

ORIGINAL



0000046281

RECEIVED

TEL: 212.607.2104
FAX: 212.635.5074

2802

EPITM

Empire Payphones, Inc.

2006 MAR 31 P 2:22

AZ CORP COMMISSION
DOCUMENT CONTROL

ORIGINAL

March 30, 2006

DOCKET CONTROL
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007-2927

RE: Docket No. T-20444A-06-0128 Empire Payphones, Inc.

Dear Sir or Madam:

Please find attached an original and 13 copies of all applicable data which was requested from the Arizona Corporation Commission in an Insufficiency letter dated March 10, 2006 regarding the above-referenced company.

If you should require further information, please do not hesitate to contact me at (770) 819-1600, Extension 1333.

Respectfully,


Susan Duggan
Regulatory Administrator
Empire Payphones, Inc.

ORIGINAL

EMPIRE PAYPHONES, INC.

STAFF'S FIRST REQUEST FOR DATA

DOCKET NO. T-20444A-06-0128

ITEM #1 & #2

"Please see Attached"

**Draft of the Housing Cards / Upper and Lower for Arizona which will
be posted on our payphones when we begin business in Arizona**

**These drafts have referenced numbers from regulations (5, and 6a-6g)
as instructed**

EPI

Empire Payphones, Inc.

For Service/Helunds Dial 611

THIS PHONE DOES NOT PROVIDE CHANGE



COIN CALLS ONLY

3 MINUTES FOR \$1.00

"SELECTED COUNTRIES"

Dial 011 +

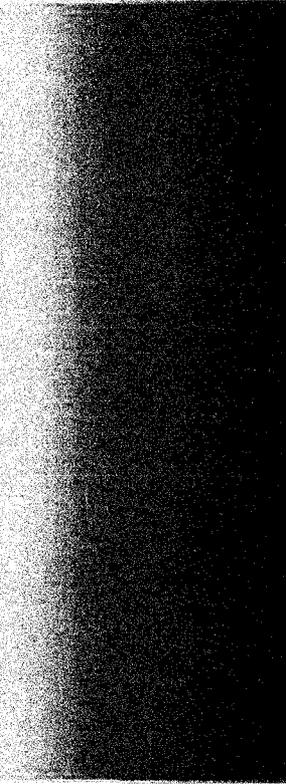
Country + City + #

EMERGENCY DIAL 911
IF 911 NOT AVAILABLE
IN THIS AREA DIAL 0

1 - (212) 2-0200

50¢
FOR 15
MIN.

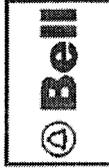
Call Anywhere In The
Continental U.S.A.



COIN
ONLY

Dial 1 + Area Code + #

EPI
Empire Payphones Inc.
EMPIRE PAYPHONES INC. * (A)
1490 Westfork Dr. Suite G
Lithia Springs, GA 30122
(888) 819-0046



LOCAL CALLS (Llamadas Locales) Dial Number, include Area Code (where required) / Marque el número o el Código de área + número

- REFUNDS AND REPAIRS (Reembolsos y reparaciones) * (B) 611
- EMERGENCY (Emergencia) 911
- LOCAL OPERATOR (Operadora Local) * 0
- LONG DISTANCE OPERATOR (Operadora de Larga Distancia) * 00
- FOR LONG DISTANCE RATE QUOTE (Para Cotización de Larga Distancia) * 00
- 711 RELAY CALL CENTER (711 Llamada del Relevo Central) 711
- TOLL FREE CALLS (Las Llamadas Gratuitas) Dial 1 + 800, 888, 877, or 866 + Number
- FREE DIRECTORY ASSISTANCE (Gratuitas Asistencia del Directorio) Dial 1 + 800, 888, 877, or 866 + 555-1212

*CREDIT CARD AND CALLING CARD CALLS (Llamadas con Tarjeta de Crédito y con Tarjetas de Llamadas) Outside this area code (Fuera del Código de Área) 0 + Area Code + Number / Dentro del Código de Área 0 + Area Code + Number

- *Wait for special tone, and then dial credit or calling card number. * (B)
- *INTERNATIONAL CALLS (Llamadas Internacionales) Dial 011 + Country Code + City Code (where required) + Number
- COLLECT PERSON-TO-PERSON OR THIRD PARTY BILLING (Llamadas por Cobrar, Persona a Persona, o a Facturar a un Tercero) 0 + Area Code + Number
- *Wait for Operator Assistance (Espera Para Asistencia de la Operadora) * (B)
- *Surcharges may apply to Operator Assisted and Calling Cards. * (B)
- (*Cargos extras pueden ser aplicados en Llamadas Asistidas por la Operadora y Tarjetas de Llamadas)

DIRECTORY ASSISTANCE CALLS (Asistencia del Directorio de Llamadas) * (B) Local (Local) 411 or 1 + 411 / Long Distance (Larga Distancia) 1 or 0 + Area Code + 555 - 1212

*Charges may apply, please deposit the requested amount. (*Cargos pueden aplicat, por favor deposite la cantidad solicitada)

You have the right to use the interstate or intrastate long distance company of your choice. Contact your preferred interstate or intrastate long distance company for information on how to access the carrier from this telephone. * (B) (Usted tiene el derecho de usar como compañía de llamadas de larga distancia, para dentro o fuera del Estado, la compañía de su elección. Contacte su compañía para información de cómo obtener acceso al portador desde este teléfono.)

Placement of local calls by use of 1010xxx, calling card, or operator handled services may cost more than directly dialing the local number (Llamadas locales usando 1010xxx, Tarjetas Telefonicas o Servicios de Operadora podrían costar más que marcando directamente al número local.)

Complaints regarding Interstate Operator Services may be directed to:
Federal Communications Commission
Consumer Complaints * (F)
445 12th Street SW
Washington, D.C. 20554

Operator Services Provided by:
Legacy Long Distance Intl, Inc.
One World Trade Center Ste 100
Long Beach, CA 90831 * (F)
(800) 577-5534

InterLATA calls made with calling or credit cards may be carried on the COPT service provider. * (C)

EMPIRE PAYPHONES, INC.
STAFF'S FIRST REQUEST FOR DATA
DOCKET NO. T-20444A-06-0128

ITEM #3

"Please see Attached"

List of Officers
Copy of Certificate of Incorporation

EMPIRE PAYPHONES, INC.

LIST OF OFFICERS

President: **David Aronow**
44 Wall Street, 6th Floor
New York, NY 10005

Executive VP
COO / Secretary **Andoni Economou**
44 Wall Street, 6th Floor
New York, NY 10005

CEO / Treasurer **Marshall Aronow**
44 Wall Street, 6th Floor
New York, NY 10005

CERTIFICATE OF INCORPORATION
OF
EMPIRE PAYPHONES, INC.

Filed by:

David E. Aronow, Esq.
44 Wall Street
6th Floor
New York, New York 10005

CERTIFICATE OF INCORPORATION

EMPIRE PAYPHONES, INC.

Under Section 402 of the Business Corporation Law.

The undersigned, for the purpose of forming a corporation pursuant to Section 402 of the Business Corporation Law of the State of New York, does hereby certify and set forth:

FIRST: The name of the corporation is **EMPIRE PAYPHONES, INC.**

SECOND: The purposes for which the corporation is formed are:

To engage in any lawful act or activity for which corporations may be organized under the business corporation law, provided that the corporation is not formed to engage in any act or activity which requires the act or approval of any state official, department, board, agency or other body without such approval or consent first being obtained.

To carry on a general mercantile, industrial, investing and trading business in all its branches; to devise, invent, manufacture, fabricate, assemble, install, service, maintain, alter, buy, sell, import, export, license as licensor or licensee, lease as lessor or lessee, distribute, job, enter into, negotiate, execute, acquire, and assign contracts in respect of, acquire, receive, grant, and assign licensing arrangements, options, franchises, and other rights in respect of and generally deal in and with at wholesale and retail, as principal, and as sales, business, special, or general agent, representative, broker, factor, merchant, distributor, jobber, advisor, or in any other lawful capacity, goods, wares, merchandise, commodities, and unimproved, improved, finished, processed and other real, personal and mixed property of any and all kinds, together with the components, resultants, and by-products thereof.

To create, manufacture, contract for, buy, sell, import, export, distribute, job and generally deal in and with, whether at wholesale or retail, and as principal, agent, broker, factor, commission merchant, licensor, licensee or otherwise, any and all kinds of goods, wares, and merchandise, and in connection therewith or independent thereof, to establish and maintain, by any manner or means, buying offices, distribution centers, specialty and other shops, stores, mail-order

establishments, concessions, leased departments, and any and all other departments, sites and locations necessary, convenient or useful in the furtherance of any business of the corporation.

To develop, experiment with, manufacture, fabricate, produce, assemble, buy, lease or otherwise acquire, hold, own, operate, use, install, equip, maintain, service, process, possess, repossess, remodel, recondition, transport, import, export, sell, lease or otherwise dispose of and generally to deal in and with any and all kinds of raw materials, products, manufactured articles and products, equipment, machinery, devices, systems, parts, tools and implements, apparatus, and goods, wares, merchandise and tangible property of every kind, used or capable of being used for any purpose whatsoever, and wheresoever located.

To acquire by purchase, subscription, underwriting or otherwise, and to own, hold for investment, or otherwise, and to use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every sort and description and wheresoever situated, including shares of stock, bonds, debentures, notes, scrip, securities, evidences of indebtedness, contracts or obligations of any corporation or association, whether domestic or foreign, or of any firm or individual or of the United States or any state, territory or dependency of the United States or any foreign country, or any municipality or local authority within or without the United States, and also to issue in exchange therefor, stocks, bonds or other securities or evidences of indebtedness of this corporation and, while the owner or holder of any such property, to receive, collect and dispose of the interest, dividends and income on or from such property and to possess and exercise in respect thereto all of the rights, powers and privileges of ownership, including all voting powers thereon.

To construct, build, purchase, lease or otherwise acquire, equip, hold, own, improve, develop, manage, maintain, control, operate, lease, mortgage, create liens upon, sell, convey or otherwise dispose of and turn to account, any and all plants, machinery, works, implements and things or property, real and personal, of every kind and description, incidental to, connected with, or suitable, necessary or convenient for any of the purposes enumerated herein, including all or any part or parts of the properties, assets, business and goodwill of any persons, firms, associations or corporations.

The powers, rights and privileges provided in this certificate are not to be deemed to be in limitation of similar, other or additional powers, rights and privileges granted or permitted to a corporation by the Business Corporation Law, it being intended that this corporation shall have all rights, powers and privileges granted or permitted to a corporation by such statute.

THIRD: The office of the corporation is to be located in the County of New York, State of New York.

FOURTH: The aggregate number of shares which the corporation shall have the authority to issue is Two Hundred (200), all of which shall be without par value.

FIFTH: The Secretary of State is designated as the agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served on him is:

David E. Aronow, Esq.
44 Wall Street
6th Floor
New York, New York 10005

SIXTH: The personal liability of directors to the corporation or its shareholders for damages for any breach of duty in such capacity is hereby eliminated except that such personal liability shall not be eliminated if a judgment or other final adjudication adverse to such director establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled or that his acts violated Section 719 of the Business Corporation Law.

IN WITNESS WHEREOF, this certificate has been subscribed to this 20th day of January, 2005 by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

Lawrence A. Kirsch

LAWRENCE A. KIRSCH
90 State Street
Albany, New York

EMPIRE PAYPHONES, INC.
STAFF'S FIRST REQUEST FOR DATA
DOCKET NO. T-20444A-06-0128

ITEM #4

"Please see Attached"

Certificate of Good Standing
Arizona Corporation Commission

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****EMPIRE PAYPHONES, INC.*****

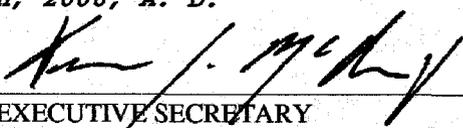
a foreign corporation organized under the laws of New York did obtain authority to transact business in the State of Arizona on the 23rd day of February 2006.

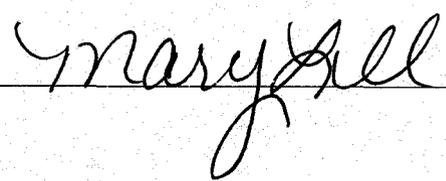
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 23rd Day of March, 2006, A. D.




EXECUTIVE SECRETARY

BY: 

EMPIRE PAYPHONES, INC.

STAFF'S FIRST REQUEST FOR DATA

DOCKET NO. T-20444A-06-0128

ITEM #5

**Empire Payphones, Inc. is affiliated with Metropolitan
Telecommunications of Arizona, Inc. using the trade name of MetTel.**

EMPIRE PAYPHONES, INC.

STAFF'S FIRST REQUEST FOR DATA

DOCKET NO. T-20444A-06-0128

ITEM #6

Empire Payphones, Inc. doesn't have any payphones installed in the state of Arizona at this time. We understood that it was required having our certifications in place prior to starting any business.

EMPIRE PAYPHONES, INC.
STAFF'S FIRST REQUEST FOR DATA
DOCKET NO. T-20444A-06-0128

ITEM #7

Elcotel Series 5 Model Payphones

Or

Protel 7000 Payphones

Enclosures & Pedestals

EMPIRE PAYPHONES, INC.

STAFF'S FIRST REQUEST FOR DATA

DOCKET NO. T-20444A-06-0128

ITEM #8

List of services to be provided and the charges will be:

Local Call \$.50 cents for 15 minutes

Long Distance Call\$.75 cents for 3 minutes

***All rates will be posted**

**By means of pre-printed on the housing cards itself or
By using face-adhesive stickers to be placed behind a clear window
on the housing cards**

EMPIRE PAYPHONES, INC.
STAFF'S FIRST REQUEST FOR DATA
DOCKET NO. T-20444A-06-0128

ITEM #9

"Please see attached"

Sample Contract for Payphone services between Empire and customers



SAMPLE

EMPIRE PAYPHONES INC. ♦ 1490 Westfork Dr Suite G ♦ Lithia Springs, GA 30122 ♦ (770) 819-1600 FAX (770) 819-9817

PAYPHONE LOCATION LEASE AGREEMENT

This Location Lease Agreement (hereinafter "Agreement") dated this ____ day of _____, 200__, between Empire Payphones Inc., the private payphone provider/operator (hereinafter "LESSEE") located at 1490 Westfork Dr. Suite G, Lithia Springs, GA 30122 and _____ the property owner (hereinafter "LESSOR"), who is the owner, or agent authorized to sign on behalf of the owner, of the real property ("Premises") listed below:

Business name	_____	Payee	_____
Type of business	_____	Payee address	_____
Location address	_____	City, ST, ZIP	_____
City, ST, ZIP	_____	Payee contact	_____
Location Contact	_____	Payee phone number	_____
Location phone number	_____	Payee Tax ID or S.S. #	_____

In consideration of the mutual covenants contained herein and other good and valuable consideration, the parties agree as follows:

1. **USAGE AND EQUIPMENT.** LESSOR hereby gives LESSEE the **exclusive** right to install, operate, maintain and service all payphones (hereinafter referred to in the singular as "Payphone"), all related equipment, including but not limited to, the Payphone, the pedestal, the enclosure, the aerial entrance mast and fixture, or advertising materials (hereinafter "Equipment") on the Premises. The location of the Payphone and Equipment on the Premises shall be determined by mutual agreement between LESSEE and the LESSOR on or before the date of installation. LESSEE shall have the right to make all replacements, updates, modifications and connections which are reasonably necessary or desirable for the proper operation of the Payphone and Equipment. LESSOR agrees that during the term of this Agreement or any renewal hereof, it will not enter into an agreement with another company for the installation or operation of coin and/or credit card operated payphones on the Premises. In the event the Premises is a shopping center and the LESSOR has control over the common areas of the shopping center, LESSOR hereby warrants that it has the exclusive right to provide payphone service in the common areas.

2. **TERM, RENEWAL AND EXPIRATION.** The term of this Agreement shall begin on the date which the Payphone is installed by LESSEE on the Premises (the "Commencement Date"), and shall terminate on the date which is **five (5) years** after the Commencement Date (the "Expiration Date"), unless the Agreement is terminated sooner as provided in this Agreement. This Agreement shall automatically renew for successive five (5) year periods commencing on the Expiration Date, unless LESSOR delivers written notice to LESSEE of LESSOR's objection to the automatic renewal no more than 120 days and no less than 90 days prior to the Expiration Date or any such Renewal Term.

3. **COMMISSION/RENT.** LESSEE shall pay to the LESSOR _____ of the Net Coin of the Payphones installed on the Premise. **Net Coin** is determined by adding the gross collected coin, then deducting all charges payable to providers of dial tone and long distance and all applicable sales and use taxes. Said payment is to be mailed to the LESSOR at the end of each quarter in payment of **commission/rent** for the preceding calendar quarter, provided that the earned commission is equal to or greater than \$50.00. In the event that the commission owed is zero or that the net coinage is negative in any period, then the next commission payment shall be based upon net coinage since the last date of the most recent period for which commissions have been paid.

4. **MAINTENANCE, REPAIRS AND PHONE LINES.** LESSEE agrees to provide the Premises with public payphone service during the term of this Agreement and to promptly service, repair and maintain the Payphone and Equipment as may be required for its proper operation; provided, however, that LESSEE shall have no liability for the interruption of payphone service for any reason and that LESSEE makes no warranties, expressed or implied, with respect to the Payphone, the Equipment or their respective operation. In the event that LESSEE shall default in the performance of its obligations to promptly service, repair and maintain Payphone and Equipment installed pursuant to this Agreement or to timely pay its percentage of revenues, LESSOR shall promptly notify LESSEE in writing of the default. If LESSEE does not correct the default within 30 days after it receives the written notice of the default from LESSOR, LESSOR may terminate this Agreement.

5. **ACCESS.** LESSOR agrees to provide unlimited public access to the Payphone. LESSOR hereby grants LESSEE and its service representatives, agents and employees access to the Premises for any purpose, including, to install, collect coin, service, repair and maintain the Payphone and Equipment; to furnish electricity to the Payphone and Equipment for proper lighting as requested by LESSEE; to promptly notify of the need for service and repair of the Payphone and Equipment; to use reasonable efforts to prevent damage to, or destruction of, the Payphone and Equipment; and to take no action which prevents or adversely affects the use or maintenance of the Payphone or Equipment. LESSOR further agrees that LESSEE shall have the exclusive right to open, adjust, remove, disconnect, service, repair, maintain, replace or alter the Payphone and Equipment.

6. **TITLE.** LESSOR waives all of its rights to claim or assert title to the Payphone and Equipment for failure to perform its obligations under this Agreement or for any reason. Upon the expiration of this Agreement for any reason, LESSEE shall have the right to enter upon the Premises and remove Payphone and Equipment. LESSOR hereby agrees to waive any claim or cause of action related to any breach of the peace associated with LESSEE's exercise of its rights to reclaim property.



* SAMPLE *

Page 2

EMPIRE PAYPHONES INC. ♦ 1490 Westfork Dr Suite G ♦ Lithia Springs, GA 30122 ♦ (770) 819-1600 FAX (770) 819-9817

7. **AUTHORITY.** LESSOR or his agent represents and warrants that LESSOR is the owner of the Premises, or that signator is an agent authorized to sign on behalf of the owner, and that signator is authorized and empowered to enter into this Agreement. LESSOR or his agent further represents and warrants that said business is duly and properly licensed by all required authorities.

8. **INSTALLATION.** LESSEE shall be responsible for, and shall pay all costs in connection with, the installation of the Payphone and Equipment, including all line charges and deposits. Pending regulatory approvals and other developments, no representations as to installation date may be made by LESSEE. In no event shall LESSEE have any liability nor may this Agreement be terminated for any delay in installation. LESSOR grants to LESSEE permission to contact any local exchange or other telephone company to arrange for the installation of any necessary telephone lines and to replace existing Equipment.

9. **REMOVAL.** If the average gross revenue from the operation of the Payphone[s] during any three consecutive months does not exceed \$150.00 per Payphone per month, LESSEE may, in its sole discretion, (a) enter upon the Premises and remove any Payphone which has failed to adequately perform and/or (b) terminate this Agreement upon 30 days written notice to LESSOR.

10. **ASSIGNMENT.** This Agreement shall be binding upon, and shall inure to the benefit of, LESSOR and LESSEE and each party's respective successors and assigns, at no cost to either party. LESSEE may assign this Agreement without the consent of LESSOR. Should the LESSOR sell or cease doing business at the location address, or if LESSOR sells or transfers the Premises where the Payphone is located, LESSOR shall notify LESSEE thirty (30) days before final closing of the Premises. This Agreement constitutes an interest in real property and as such runs with the land. LESSOR shall also notify the purchaser or transferee of its obligation to be bound by this Agreement.

11. **BREACH.** In the event LESSOR shall disconnect the Payphone and Equipment, cause their removal, or permit the installation of another payphone not owned or operated by LESSEE, or shall otherwise fail promptly to perform any of the terms, covenants and conditions set forth in this Agreement, or any renewal thereof, then and in such an event, the parties agree that it would be impossible to ascertain LESSEE's damages, since they are uncertain and not readily ascertainable at time of contract. In such case the parties further agree that, if the Agreement has been in effect for a term of at least six (6) months before the breach by LESSOR, LESSEE shall be entitled to recover from LESSOR as liquidated damages a sum of money equal to the number of weeks remaining under the terms of the contract, multiplied by the average weekly income received by LESSEE, and if the Agreement has been in effect for less than six (6) months before the failure of performance, LESSEE shall be entitled to recover as liquidated damages the sum of the number of weeks remaining in the contract multiplied by fifty dollars (\$50.00), in each case plus five hundred dollars (\$500.00) plus all costs incident to any legal proceedings brought to enforce this Agreement, including, but not limited to, reasonable attorneys fees and court costs. This clause is in no way intended to constitute a penalty or forfeiture but is strictly in the nature of agreed upon and liquidated damages.

12. **REMEDIES.** In the event any clause or condition of this Agreement shall be declared unenforceable or void, then same shall not impair the legality or enforcement of the remainder of the Agreement. In the event that any litigation results out of this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party, and the non-prevailing party shall immediately pay upon demand, all reasonable fees and expenses of counsel, as well as the court costs, for the prevailing party.

13. **INTERPRETATION, MODIFICATION AND VENUE.** This Agreement shall become valid only when executed and accepted by both parties. This Agreement contains the entire agreement between the parties relating to the subject matter herein discussed, and no change or modification of any of its terms or provisions shall be effective unless made in writing and signed by both parties. The parties agree that this Agreement shall be deemed made and entered into in the state for which the Payphone will be located and shall be governed and construed under and in accordance within the laws of that particular state. Parties further agree that venue will only be proper in a court of competent jurisdiction within each particular state.

IN WITNESS WHEREOF, the parties to this Agreement have executed the Agreement as of the date first written above.

LESSOR

EMPIRE PAYPHONES INC.

Signature Date

Signature Date

Print name

Print name of Executive

Title

Title

EMPIRE PAYPHONES, INC.

STAFF'S FIRST REQUEST FOR DATA

DOCKET NO. T-20444A-06-0128

ITEM #10

When services begin, a toll free number will be posted on our placards or the customer can also have the option, which will also be posted, to dial 611 directly from the payphone for repairs & refunds and can voice a complaint.

All complaints will be handled by office personnel as follows:

Regulatory / Violations: Susan Duggan
Regulatory Administrator
1490 Westfork Drive
Suite G
Lithia Springs, GA 30122
(888) 819-0046, Ext. 1333
(770) 745-6232 Fax
sduggan@empirepayphones.com

Customer Service: Fran Cannon
Customer Relations Dept.
(888) 819-0046

Repair / Refund: (888) 819-0046
Or 611 directly from the payphone

EMPIRE PAYPHONES, INC.

STAFF'S FIRST REQUEST FOR DATA

DOCKET NO. T-20444A-06-0128

ITEM #11

**Unsure how many payphones Empire will contract and install in the
state of Arizona**

***Financial Statement attached**

EMPIRE PAYPHONES, INC.
BALANCE SHEET
DECEMBER 31, 2005
(Unaudited)

ASSETS

Current Assets

Cash	\$	186,439	
Acquisition Escrow Account		393,683	
Receivables		779,028	
Prepaid Expenses		64,314	
Security Deposit		<u>541,750</u>	
Total Current Assets	\$		1,965,214

Property and Equipment

Vehicles		15,000	
Phones in Service Locations		1,721,400	
Acc. Dep. - Phones Svce Locations		<u>(133,570)</u>	
Total Property and Equipment			1,602,830

Other Assets			<u>84,844</u>
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Total Assets	\$		<u><u>3,652,888</u></u>
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LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$	690,894	
Intercompany Payable		1,032,075	
Accrued Expenses		470,190	
Short Term Loan Payable		<u>750,000</u>	
Total Current Liabilities	\$		2,943,159

Long-Term Liabilities

LT - Loan Payable		<u>562,500</u>	
Total Long-Term Liabilities			<u>562,500</u>

Total Liabilities			3,505,659
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Capital

Retained Earnings		<u>147,229</u>	
Total Capital			<u>147,229</u>

Total Liabilities & Capital	\$		<u><u>3,652,888</u></u>
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