

ORIGINAL



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Adam,

J&DR

First and foremost, thank you once again for your patience in this matter.

Attached please find unaudited financial statements for Teledata Solutions, Inc. for the period January through June, 2004.

Please let me know should you require any additional information.

Rachel

-----Original Message-----

From: Rachel Nelson [<mailto:rachel@earlylennon.com>]

Sent: Thursday, September 30, 2004 9:36 AM

To: 'Adam Lebrecht'

Subject: RE: Teledata Solutions, Inc. - T-04234A-04-0064

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**Teledata Solutions, Inc.**  
**Balance Sheet**  
 As of June 30, 2004

	Jun 30, 04
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
First Regional Bancorp	100.00
General Acct-El Camino	474.03
General Acct-Westlake Village	45,587.76
Payroll Acct-Westlake Village	94.90
Petty Cash	900.00
<b>Total Checking/Savings</b>	47,156.71
<b>Accounts Receivable</b>	
Accounts Receivable	1,034,512.13
<b>Total Accounts Receivable</b>	1,034,512.13
<b>Other Current Assets</b>	
<b>Deposits</b>	
<b>Carrier Deposits</b>	
Carlyle One Wilshire	1,600.00
Carrier Deposits - Other	4,000.00
<b>Total Carrier Deposits</b>	5,600.00
<b>Rent Deposits</b>	23,299.92
<b>Total Deposits</b>	28,899.92
<b>Employee Advances</b>	6,521.00
<b>Prepaid Carriers</b>	
Global Star	45,000.00
Qwest	299,069.04
<b>Total Prepaid Carriers</b>	344,069.04
<b>Promotional Recievables</b>	52,000.00
<b>Short Term Notes Receivable</b>	-22,755.46
<b>Total Other Current Assets</b>	408,734.50
<b>Total Current Assets</b>	1,490,403.34
<b>Fixed Assets</b>	
<b>Colocaton Equipment</b>	44,541.16
<b>Computers / Hardware</b>	10,719.75
<b>Equipment</b>	
Telephone System	15,347.35
<b>Total Equipment</b>	15,347.35
<b>Office Furniture</b>	13,574.42
<b>Telica switch</b>	368,200.00
<b>Total Fixed Assets</b>	452,382.68
<b>Other Assets</b>	
<b>Customer Premises Equipment</b>	71,617.15
<b>Network Development</b>	
Carlyle One Wilshire	1,210.00
<b>Co-Location</b>	
Equipment Co-Location	
Reliance	14,590.00
Equipment Co-Location - Other	35,970.80
<b>Total Equipment Co-Location</b>	50,550.80

**Teledata Solutions, Inc.**  
**Balance Sheet**  
As of June 30, 2004

	Jun 30, 04
Installation	1,292.10
MCI - Colo	1,282.86
Meet Me Room	2,020.00
Network Co-Location	1,084.67
NHI Networks	7,800.00
Non MRC Co-Location	700.00
SBC - 9400	147.07
Co-Location - Other	827.39
<b>Total Co-Location</b>	<b>65,684.68</b>
Customer Premises Installation	14,062.01
Focal Communications	48,038.04
Global Crossing	
Expedite Fees	3,000.00
Global Crossing - Other	11,422.95
<b>Total Global Crossing</b>	<b>14,422.95</b>
ICG Communications	6,550.00
Qwest	
Cross Connect	21,031.97
Qwest - Other	11,391.00
<b>Total Qwest</b>	<b>32,422.97</b>
Sirius	9,180.00
Unet	198.74
Network Development - Other	7,351.34
<b>Total Network Development</b>	<b>197,118.73</b>
<b>Total Other Assets</b>	<b>268,735.88</b>
<b>TOTAL ASSETS</b>	<b>2,211,521.80</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	591,248.93
<b>Total Accounts Payable</b>	<b>591,248.93</b>
Credit Cards	
American Express	-3,605.31
Citibank	-3,500.00
<b>Total Credit Cards</b>	<b>-7,105.31</b>
Other Current Liabilities	
Customer Deposits	20,977.50
Fed & Local Taxes	452,902.02
Loans from Stockholders	278,221.52
<b>Total Other Current Liabilities</b>	<b>752,101.04</b>
<b>Total Current Liabilities</b>	<b>1,336,244.68</b>
<b>Long Term Liabilities</b>	
Notes Payable	
Telca switch	283,200.00
Notes Payable - Other	25,002.07
<b>Total Notes Payable</b>	<b>308,202.07</b>
<b>Total Long Term Liabilities</b>	<b>308,202.07</b>
<b>Total Liabilities</b>	<b>1,644,446.73</b>

FROM :

FAX NO. :

Oct. 12 2004 03:46AM P13

**Teledata Solutions, Inc.**  
**Balance Sheet**  
As of June 30, 2004

	<u>Jun 30, 04</u>
<b>Equity</b>	
Capital Stock	9,000.00
Retained Earnings	319,006.41
Net Income	<u>239,068.76</u>
<b>Total Equity</b>	<u>567,075.17</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,211,521.90</u></u>

**Teledata Solutions, Inc.**  
**Profit & Loss**  
 January through June 2004

	Jan - Jun 04
<b>Taxes</b>	
Late Fees	120.60
Payroll Tax	120,123.29
Property	552.80
<b>Total Taxes</b>	120,796.69
<b>XO Comm</b>	
Late Fee	928.76
<b>Total XO Comm</b>	928.76
<b>Total Expense</b>	681,894.74
<b>Net Ordinary Income</b>	159,054.01
<b>Other Income/Expense</b>	
Other Income	
<b>OTHER INCOME</b>	
Promotional Income	
Qwest Promotions	79,450.00
<b>Total Promotional Income</b>	79,450.00
Rebate Checks	326.77
Returned Check Charge	237.98
<b>Total OTHER INCOME</b>	80,014.75
<b>Total Other Income</b>	80,014.75
<b>Net Other Income</b>	80,014.75
<b>Net Income</b>	239,068.76