90.98	90.98	91.09	90.98	91.84	92.13	730.33
8513605 - Telephone Expenses - Mgmt	491.75	474.14	882.64	642.36	562.55	347.92	339.00	349.70	372.78	1,566.42	2,566.67	6,684.59
8513606 - Telephone Expenses - IT	615.94	2,973.46	564.90	512.29	864.65	1,018.90	1,095.95	859.14	1,275.64	1,261.32	2,566.67	13,608.86
8513701 - Office Supplies - C.Care-LD	130.92	15.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	162.34	0.00	308.39
8513702 - Office Supplies - C.Care-PC	207.69	0.00	63.18	9.30	169.66	176.75	355.18	242.37	367.97	0.00	0.00	1,261.10
8513703 - Office Supplies - Administration	662.22	1,552.70	3,741.50	802.89	976.83	-258.77	1,157.70	1,327.32	357.01	958.15	565.44	11,842.99
8513704 - Office Supplies - Acctg & HR	319.32	362.35	299.19	95.95	161.83	147.96	1,504.09	650.50	280.64	435.29	155.84	4,412.96
8513705 - Office Supplies - Management	0.00	0.00	238.13	32.30	0.00	0.00	256.74	138.85	108.24	0.00	43.26	817.52
8513706 - Office Supplies - IT	2,833.51	162.39	177.08	152.57	803.59	634.90	1,339.48	109.45	802.24	140.57	177.48	7,333.26
8513707 - Office Supplies - China/GDD	0.00	0.00	0.00	0.00	0.00	398.40	337.77	976.55	-43.29	813.74	1,064.55	3,634.30
8513802 - Office Equip. Exp. - CC-PC	0.00	0.00	0.00	0.00	0.00	530.20	0.00	0.00	0.00	0.00	0.00	530.20
8513803 - Office Equip. Exp. - Administration	0.00	0.00	1,830.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,830.04
8513804 - Office Equip. Exp. - Acctg & HR	0.00	0.00	0.00	352.79	3,318.92	0.00	0.00	0.00	0.00	0.00	0.00	3,701.71
8513805 - Office Equip. Exp. - Management	0.00	0.00	350.00	0.00	951.54	300.00	0.00	0.00	0.00	0.00	0.00	1,601.54
8513806 - Office Equip. Exp. - IT	95.00	1,987.91	0.00	407.15	1,969.39	105.11	0.00	75.00	2,921.42	73.61	0.00	7,634.59
8513807 - Office Equip. Exp. - China/GDD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,102.04	1,479.92	2,000.00	4,581.96
8514003 - Depreciation Expenses - Adm	3,794.82	3,794.82	3,902.46	4,180.01	4,180.01	4,307.18	4,307.18	4,307.18	4,727.30	4,909.29	4,910.29	47,320.54
8514006 - Depreciation Expenses - IT	16,400.36	16,400.36	16,400.36	16,400.36	16,400.36	16,400.36	16,400.36	17,382.60	19,806.52	19,957.67	19,957.67	191,906.98
8514103 - Amortization Expenses - Adm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,000.00	1,000.00	1,000.00	13,000.00
8514406 - Repairs & Maint/Equip - IT-444	0.00	0.00	0.00	507.43	0.00	0.00	27.06	2,692.34	984.85	27.06	236.91	4,475.65
8514503 - Repairs & Maint/Equip - Admin	0.00	51.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.50
8514606 - Repairs & Maint/Equip - IT-Quin	15,096.00	15,044.17	16,266.72	16,096.76	15,050.61	15,346.49	15,224.58	17,803.60	15,509.13	14,482.08	23,269.59	178,189.73
8514705 - Comp. Software/License - Mgmt	0.00	0.00	0.00	0.00	0.00	0.00	68.06	0.00	0.00	0.00	0.00	68.06
8514706 - Comp. Software/License - IT	11,759.82	6,134.59	-506.40	431.92	0.00	0.00	3,499.00	0.00	7,111.34	2,424.75	1,552.36	32,407.98
8515103 - Taxes States - Administration	0.00	2,805.00	110.00	1,195.00	263.23	988.01	272.41	6,538.66	630.39	1,725.92	1,101.12	17,629.74
8515203 - Taxes Counties - Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89.00	0.00	4,271.76	1,067.94	5,428.70
8515207 - Taxes Counties - China/GDD	0.00	0.00	0.00	0.00	0.00	91.00	0.00	0.00	0.00	0.00	0.00	91.00
8516003 - Ins. Exp. Business Pkg. - Admin	680.25	860.25	1,839.25	1,025.25	1,025.25	1,025.25	1,025.25	1,025.25	1,025.25	0.00	1,025.00	10,736.25
8516005 - Life Ins. Exp. - Management	0.00	0.00	0.00	0.00	0.00	0.00	750.00	1,460.00	0.00	426.00	377.88	3,013.88
8516101 - Ins. Exp. Worker's Comp. - CC-LD	84.55	109.53	326.31	124.05	229.76	140.50	120.07	125.99	82.97	201.25	165.92	1,710.90
8516102 - Ins. Exp. Worker's Comp. - CC-PC	305.45	252.04	253.15	916.46	770.46	232.65	1,821.16	233.61	-692.53	305.07	164.08	4,661.60
8516104 - Ins. Exp. Worker's Comp. - Adm	16.50	16.98	24.50	63.89	34.14	18.11	-3,509.13	2,579.96	-25.97	0.00	-781.42	-781.42
8516105 - Ins. Exp. Worker's Comp. - Acct	154.08	205.65	320.01	399.18	429.89	249.33	647.27	378.41	-206.22	379.47	165.73	3,122.80
8516106 - Ins. Exp. Worker's Comp. - Manag	200.56	207.30	277.81	214.59	254.48	214.59	67.42	159.50	12.33	119.64	79.75	1,807.97
8516107 - Ins. Exp. Worker's Comp. - IT	228.54	287.32	363.57	417.67	548.29	356.81	932.06	351.06	-383.60	585.80	416.31	4,103.83
8516108 - Ins. Exp. Worker's Comp. - China	0.00	0.00	0.00	0.00	64.23	129.19	193.40	230.53	66.73	492.60	398.92	1,536.60
8516109 - Ins. Exp. Worker's Comp. - Telemkt	31.38	18.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.61
8516201 - Ins. Health - C.Care-LD	1,693.20	-1,298.90	0.00	0.00	0.00	0.00	0.00	0.00	760.52	749.20	1,361.90	3,465.92
8516202 - Ins. Health - C.Care-PhoneCards	2,141.88	7,940.77	3,447.09	4,096.64	2,055.14	2,398.48	2,901.21	1,935.24	1,666.41	1,583.28	1,312.48	31,378.62
8516203 - Ins. Health - Administration	521.96	4.68	0.96	0.96	0.96	0.96	0.00	0.00	0.00	463.20	0.00	993.28
8516204 - Ins. Health - Accounting & HR	372.16	1,631.48	648.66	674.27	2,005.19	824.91	1,083.91	1,118.73	1,101.91	1,912.88	1,014.34	12,368.44
8516205 - Ins. Health - Management	0.00	776.50	327.00	572.00	300.00	332.00	350.00	585.41	347.00	567.41	391.00	4,580.32
8516206 - Ins. Health - IT	203.08	572.73	-1,285.97	2,051.80	1,278.33	1,844.94	1,529.64	915.65	1,308.69	1,253.48	1,088.80	10,761.17
8516207 - Ins. Health - China/GDD	0.00	0.00	0.00	0.00	0.00	125.00	222.01	592.92	620.98	1,606.20	989.85	4,156.96
8516305 - Dues & Subscriptions	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
8516503 - Bad Debts - Adm	0.00	25,288.64	10,000.00	6,300.00	2,476.02	-4,969.99	1,963.23	5,210.98	5,210.98	6,972.92	2,854.84	56,096.64
8517003 - Bank Charges - Administration	-188.38	933.72	773.00	861.21	699.67	1,865.03	975.75	1,228.86	1,271.16	2,691.41	2,542.70	13,674.13
8517103 - Bank Commissions - Administration	1,082.50	0.00	0.00	715.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,797.57
8519003 - Interest Expenses - Adm	7,492.06	8,595.49	8,676.93	9,269.48	9,831.05	9,831.05	10,561.82	12,320.69	13,165.32	15,501.90	18,148.55	123,445.94
8521003 - Miscellaneous Exp. - Adm	-15.11	0.00	0.00	0.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00	9.89
8521003 - Income Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expense	279,133.90	289,399.65	318,849.92	289,936.35	291,648.61	286,309.86	305,650.17	381,459.33	393,688.39	520,244.59	476,055.23	3,832,376.00
Net Income	8,575.81	85,036.32	20,510.31	-14,667.88	17,272.22	4,317.95	23,873.95	11,617.53	26,761.69	28,266.50	17,069.46	228,633.86

BAK Communications LLC
Balance Sheet
As of November 30, 2002

Nov 30, 02

ASSETS**Current Assets****Checking/Savings**

1101000 · Union Bank-4500162770-General	388,895.36
1102000 · Union Bank-4500162959-CreditCrd	20,205.74
1103000 · Union Bank-4500162991-OnePlus	84,931.75
1104000 · Union Bank-4500163009 Philippin	16,926.13
1105000 · Union Bank-4500163157-Payroll	-29,440.90
1106000 · Union Bank-4500164161-GDD Genrl	154,835.39
1107000 · Union Bank-4500164196-GDD CrCd	16,974.09
1108000 · Tax Compliance - Atlantax	1,500.00
1109000 · Petty Cash	500.00

Total Checking/Savings	655,327.56
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Accounts Receivable

1201000 · Accounts Receivable	1,530,654.89
1201001 · Accounts Receivable - One Plus	203,640.77
1201002 · Accounts Receivable - GDD	260,047.73
1201003 · Accounts Receivable-Philippines	60,674.72
1201004 · Accounts Receivable-Collections	19,367.13
1201006 · Allow. for Doubt. Accts One Plu	-36,093.56

Total Accounts Receivable	2,038,291.68
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Other Current Assets

1201009 · A/R - Employee Advances	2,099.01
1301020 · Prepaid - Latino CC/Protel	5,316.14
1301030 · Prepaid - QWEST	16,005.82
1301035 · Prepaid - Qualnet	66,941.73
1301045 · Prepaid - CNM Network Inc	4,689.23
1301050 · Prepaid - Mercury/Sterling	117,601.27
1301060 · Prepaid - Equity/Affinity	79,314.93
1301065 · Prepaid - ICG Communications	14,709.92
1301066 · Prepaid - ITXC Corp	2,017.05
1301070 · Prepaid - T-House	10,517.64
1301075 · Prepaid - CM Tel (USA) - China	14,000.00
1301085 · Prepaid - Xspedius	1,339.48
1301090 · Prepaid - PLDT - Philippines	29,807.33
1301095 · Prepaid - XO Communications	8,605.30
1301097 · Prepaid - Traffic - One Plus	220,841.18
1302010 · Prepaid Expenses	56,253.48
1303050 · Exchange	135,330.70
1304009 · Deferred Origination Fees	52,300.00
1304011 · Prepaid - China Project	23,289.78
1304012 · Prepaid - Philippines Project	6,200.00
1304018 · Prepaid - Philippines Call Ctr	8,000.00
1304050 · Prepaid - Local Call Program	3,000.00
1305000 · Prepaid Insurance - General	5,392.22
1306000 · Prepaid - Reg. Compliance Svcs	5,000.00
1307000 · Prepaid - Maintenance	206,250.00

Total Other Current Assets	1,094,822.21
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Total Current Assets	3,788,441.45
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Fixed Assets

1401110 · Furniture and Fixtures	11,121.44
1401120 · Equipment - Office	174,096.36
1401130 · Equipment - Switch	1,922,998.65
1401190 · Organization Cost	60,000.00
1401210 · Accumulated Depreciation F & F	-1,649.01
1401220 · Accumulated Depr. Equip.-Office	-53,261.17
1401230 · Accumulated Dep. Equip - Switch	-224,707.70
1401290 · Accumulated Amort. Org. Cost	-13,000.00

Total Fixed Assets	1,875,598.57
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Other Assets

1501010 · Security Deposits	34,100.00
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BAK Communications LLC
Balance Sheet
As of November 30, 2002

	Nov 30, 02
Total Other Assets	34,100.00
TOTAL ASSETS	<u>5,698,140.02</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2101000 · Accounts Payable	1,855,506.05
Total Accounts Payable	1,855,506.05
Other Current Liabilities	
2201000 · Other Accrued Liabilities	27,105.68
2201010 · Accounts Payable CCS - Current	923,309.76
2201050 · Taxes Payable - OnePlus Billing	140,925.07
2501050 · Accrued Payroll	37,770.32
2501051 · Accrued Vacations	40,694.95
Total Other Current Liabilities	1,169,805.78
Total Current Liabilities	3,025,311.83
Long Term Liabilities	
2501010 · Accounts Payable CCS-Long Term	2,155,000.27
2501020 · Sec. Deposits Payable - Cust. P	29,100.00
2501090 · Deferred Cost of Traffic - Call	160,000.00
Total Long Term Liabilities	2,344,100.27
Total Liabilities	5,369,412.10
Equity	
2601000 · Capital	500,000.00
3900 · *Retained Earnings	-399,905.94
Net Income	228,633.86
Total Equity	328,727.92
TOTAL LIABILITIES & EQUITY	<u>5,698,140.02</u>

BAK Communications LLC
Profit & Loss
December 2002 through March 2003

	Dec 02	Jan 03	Feb 03	Mar 03	TOTAL
Income					
6301000 · Phone Cards	1,912,246.29	2,075,703.13	2,424,959.03	2,978,727.67	9,391,636.12
6301010 · Phone Service Business	116,999.87	112,078.36	110,076.71	102,038.50	441,193.44
6302000 · One Plus	61,439.46	59,993.08	58,929.50	55,195.81	235,557.85
6302007 · GDD/China Project	262,695.42	341,938.59	294,192.10	268,257.46	1,167,083.57
6302008 · Philippines Project	39,617.92	48,751.89	50,917.88	53,047.67	192,335.36
6303000 · Other Income	290.40	59.19	0.00	0.00	349.59
Total Income	2,393,289.36	2,638,524.24	2,939,075.22	3,457,267.11	11,428,155.93
Cost of Goods Sold					
7401000 · Carrier Cost - Phone Cards	1,641,209.29	1,814,542.98	2,140,837.81	2,629,723.94	8,226,314.91
7401010 · Carrier Cost - Phone Serv. Bus.	80,690.23	83,803.66	77,058.21	71,431.13	312,983.93
7402000 · Carrier Cost - One Plus	34,663.61	26,396.96	25,928.98	24,286.16	111,276.15
7402007 · Carrier Cost - China/GDD	115,585.98	150,452.98	129,444.52	118,033.28	513,517.20
7402008 · Carrier Cost - Philippines	16,116.83	21,450.83	22,403.87	23,340.98	83,312.95
7402500 · Local Loop Cost - General	59,306.87	56,768.73	51,096.67	52,000.00	#DIV/0!
7403000 · Other Cost - Other Income	23,357.96	5,339.70	14,891.11	17,516.58	61,105.35
Total COGS	1,969,930.77	2,158,755.84	2,461,661.17	2,936,332.07	9,526,679.85
Gross Profit	423,358.59	479,768.40	477,414.05	520,935.04	1,901,476.08
	17.69%	18.18%	16.24%	15.07%	16.64%
Expense					
6999 · Uncategorized Expenses	0.00	0.00	0.00	0.00	0.00
8511001 · Salaries - Cust.Care-LongDist.	20,787.19	11,630.75	4,320.40	7,068.76	43,807.10
8511002 · Salaries - Cust.Care-PhoneCards	21,093.23	6,405.94	2,985.28	14,366.59	44,851.04
8511003 · Salaries - Administration	0.00	0.00	0.00	0.00	0.00
8511004 · Salaries - Accounting & HR	22,409.51	19,098.76	19,341.86	20,937.14	81,787.27
8511005 · Salaries - Management	17,091.78	25,878.75	20,106.20	21,020.30	84,097.03
8511006 · Salaries - IT	43,380.52	40,880.27	34,514.34	37,406.33	156,181.46
8511007 · Salaries - GDD/LA	37,338.11	21,479.59	16,699.30	2,688.25	78,205.25
8511011 · Overtime - CCare-LD	1,418.83	1,039.00	1,356.25	1,213.48	5,027.56
8511012 · Overtime - Customer Care-PC	86.26	0.00	0.00	190.50	276.76
8511014 · Overtime - Accounting & HR	641.70	441.53	760.55	655.11	2,498.89
8511015 · Overtime - Management	0.00	0.00	0.00	0.00	0.00
8511016 · Overtime - IT	6,777.47	4,647.37	6,976.14	5,215.76	23,616.74
8511017 · Overtime - GDD/LA	857.83	262.51	365.63	121.87	1,607.84
8511021 · Vacation - Customer Care - LD	0.00	162.96	1,185.88	0.00	1,348.84
8511022 · Vacation - Customer Care - PC	0.00	630.72	1,188.36	0.00	1,819.08
8511024 · Vacation - Accounting & HR	0.00	996.40	318.00	0.00	1,314.40
8511025 · Vacation - Management	0.00	0.00	0.00	0.00	0.00
8511026 · Vacation - IT	0.00	153.84	153.84	634.80	942.48
8511027 · Vacation - GDD/LA	0.00	1,882.15	3,062.16	0.00	4,944.31
8511031 · Compensation - BAK/Philippines	0.00	14,205.71	9,750.00	4,950.00	28,905.71
8511037 · Compensation - GDD/Philippines	0.00	0.00	0.00	5,400.00	5,400.00
8511038 · Compensation - Philippines/Phil	1,600.00	3,037.50	2,400.00	4,800.00	11,837.50
8511047 · Compensation - GDD/China	0.00	4,000.00	2,520.00	0.00	6,520.00
8511098 · ER 401(k) Contributions	0.00	0.00	382.84	0.00	382.84
8511107 · Origination Fees - GDD/China	18,935.35	21,413.02	23,349.34	12,024.50	75,722.21
8511108 · Commissions - Philippines	10,266.81	5,478.55	3,629.97	5,947.78	25,323.11
8511109 · Commissions - Telemarketing	12,607.21	9,190.21	8,505.19	13,035.38	43,337.99
8511201 · Bonuses - CCare-LD	1,050.00	0.00	0.00	0.00	1,050.00
8511202 · Bonuses - CCare-PC	1,750.00	0.00	0.00	0.00	1,750.00
8511203 · Bonuses - Administration	0.00	0.00	0.00	0.00	0.00
8511204 · Bonuses - Accounting & HR	950.00	0.00	0.00	0.00	950.00
8511205 · Bonuses - Management	0.00	0.00	0.00	0.00	0.00
8511206 · Bonuses - IT	3,050.00	0.00	0.00	0.00	3,050.00
8511207 · Bonuses - GDD/LA	1,700.00	0.00	0.00	0.00	1,700.00
8511217 · Profit Sharing - China/GDD	43,428.76	50,847.25	46,611.74	46,378.20	187,265.95
8511301 · Employee Benefits - CCare-LD	602.76	0.00	36.65	16.50	655.91
8511302 · Employee Benefits - CCare-PC	994.36	0.00	56.65	16.50	1,067.51
8511303 · Employee Benefits - Admin.	0.00	0.00	0.00	0.00	0.00
8511304 · Employee Benefits - Acct. & HR	602.80	0.00	43.86	16.50	663.16

BAK Communications LLC
Profit & Loss
December 2002 through March 2003

	Dec 02	Jan 03	Feb 03	Mar 03	TOTAL
8511305 · Employee Benefits - Management	384.39	0.00	32.71	149.69	566.79
8511306 · Employee Benefits - IT	984.37	0.00	58.59	222.51	1,265.47
8511307 · Employee Benefits - GDD/LA	1,483.82	0.00	243.86	16.51	1,744.19
8511501 · Temporary Office Help - CC-LD	2,682.57	1,905.76	2,850.30	1,963.50	9,402.13
8511502 · Temporary Office Help - CC-PC	0.00	0.00	3,045.61	7,361.14	10,406.75
8511503 · Temporary Office Help - Adm	3,206.73	2,739.12	3,673.93	2,274.60	11,894.38
8511507 · Temporary Office Help - GDD	0.00	0.00	515.52	3,873.60	4,389.12
8511602 · Cust. Care/Inst.Impact/THouse	1,837.78	2,242.01	583.48	0.00	4,663.27
8511800 · Legal Fees	0.00	0.00	10,020.13	15,000.00	25,020.13
8511803 · Professional Fees - Admin	5,076.50	0.00	0.00	0.00	5,076.50
8511804 · Professional Fees - Acct & HR	(4,187.50)	10,312.50	17,887.50	3,600.00	27,612.50
8511805 · Professional Fees - Mgmt	(1,535.00)	0.00	0.00	0.00	(1,535.00)
8511806 · Professional Fees - IT	1,500.00	0.00	0.00	0.00	1,500.00
8511807 · Professional Fees - China/GDD	0.00	540.00	0.00	0.00	540.00
8511809 · Professional Fees - Telemrktng	0.00	0.00	0.00	0.00	0.00
8511900 · Payroll - PCS Processing	457.78	557.65	279.20	332.84	1,627.47
8511901 · Payroll Taxes - C.Care-LD	1,331.36	1,483.57	758.22	698.65	4,271.80
8511902 · Payroll Taxes - C.Care-PC	1,583.98	844.52	521.39	1,561.00	4,510.89
8511903 · Payroll Taxes - Administration	0.00	0.00	0.00	0.00	0.00
8511904 · Payroll Taxes - Accounting & HR	1,443.68	2,172.06	2,023.83	1,757.49	7,397.06
8511905 · Payroll Taxes - Management	13.89	2,563.28	1,551.01	1,647.44	5,775.62
8511906 · Payroll Taxes - IT	4,184.03	5,326.61	4,082.81	3,366.50	16,939.95
8511907 · Payroll Taxes - GDD/LA	3,342.86	2,825.34	2,411.68	207.80	8,787.68
8512003 · Rent Expenses - 444 S. Flower	21,154.00	21,271.11	20,000.00	20,000.00	82,425.11
8512006 · Rent Expenses - Quinby Bldg	0.00	1,326.30	1,326.30	1,326.30	3,978.90
8512103 · Utilities & Sundry Exp - 444	1,178.22	3,094.85	2,349.91	1,157.65	7,780.63
8512106 · Utilities - Quinby Bldg	0.00	1,767.51	2,206.23	1,849.11	5,822.85
8512201 · Parking - Cust. Care - LD	726.00	666.00	580.00	420.00	2,392.00
8512202 · Parking - Cust. Care-PhoneCards	324.25	744.25	255.00	420.00	1,743.50
8512203 · Parking - Administration	3.00	63.00	60.00	30.00	156.00
8512204 · Parking - Accounting & HR	515.70	483.00	512.00	450.00	1,960.70
8512205 · Parking - Management	327.00	672.00	572.00	375.00	1,946.00
8512206 · Parking - IT	1,125.00	1,110.00	855.00	840.00	3,930.00
8512207 · Parking - China/GDD	981.00	525.00	258.00	24.00	1,788.00
8512208 · Parking - Philippines	0.00	111.00	102.00	51.00	264.00
8512301 · Transportation Metro - CCare-LD	113.00	42.00	42.00	42.00	239.00
8512302 · Transportation Metro - CCare-PC	400.00	0.00	42.00	452.00	894.00
8512303 · Transportation Metro - Adm	42.00	42.00	53.00	42.00	179.00
8512304 · Transportation Metro - Acct HR	150.00	150.00	152.70	150.00	602.70
8512305 · Transportation Metro-Management	126.10	163.50	176.00	197.95	663.55
8512306 · Transportation Metro - IT	354.00	590.25	354.00	472.25	1,770.50
8512307 · Transportation Metro - GDD/LA	600.00	450.00	400.00	261.00	1,711.00
8512405 · Auto Expenses - Management	643.30	0.00	(265.96)	0.00	377.34
8512504 · Messenger - Accounting & HR	56.10	37.40	0.00	10.00	103.50
8512507 · Messenger - China/GDD	0.00	0.00	56.10	0.00	56.10
8512508 · Messenger - Philippines	0.36	0.00	0.00	0.00	0.36
8512602 · Travel Expenses - CCare-PC	0.00	0.00	32.86	0.00	32.86
8512604 · Travel Expenses - Acct. & HR	53.33	0.00	0.00	79.60	132.93
8512605 · Travel Expenses - Mgmt	1,771.08	0.00	208.50	2,355.06	4,334.64
8512606 · Travel Expenses - IT	1,089.17	895.79	2,029.73	1,337.85	5,352.54
8512608 · Travel Expenses - Philippines	0.00	101.70	0.00	0.00	101.70
8512703 · Rental Equipment - Adm.	0.00	240.73	0.00	0.00	240.73
8512706 · Rental Equipment - IT	0.00	0.00	228.85	199.00	427.85
8512803 · Advertising - Administration	0.00	0.00	20.00	0.00	20.00
8512805 · Advertising - Management	(728.52)	140.00	35.00	179.96	(373.56)
8512806 · Advertising - IT	0.00	860.06	70.00	0.00	930.06
8512907 · Preopening Expenses - China/GDD	16,549.04	6,946.97	0.00	0.00	23,496.01
8513003 · Postage-U.S. Mail - Admin.	215.00	215.00	430.00	0.00	860.00
8513007 · Postage-U.S. Mail - China/GDD	0.00	0.00	0.23	0.00	0.23
8513101 · Postage-Overnight - CC-LD	(6.78)	9.79	0.00	0.00	3.01
8513104 · Postage-Overnight - Acct & HR	111.88	85.52	96.73	34.07	328.20
8513105 · Postage-Overnight - Management	26.77	60.00	57.69	5.68	150.14
8513106 · Postage-Overnight - IT	254.31	(25.39)	51.29	62.88	343.09
8513107 · Postage-Overnight - China/GDD	255.06	35.81	186.24	0.00	477.11
8513108 · Postage-Overnight - Philippines	7.08	0.00	0.00	0.00	7.08
8513206 · Freight & Delivery - IT	0.00	52.63	0.00	0.00	52.63
8513303 · Billing/Mailing - One Plus	11,441.02	6,939.29	14,996.46	1,742.34	35,119.11
8513307 · Billing/Mailing - China/GDD	34,670.23	22,782.57	31,303.25	510.00	89,276.05
8513308 · Billing/Mailing - Philippines	3,902.59	2,755.72	2,086.20	975.27	9,719.78
8513403 · Tax Compliance - One Plus	8,798.13	4,397.50	4,853.05	1,666.66	19,715.34
8513601 · Telephone Expenses - C.Care-LD	0.00	90.82	90.93	91.53	273.28
8513602 · Telephone Expenses - C.Care-PC	86.57	85.26	85.26	119.25	376.34
8513603 · Telephone Expenses - Administra	1,454.56	2,867.00	1,312.31	1,680.09	7,313.96
8513604 · Telephone Expenses - Acct. & HR	92.13	0.00	0.00	0.00	92.13
8513605 · Telephone Expenses - Mgmt	1,185.80	350.88	520.52	599.42	2,656.62
8513606 · Telephone Expenses - IT	1,760.07	1,633.85	1,981.77	1,936.00	7,311.79
8513701 · Office Supplies - C.Care-LD	231.95	35.85	0.00	0.00	267.80
8513702 · Office Supplies - C.Care-PC	25.17	43.29	0.00	0.00	68.46
8513703 · Office Supplies - Administration	1,679.32	1,147.67	849.72	623.25	4,299.96

BAK Communications LLC
Profit & Loss
December 2002 through March 2003

	Dec 02	Jan 03	Feb 03	Mar 03	TOTAL
8513704 · Office Supplies - Acctng & HR	1,271.10	988.80	96.13	284.78	2,640.81
8513705 · Office Supplies - Management	406.47	0.43	53.80	41.24	501.94
8513706 · Office Supplies - IT	788.66	340.64	135.98	84.38	1,349.66
8513707 · Office Supplies - GDD/LA	1,680.08	599.67	0.00	24.89	2,304.64
8513801 · Office Equip. Exp. - CC-LD	951.51	0.00	0.00	0.00	951.51
8513803 · Office Equip. Exp.- Administrat	0.00	270.61	0.00	425.00	695.61
8513805 · Office Equip. Exp.- Management	383.52	0.00	0.00	0.00	383.52
8513806 · Office Equip. Exp. IT	1,050.64	504.68	0.00	0.00	1,555.32
8513807 · Office Equip. Exp.- China/GDD	1,475.00	0.00	0.00	0.00	1,475.00
8513808 · Office Equip. Exp.- Philippines	171.00	0.00	0.00	0.00	171.00
8514003 · Depreciation Expenses - Adm	4,910.29	4,985.73	4,985.73	4,985.73	19,867.48
8514006 · Depreciation Expenses - IT	19,957.67	34,404.33	34,464.12	34,464.12	123,290.24
8514103 · Amortization Expenses - Adm	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00
8514406 · Repairs & Maint/Equip - IT-444	0.00	613.51	0.00	0.00	613.51
8514501 · Repairs & Maint/Bldg - CC-LD	1,506.18	0.00	0.00	0.00	1,506.18
8514502 · Repairs & Maint/Bldg - CC-PC	1,506.18	0.00	0.00	0.00	1,506.18
8514503 · Repairs & Maint/Bldg - Admin	(6,378.49)	669.75	0.00	0.00	(5,708.74)
8514504 · Repairs & Maint/Bldg - Acct&HR	1,799.16	0.00	0.00	0.00	1,799.16
8514505 · Repairs & Maint/Bldg - Mgmt	1,556.17	0.00	0.00	0.00	1,556.17
8514506 · Repairs & Maint/Bldg - IT	2,387.45	0.00	0.00	0.00	2,387.45
8514507 · Repairs & Maint/Bldg -China/GDD	1,536.21	0.00	0.00	0.00	1,536.21
8514606 · Repairs & Maint/Equip - IT-Quin	24,219.58	18,750.00	18,822.50	18,903.61	80,695.69
8514701 · Comp.Software/License - CC-LD	308.90	22.53	0.00	0.00	331.43
8514704 · Comp.Software/License - Acct&HR	654.81	0.00	0.00	0.00	654.81
8514706 · Comp.Software/License - IT	601.67	1,130.29	0.00	1,558.38	3,290.34
8515103 · Taxes States - Administration	448.47	380.54	38.36	798.56	1,665.93
8515203 · Taxes Counties - Administration	1,067.94	1,067.94	1,067.94	1,067.94	4,271.76
8516003 · Ins. Exp. Business Pkg. - Admin	1,025.75	1,060.53	1,060.53	1,157.47	4,304.28
8516005 · Life Ins. Exp - Management	377.88	377.88	377.88	377.88	1,511.52
8516101 · Ins. Exp. Worker's Comp.- CC-LD	138.85	198.23	99.86	99.86	536.80
8516102 · Ins. Exp. Worker's Comp.- CC-PC	287.65	117.28	61.65	61.65	528.23
8516103 · Ins. Exp. Worker's Comp.- Adm	(537.90)	0.00	0.00	0.00	(537.90)
8516104 · Ins. Exp. Worker's Comp.- Acct	198.07	287.21	277.42	277.42	1,040.12
8516105 · Ins. Exp. Worker's Comp.- Manag	79.75	79.75	112.56	112.56	384.62
8516106 · Ins. Exp. Worker's Comp.- IT	406.09	646.94	559.25	559.25	2,171.53
8516107 · Ins. Exp. Worker's Comp-China	285.60	344.60	348.56	348.56	1,327.32
8516201 · Ins. Health - C.Care-LD	880.68	839.08	903.87	910.78	3,534.41
8516202 · Ins. Health - C.Care-PhoneCrds	1,239.94	(854.31)	728.13	280.97	1,394.73
8516203 · Ins. Health - Administration	0.00	0.00	0.00	0.00	0.00
8516204 · Ins. Health - Accounting & HR	808.64	1,244.03	1,212.03	861.78	4,126.48
8516205 · Ins. Health - Management	861.82	995.12	411.22	684.06	2,952.22
8516206 · Ins. Health - IT	991.38	1,940.50	1,601.50	1,990.25	6,523.63
8516207 · Ins. Health - China/GDD	624.10	2,204.45	1,483.57	(846.38)	3,465.74
8516305 · Dues & Subscriptions	135.00	2,000.00	0.00	99.95	2,234.95
8516503 · Bad Debts	1,884.58	6,609.58	0.00	11,257.60	19,751.76
8517003 · Bank Charges	1,819.07	3,189.02	2,977.86	0.00	7,985.95
8517013 · Credit Card Fees - OnePlus	0.00	659.63	623.10	468.48	1,751.21
8517017 · Credit Card Fees - GDD	0.00	871.97	1,513.15	1,153.13	3,538.25
8517503 · Interest Expenses	18,135.06	14,951.74	14,409.79	5,215.10	52,711.69
8519903 · Miscellaneous Exp.	0.00	0.00	0.00	0.00	0.00
Total Expense	501,837.89	466,835.26	442,199.56	379,614.69	1,790,487.40
Net Income	(78,479.30)	12,933.14	35,214.49	141,320.35	110,988.68
Please note Dec. thru Feb Actuals					
Note	March, C.O.S. estimated on income Statement				
	Bal. Sheet & Cash Flow not available for March				

BAK Communications LLC
Balance Sheet
As of February 28, 2003

	Dec 31, 02	Jan 31, 03	Feb 28, 03
ASSETS			
Current Assets			
Checking/Savings			
1101000 · Union Bank-4500162770-General	370,022.50	389,921.61	209,118.51
1102000 · Union Bank-4500162959-CreditCrd	1,926.78	21,316.93	11,854.87
1103000 · Union Bank-4500162991-OnePlus	11,756.26	44,300.59	7,676.76
1104000 · Union Bank-4500163009 Philippin	4,943.75	29,033.72	6,165.66
1105000 · Union Bank-4500163157-Payroll	-5,280.08	-7,214.24	-13,046.96
1106000 · Union Bank-4500164161-GDD Genrl	11,764.43	27,775.40	52,670.66
1107000 · Union Bank-4500164196-GDD CrCd	2,284.56	23,408.39	8,666.23
1108000 · Tax Compliance - Atlantax	1,500.00	1,500.00	1,500.00
1109000 · Petty Cash	500.00	500.00	500.00
Total Checking/Savings	399,418.20	530,542.40	285,105.73
Accounts Receivable			
1201000 · Accounts Receivable	1,507,109.91	1,354,168.88	1,854,732.90
1201001 · Accounts Receivable - One Plus	138,880.46	121,614.63	135,487.03
1201002 · Accounts Receivable - GDD	346,346.63	457,121.09	474,967.02
1201003 · Accounts Receivable-Philippines	63,402.79	79,906.53	115,858.26
1201004 · Accounts Receivable-Collections	18,750.52	17,455.55	16,299.71
1201006 · Allow. for Doubt. Accts One Plu	-57,833.33	-64,442.91	-64,442.91
Total Accounts Receivable	2,016,656.98	1,965,823.77	2,532,902.01
Other Current Assets			
1201009 · A/R - Employee Advances	2,034.48	2,180.57	2,239.84
1301010 · Prepaid - Global Crossing	11,423.02	11,423.02	11,423.02
1301016 · Prepaid - CCS-Qwest #1	0.00	0.00	26,911.45
1301020 · Prepaid - Latino CC/Protel	5,316.14	5,316.14	5,316.14
1301025 · Prepaid - Arbinet-theexchange	10,000.00	20,000.00	7,675.62
1301030 · Prepaid - QWEST	16,005.82	0.00	0.00
1301035 · Prepaid - Qualnet	89,096.64	88,956.43	82,308.67
1301045 · Prepaid - CNM Network Inc	27,139.61	-26,742.06	19,475.80
1301050 · Prepaid - Mercury/Sterling	37,842.50	94,887.60	-5,064.74
1301053 · Prepaid - Ntera	0.00	0.00	5,000.00
1301055 · Prepaid - PaeTec	9,055.90	9,056.02	9,056.02
1301060 · Prepaid - Equity/Affinity	79,314.93	79,314.93	79,314.93
1301065 · Prepaid - ICG Communications	14,709.92	14,709.92	14,709.92
1301066 · Prepaid - ITXC Corp	11,024.22	11,200.68	11,803.39
1301070 · Prepaid - T-House	12,512.05	17,377.14	8,729.91
1301075 · Prepaid - CM Tel (USA) - China	14,000.00	14,000.00	14,000.00
1301085 · Prepaid - Xspedius	4,489.13	4,489.13	4,489.13
1301090 · Prepaid - PLDT - Philippines	53,383.38	53,074.70	57,656.56
1301095 · Prepaid - XO Communications	8,605.30	8,605.30	8,605.30
1301097 · Prepaid - Traffic - One Plus	256,841.18	236,041.37	236,041.37
1302010 · Prepaid Expenses	36,723.00	30,315.36	4,271.76
1303050 · Exchange	170,330.70	39,780.70	39,180.70
1304009 · Deferred Origination Fees	54,584.65	48,037.63	36,306.29
1304011 · Prepaid - China Project	20,600.51	0.00	0.00
1304012 · Prepaid - Philippines Project	6,200.00	6,200.00	6,200.00
1304018 · Prepaid - Philippines Call Ctr	39,548.69	54,935.82	64,208.79
1304050 · Prepaid - Local Call Program	9,000.00	9,564.78	32,564.78
1304060 · Prepaid - Phone Card Printing	0.00	49,521.00	74,455.55
1305000 · Prepaid Insurance - General	12,726.38	11,665.85	10,605.32
1306000 · Prepaid - Reg. Compliance Srvc	5,000.00	3,333.33	1,666.66
1307000 · Prepaid - Maintenance	187,500.00	168,750.00	150,000.00
Total Other Current Assets	1,205,008.15	1,065,995.36	1,019,152.18
Total Current Assets	3,621,083.33	3,562,361.53	3,837,159.92
Fixed Assets			
1401110 · Furniture and Fixtures	11,835.62	11,835.62	11,835.62
1401120 · Equipment - Office	175,047.87	175,047.87	176,903.87
1401130 · Equipment - Switch	1,927,651.55	2,064,259.96	2,067,847.23
1401190 · Organization Cost	60,000.00	60,000.00	60,000.00
1401210 · Accumulated Depreciation F & F	-1,537.27	-1,660.56	-1,783.85
1401220 · Accumulated Depr. Equip.-Office	-58,283.20	-63,145.64	-68,008.08

4:01 PM
04/02/03
Accrual Basis

BAK Communications LLC
Balance Sheet
As of February 28, 2003

	Dec 31, 02	Jan 31, 03	Feb 28, 03
1401230 · Accumulated Dep. Equip - Switch	-244,665.37	-279,069.70	-313,533.82
1401290 · Accumulated Amort. Org. Cost	-14,000.00	-15,000.00	-16,000.00
Total Fixed Assets	1,856,049.20	1,952,267.55	1,917,260.97
Other Assets			
1501010 · Security Deposits	34,100.00	34,100.00	34,100.00
Total Other Assets	34,100.00	34,100.00	34,100.00
TOTAL ASSETS	<u>5,511,232.53</u>	<u>5,548,729.08</u>	<u>5,788,520.89</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2101000 · Accounts Payable	1,698,600.75	1,512,783.34	1,682,237.66
2201010 · Accounts Payable - CCS-Current	0.00	0.00	1,708,468.31
2201070 · Accounts Payable - GDD	0.00	0.00	58,229.74
Total Accounts Payable	1,698,600.75	1,512,783.34	3,448,935.71
Other Current Liabilities			
2201011 · Accounts Payable CCS - Current	1,656,369.58	1,680,965.07	0.00
2201020 · Notes Payable - Shareholders	300,000.00	300,000.00	300,000.00
2201050 · Taxes Payable - OnePlus Billing	64,263.21	99,526.95	125,763.24
2201060 · Taxes - Unpaid to Carriers	0.00	8,016.49	10,589.81
2501050 · Accrued Payroll	41,872.01	53,996.71	46,440.83
2501051 · Accrued Vacations	40,298.60	38,582.98	36,044.92
2501070 · Accrued Health Insurance	0.00	887.81	1,562.16
Total Other Current Liabilities	2,102,803.40	2,181,976.01	520,400.96
Total Current Liabilities	3,801,404.15	3,694,759.35	3,969,336.67
Long Term Liabilities			
2501000 · Notes Payable Shareholders	1,175,000.00	1,150,000.00	1,125,000.00
2501020 · Sec. Deposits Payable - Cust. P	29,100.00	29,100.00	29,100.00
2501090 · Deferred Cost of Traffic - Call	248,144.81	404,353.02	359,353.02
Total Long Term Liabilities	1,452,244.81	1,583,453.02	1,513,453.02
Total Liabilities	5,253,648.96	5,278,212.37	5,482,789.69
Equity			
2601000 · Capital	500,000.00	500,000.00	500,000.00
3900 · *Retained Earnings	-392,570.99	-242,416.43	-242,416.43
Net Income	150,154.56	12,933.14	48,147.63
Total Equity	257,583.57	270,516.71	305,731.20
TOTAL LIABILITIES & EQUITY	<u>5,511,232.53</u>	<u>5,548,729.08</u>	<u>5,788,520.89</u>

BAK Communications LLC
Statement of Cash Flows
February 2003

	Feb 03
OPERATING ACTIVITIES	
Net Income	35,214.49
Adjustments to reconcile Net Income to net cash provided by operations:	
1201000 · Accounts Receivable	-500,564.02
1201001 · Accounts Receivable - One Plus	-13,872.40
1201002 · Accounts Receivable - GDD	-17,845.93
1201003 · Accounts Receivable-Philippines	-35,951.73
1201004 · Accounts Receivable-Collections	1,155.84
1201009 · A/R - Employee Advances	-59.27
1301016 · Prepaid - CCS-Qwest #1	-26,911.45
1301025 · Prepaid - Arbinet-theexchange	12,324.38
1301035 · Prepaid - Qualnet	6,647.76
1301045 · Prepaid - CNM Network Inc	-46,217.86
1301050 · Prepaid - Mercury/Sterling	99,952.34
1301053 · Prepaid - Ntera	-5,000.00
1301066 · Prepaid - ITXC Corp	-602.71
1301070 · Prepaid - T-House	8,647.23
1301090 · Prepaid - PLDT - Philippines	-4,581.86
1302010 · Prepaid Expenses	26,043.60
1303050 · Exchange	600.00
1304009 · Deferred Origination Fees	11,731.34
1304018 · Prepaid - Philippines Call Ctr	-9,272.97
1304050 · Prepaid - Local Call Program	-23,000.00
1304060 · Prepaid - Phone Card Printing	-24,934.55
1305000 · Prepaid Insurance - General	1,060.53
1306000 · Prepaid - Reg. Compliance Srvc	1,666.67
1307000 · Prepaid - Maintenance	18,750.00
2101000 · Accounts Payable	169,454.32
2201010 · Accounts Payable - CCS-Current	1,708,468.31
2201070 · Accounts Payable - GDD	58,229.74
2201011 · Accounts Payable CCS - Current	-1,680,965.07
2201050 · Taxes Payable - OnePlus Billing	26,236.29
2201060 · Taxes - Unpaid to Carriers	2,573.32
2501050 · Accrued Payroll	-7,555.88
2501051 · Accrued Vacations	-2,538.06
2501070 · Accrued Health Insurance	674.35
Net cash provided by Operating Activities	-210,443.25
INVESTING ACTIVITIES	
1401120 · Equipment - Office	-1,856.00
1401130 · Equipment - Switch	-3,587.27
1401210 · Accumulated Depreciation F & F	123.29
1401220 · Accumulated Depr. Equip.-Office	4,862.44
1401230 · Accumulated Dep. Equip - Switch	34,464.12
1401290 · Accumulated Amort. Org. Cost	1,000.00
Net cash provided by Investing Activities	35,006.58
FINANCING ACTIVITIES	
2501000 · Notes Payable Shareholders	-25,000.00
2501090 · Deferred Cost of Traffic - Call	-45,000.00
Net cash provided by Financing Activities	-70,000.00
Net cash increase for period	-245,436.67
Cash at beginning of period	530,542.40
Cash at end of period	285,105.73

BAK Communications LLC
Statement of Cash Flows
January 2003

	Jan 03
OPERATING ACTIVITIES	
Net Income	12,933.14
Adjustments to reconcile Net Income to net cash provided by operations:	
1201000 · Accounts Receivable	152,941.03
1201001 · Accounts Receivable - One Plus	17,265.83
1201002 · Accounts Receivable - GDD	-110,774.46
1201003 · Accounts Receivable-Philippines	-16,503.74
1201004 · Accounts Receivable-Collections	1,294.97
1201006 · Allow. for Doubt. Accts One Plu	6,609.58
1201009 · A/R - Employee Advances	-146.09
1301025 · Prepaid - Arbinet-theexchange	-10,000.00
1301030 · Prepaid - QWEST	16,005.82
1301035 · Prepaid - Qualnet	140.21
1301045 · Prepaid - CNM Network Inc	53,881.67
1301050 · Prepaid - Mercury/Sterling	-57,045.10
1301055 · Prepaid - PaeTec	-0.12
1301066 · Prepaid - ITXC Corp	-176.46
1301070 · Prepaid - T-House	-4,865.09
1301090 · Prepaid - PLDT - Philippines	308.68
1301097 · Prepaid - Traffic - One Plus	20,799.81
1302010 · Prepaid Expenses	6,407.64
1303050 · Exchange	130,550.00
1304009 · Deferred Origination Fees	6,547.02
1304011 · Prepaid - China Project	20,600.51
1304018 · Prepaid - Philippines Call Ctr	-15,387.13
1304050 · Prepaid - Local Call Program	-564.78
1304060 · Prepaid - Phone Card Printing	-49,521.00
1305000 · Prepaid Insurance - General	1,060.53
1306000 · Prepaid - Reg. Compliance Srvc	1,666.67
1307000 · Prepaid - Maintenance	18,750.00
2101000 · Accounts Payable	-185,817.41
2201011 · Accounts Payable CCS - Current	24,595.49
2201050 · Taxes Payable - OnePlus Billing	35,263.74
2201060 · Taxes - Unpaid to Carriers	8,016.49
2501050 · Accrued Payroll	12,124.70
2501051 · Accrued Vacations	-1,715.62
2501070 · Accrued Health Insurance	887.81
Net cash provided by Operating Activities	96,134.34
INVESTING ACTIVITIES	
1401130 · Equipment - Switch	-136,608.41
1401210 · Accumulated Depreciation F & F	123.29
1401220 · Accumulated Depr. Equip.-Office	4,862.44
1401230 · Accumulated Dep. Equip - Switch	34,404.33
1401290 · Accumulated Amort. Org. Cost	1,000.00
Net cash provided by Investing Activities	-96,218.35
FINANCING ACTIVITIES	
2501000 · Notes Payable Shareholders	-25,000.00
2501090 · Deferred Cost of Traffic - Call	156,208.21
Net cash provided by Financing Activities	131,208.21
Net cash increase for period	131,124.20
Cash at beginning of period	399,418.20
Cash at end of period	530,542.40

BAK Communications LLC
Statement of Cash Flows
 December 2002

	Dec 02
OPERATING ACTIVITIES	
Net Income	-78,479.30
Adjustments to reconcile Net Income to net cash provided by operations:	
1201000 · Accounts Receivable	23,544.98
1201001 · Accounts Receivable - One Plus	64,760.31
1201002 · Accounts Receivable - GDD	-86,298.90
1201003 · Accounts Receivable-Philippines	-2,728.07
1201004 · Accounts Receivable-Collections	616.61
1201006 · Allow. for Doubt. Accts One Plu	21,739.77
1201009 · A/R - Employee Advances	64.53
1301010 · Prepaid - Global Crossing	-11,423.02
1301025 · Prepaid - Arbinet-theexchange	-10,000.00
1301035 · Prepaid - Qualnet	-22,154.91
1301045 · Prepaid - CNM Network Inc	-22,450.38
1301050 · Prepaid - Mercury/Sterling	79,758.77
1301055 · Prepaid - PaeTec	-9,055.90
1301066 · Prepaid - ITXC Corp	-9,007.17
1301070 · Prepaid - T-House	-1,994.41
1301085 · Prepaid - Xspedius	-3,149.65
1301090 · Prepaid - PLDT - Philippines	-3,576.05
1301097 · Prepaid - Traffic - One Plus	-36,000.00
1302010 · Prepaid Expenses	19,530.48
1303050 · Exchange	-35,000.00
1304009 · Deferred Origination Fees	-2,284.65
1304011 · Prepaid - China Project	2,689.27
1304018 · Prepaid - Philippines Call Ctr	-31,548.69
1304050 · Prepaid - Local Call Program	-6,000.00
1305000 · Prepaid Insurance - General	-7,334.16
1307000 · Prepaid - Maintenance	18,750.00
2101000 · Accounts Payable	-149,570.35
2201000 · Other Accrued Liabilities	-27,105.68
2201011 · Accounts Payable CCS - Current	733,059.82
2201020 · Notes Payable - Shareholders	300,000.00
2201050 · Taxes Payable - OnePlus Billing	-76,661.86
2501050 · Accrued Payroll	4,101.69
2501051 · Accrued Vacations	-396.35
Net cash provided by Operating Activities	636,396.73
INVESTING ACTIVITIES	
1401110 · Furniture and Fixtures	-714.18
1401120 · Equipment - Office	-951.51
1401130 · Equipment - Switch	-4,652.90
1401210 · Accumulated Depreciation F & F	-111.74
1401220 · Accumulated Depr. Equip.-Office	5,022.03
1401230 · Accumulated Dep. Equip - Switch	19,957.67
1401290 · Accumulated Amort. Org. Cost	1,000.00
Net cash provided by Investing Activities	19,549.37
FINANCING ACTIVITIES	
2501000 · Notes Payable Shareholders	1,175,000.00
2501010 · Accounts Payable CCS-Long Term	-2,155,000.27
2501090 · Deferred Cost of Traffic - Call	88,144.81
Net cash provided by Financing Activities	-891,855.46
Net cash increase for period	-235,909.36
Cash at beginning of period	635,327.56
Cash at end of period	399,418.20