



MOT
TELECOM



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Arizona Corporation Commission

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August 8, 2003

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ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
Utilities Division
Attention: Docket Control
1200 West Washington
Phoenix, AZ 85007-2996

DOCKETED BY

T-04186A-03-0406

Re: Docket # T-4186Z-03-0406
Motion Telecom, Inc.

To Whom It May Concern:

Attached are the data request responses requested by the Commission.

The attached enclosures contain an original plus 16 copies of the requests as required by the Commission. Also enclosed are an additional copy and a self-addressed stamped envelope for the return of a stamped copy to our office.

If you need additional information, or have any questions, please contact me at (303) 784-5300 ext 6627. Thank you for your assistance in this matter.

Sincerely,

Joelyn Mann
Corporate Regulatory Compliance Manager
Motion Telecom, Inc.

Enclosures

JM/dlc

7101 South Fulton Street, Suite 200
Englewood, CO 80112
303-784-5300
www.motiontelecom.com



Data Requests to Motion Telecom, Inc.
Docket No. T-4186A-03-0406

1. Attached (Exhibit 1) is a list of states we are approved to provide resale long distance telecommunications services and prepaid calling card service. Also enclosed are the management resumes (Exhibit 2). Motion Telecom, Inc. has 25 full time employees and Advantage Wireless has 57 full time employees. At this time there is overlap in operational areas including executive staff, accounting, and human resources.
2. Item (A-16) on CC&N application requests affidavits of publication. (Exhibit 3)
3. Item (B-4) 1-5. Total projected revenue for Arizona is \$833,000. Operating expenses to provide Arizona customers telecommunications services projected for the first year are estimated at \$15,600. There are no jurisdictional assets in the state of Arizona. The projected value is \$0. See attached exhibits of projected income and May 2003 financials (Exhibit 4).
4. Neither the Applicant nor any of its officers, directors, or partners have been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.
5. Neither the Applicant nor any of its officers, directors, or partners have been or are currently involved in any civil or criminal investigation.
6. Neither the Applicant nor any of its officers, directors, or partners have had judgments entered in any civil matter, judgments, levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.
7. The Certificate of Good Standing was sent directly to the Commission from the Arizona Corporate Commission. (Exhibit 5)



Operations in Other States

Applicant is filing the necessary documents to operate in most of the United States and Internationally.

Approved authority to provide telecommunications service:

Arkansas
 Colorado
 District of Columbia
 Indiana
 Iowa
 Kentucky
 Michigan
 Montana
 New Hampshire
 New Jersey
 New Mexico
 North Carolina
 Oregon
 Pennsylvania
 Rhode Island
 South Dakota
 Texas
 Utah
 Virginia
 Washington
 Wyoming

Pending Applications:

Alabama- filed 6-25-03
 Arizona – filed 6-11-03
 California – filed 7-8-03
 Connecticut- filed 6-24-03
 Delaware- filed 6-24-03
 Florida – filed 7-3-03
 Georgia- filed 6-25-03
 Idaho- filed 6-30-03
 Illinois – filed 7-8-03
 Kansas – filed 7-2-03
 Louisiana – filed 7-8-03
 Maine – filed 7-8-03
 Maryland – filed 7-3-03
 Massachusetts – filed 7-8-03
 Minnesota – filed 7-8-03
 Mississippi – filed 7-3-03
 Missouri – filed 7-3-03
 Nebraska – filed 7-1-03
 Nevada – filed 7-8-03
 New York- filed 7-1-03
 Ohio – filed 7-8-03
 Oklahoma – filed 7-2-03
 South Carolina – filed 7-2-03
 Tennessee – filed 7-8-03
 Vermont- filed 6-20-03
 West Virginia – filed 7-2-03
 Wisconsin – filed 6-27-03

Biography
Victor Mitchell

Current Position:

CEO and Chairman
Advantage Wireless, Inc.

Education:

BS, Finance, 1988
San Diego State University, San Diego, CA.

Overview:

A wireless company executive once asked Vic Mitchell for a copy of his resume. Mitchell was very flattered, but there was one problem: he doesn't have a resume. Vic Mitchell is 37 years old and has never been employed.

Since he was 21 years old, Mitchell has been self-employed, launching one successful business venture after another. In 1987, during his senior year at San Diego State University, Mitchell opened a transportation service with one vehicle and \$30,000. When he sold his company a few years later, he had grown it into a million-dollar business—the second largest in San Diego. Competitors imitated everything from his ad specials to the way he compensated his employees, but their businesses never seemed to keep pace. From observing the use of cellular phones in his limousines, Victor began learning about the cellular industry, and started a small cellular retail business out of his limousine shop in 1989.

By 1991 he was operating a full-service business called Advantage Cellular, and had been named by AirTouch Cellular (formerly PacTel Cellular) as the T.O.P. (Total Overall Performer) dealer in the San Diego area. They continued to grow, adding both stores and subdealers; they amassed the largest business customer base of any dealer in San Diego. Later, an AT&T Wireless executive in Colorado read about Advantage Cellular in a trade magazine, and began courting Mitchell to move and establish a business within the Colorado market to replicate his success. Mitchell uprooted his right-hand employee and, in January 1996, they planted new roots in Denver, eventually selling Advantage Cellular to AirTouch Cellular.

Biographical Profile
Victor "Vic" Mitchell
President, Advantage Wireless, Inc.

Advantage Wireless opened their first store in Colorado on February 17, 1996. By the company's first anniversary in February 1997, Mitchell's enterprise had grown to twelve stores, from Boulder to Colorado Springs. Just a few months after their entry into the Colorado market (June 1996), AT&T Wireless sent Advantage Wireless an award for being their #1 wireless dealer within the 7-state western state region. The following month, *RCR*, a wireless communications industry newspaper, listed Advantage Wireless as the 12th largest independent wireless equipment dealer in the nation.

Never satisfied with his company's growth, Mitchell decided in 1997 to expand his products and services, adding Personal Communications Services (PCS) products and related wireless accessories. Shortly thereafter, Advantage Wireless sold its company-owned retail outlets so it could narrow its focus to one specialty: growing its subdealers' businesses. In 1997, Mitchell expanded out-of-state, focusing all of the company's energy on growing indirect distribution of wireless services and developing new licensee locations.

Today, 114 Advantage Wireless licensee and company owned retail stores exist, as well as 1000 subdealers within 32 markets sell under the Advantage umbrella. Most of the retail outlets that operate under the Advantage Wireless trade name are independently owned and operated as licensees, which allows them to use AW's nationally trademarked name and logo at no charge, along with other benefits.

The company has consistently received recognition from both within and outside of the wireless industry. In 2000, Advantage Wireless, Inc. was awarded the prestigious award of "Colorado Business of the Year" by the Denver Chamber of Commerce and U S West. The Denver Business Journal also named Mitchell in the "top 40 under 40" for business executives of Colorado. CNN has featured him in their Financial News segment, and many in the wireless industry consider him a leader in fine-tuning the Master Dealer business model. 2002's goals are to exceed \$70m in revenues and generate 500,000 new activations. Carriers such as AT&T Wireless, Cricket Communications, and Verizon Wireless are well served by a channel that provides this level of activation volume while simultaneously taking care of the end retailers' day-to-day issues.

Mitchell, a married man with two children, resides in Lone Tree, Colorado. Both Mitchell and his wife Amy are very active in community service. Amy Mitchell is an active member of the Denver Junior League and serves on their Early Childhood Development Committee. She has been involved with Junior League for the past 5 years and also teaches Sunday school at St. Thomas More in Englewood. Mitchell also is a board member of the Denver Chamber of Commerce and Better Business Bureau. He is an avid tennis player, enjoys traveling and skiing, and is a devoted father to his son and daughter.

EXPERIENCE

9/02-PRESENT PRESIDENT/CHIEF OPERATING OFFICER
5/01-9/02 CHIEF FINANCIAL OFFICER

Advantage Wireless, Inc. Englewood, CO
Motion Telecom, Inc.

- \$60,000,000 in annual sales, thirty two state wireless phone sales and distribution company
- \$15,000,000 in annual sales, 22,000 customer long distance company

2/95-5/01 PRESIDENT AND OWNER

Gritz & Associates, PC (own business) Denver and Steamboat Springs, CO

- CPA Firm with emphasis in taxation and small to medium size business consulting

6/97-3/99 CONTROLLER/C.F.O.

ALSO 12/99-02/00

Advantage Wireless, Inc. Denver, CO

- \$12,000,000 in annual sales, ten state wireless phone sales and distribution company

12/92 - 2/95 TREASURER/CONTROLLER

08/91 - 12/92 CONTROLLER

Institutional Realty Advisors, Inc. Denver, CO Los Angeles, CA

- Accounting
- Asset Management
- Financial Analysis/Valuations/Sales/Leasing
- Computer Systems

11/90 - 08/91 EXECUTIVE VICE PRESIDENT/CONTROLLER

08/89 - 11/90 CONTROLLER

NewHeight Real Estate Services Inc. Denver, CO

- Accounting Taxes and Auditing
- Financial Analysis and Budgeting
- Management - Sales, property management and account divisions
- Computer Systems

5/86 - 8/89 SENIOR CERTIFIED PUBLIC ACCOUNTANT

Wall,Smith, Bateman and Associates, Inc. Alamosa, CO

- Taxes
- Auditing
- Computer Systems

ASSETS

- Knowledge of accounting and tax
- Get along extremely well with people
- Excellent management skills and leadership qualities
- Initiative to take on projects and the resourcefulness to finish them off
- Intelligent and an analytical mind
- Team player, cooperative and dependable
- Computer skills- usage of Excel, Lotus 1-2-3, Windows, Wordperfect, Microsoft Word, Microsoft Access, MAS 90, Quickbooks, Peachtree, other accounting packages and many other various programs
- Productive and Efficient

EDUCATION

- Adams State College; Alamosa, Colorado
- Bachelor of Science degree in Business Administration Major in Accounting

PROFESSIONAL

- Certified Public Accountant, State of Colorado
- Member of Colorado Society Of Certified Public Accountants
- Member of American Institute of Certified Public Accountants

Susan Spurr
Vice President

Susan Spurr has worked with Victor Mitchell for 14 years, and moved from San Diego to Colorado in 1996 to help start the company. She has been involved with virtually every aspect of growing the business: building stores, hiring and training sales staff, implementing policies and procedures, and developing new revenue streams. She graduated summa cum laude with a B.S. from San Diego State, and was honored as the top student in her major.

BARBARA H. VONDERHEID

8101 E. Dartmouth Avenue #95
Denver, CO 80237

303.618.9870
DenverBarbara@aol.com

EXPERIENCE

ADVANTAGE WIRELESS, INC., Centennial, CO
MOTION TELECOM, INC.

April 2003-present

Chief Legal Officer & General Counsel

- Negotiate strategic partner relationships with carriers, sales agents and critical vendors for new long distance business segment.
- Created and manage compliance department focused on filing with public utility commissions in 50 states.
- Advise marketing, supply chain, human resources, agent relations, compliance, finance and other corporate departments to meet day-to-day needs of high growth business operations.
- Directe litigation efforts as plaintiff and defendant in business related claims nationwide.

UNIVANCE TELECOMMUNICATIONS, INC., Englewood, CO

August -March 2002

V.P. & General Counsel

- Negotiated strategic partner relationships with carriers, investors, lenders and critical vendors to launch new business segment performing wireless distribution for Sears, Roebuck and Co.
- Advised marketing, supply chain, human resources, agent relations, compliance, finance and other corporate departments to meet day-to-day needs of high growth business operations.
- Led company through reorganization efforts through settlement of claims and sale of assets to Advantage Wireless, Inc.

TEC HOME CONNECT, Denver, CO

2000-2002

Co-Founder, Executive V.P.

- Created start-up division of low-voltage wiring company focusing on home technology products and services primarily for the new home market.
- Succeeded in growing revenues with company's homebuilders by up to 300% through the implementation of focused options packages and marketing techniques.
- Provided technology products and services to 7,500 new homes in Colorado in 2001-present.
- Initiated and negotiated critical contracts and managed commercial relationships with Colorado's top homebuilders, vendors, and affinity partners.

CORDILLERA COMMUNICATIONS CORP., Denver, CO

1996-2000

Sr. V.P. Business Development & Legal Affairs

- Doubled value of start-up Latin American wireless telecommunications business by initiating, negotiating and closing strategic transactions in Chile, Peru, Argentina, Ecuador and El Salvador. Identified and analyzed more than 45 opportunities in 13 Latin American markets.
- Developed plan ready for implementation for entry into European wireless arena. Performed market and technology research and advanced relationships with government regulators and potential acquisition and joint venture targets.
- Executed sale of U.S. wireless assets and Latin American operations and led investor and lender contract preparation and negotiations.
- Acted as in-house general counsel and secretary for U.S. and Latin American affiliates. Directed local counsel on all matters, including mergers and acquisitions, human resources, contracts, business formations, operations and regulatory lobbying and compliance.
- Responsible for legal matters relating to the drafting and negotiation of equity offerings for Series A, B and C investors and debt investments by institutional lenders, as well as for SEC reporting functions.

ALERT CENTRE, INC.

1990 - 1996

Vice President, Acquisitions

1993 - 1996

Assistant General Counsel & Assistant Secretary

1991 - 1993

Acquisitions Staff Counsel

1990 - 1991

- Increased annually recurring revenues by \$11 million during an 18 month period by developing an acquisition dealer program and operations systems that led to the addition of four high-volume branches and new accounts generated by 60 affiliated dealers.
- Managed investor relations, negotiations and claims resolution during successful bankruptcy reorganization and turn-around of company together with the settlement of a class action suit involving 2,000 limited partners in less than 20 months.
- Created and managed corporate compliance and licensing department in response to the regulations of 48 states. Met the legal needs of multiple corporate offices and departments for contracts, human resource matters, leases, and regulatory and on-going operational issues.

LAW OFFICES OF FAY M. MATSUKAGE, Denver, CO

1989 - 1990

Attorney, Corporate and Securities Law

- Completed 20+ public and private offerings and met on-going filing requirements of the SEC and state agencies as securities counsel to corporations, partnerships and underwriters.

HAHN, SMITH & WALSH, P.C.

1983 - 1989

Attorney

1986 - 1989

Law Clerk

1983 - 1986

- Acted as legal counsel to municipalities, quasi-municipal districts and small businesses in connection with municipal bond and private securities offerings. Represented clients in general civil matters through negotiated transactions, settlements and court proceedings.

EDUCATION

Juris Doctor, University of Denver College of Law, Denver, Colorado, 1986
B.A. Political Science, Colorado State University, Fort Collins, Colorado, 1977

PROFESSIONAL ASSOCIATIONS

Board Member, Denver Telecom Professionals, 2001 - 2002
Chairman of the Board, International Wireless Telecommunications Assoc., 1998 - 2000
Admitted to Practice Law in the State of Colorado, 1986

Ronald E. Husney
9746 South Red Oakes Drive
Highlands Ranch, Colorado 80126
(303) 683-6610

Skill Summary

Strong verbal and written communication skills. Successful trainer and motivator. National retail supply chain management. Strong understanding of effective sales and operations management. Extensive experience in new business development, marketing, technical project/product management, analysis and reporting.

Education

University of Colorado at Denver MBA Program (24 credit hours completed)

Colorado State University - Bachelor of Science Degree in Business Administration (Marketing Major – 1990)

University of California at Santa Barbara - 1985 to 1987

Work Experience

May 2003 to Present – Advantage Wireless, Inc.

Director, Telecom Sales and Operations

Responsibilities:

- Direct all activities related to growth and retention of telecom customer base of 22,000+ customers.
- Develop appropriate organizational structure.
- Provide clear direction and motivation to staff of 20+ employees.
- Implement continuous process improvement plan.
- Renew and strengthen customer, agent and vendor relationships.

1999 to April 2003 - Univance Telecommunications, Inc.

Director, Supply Chain Management

Responsibilities:

- Manage vendor relationships with national wireless carriers (AT&T, Cingular, T-Mobile, Cricket).
- Oversee planning, acquisition and control of inventory valued at over \$10 million.
- Facilitate implementation of Oracle E-Business software suite.
- Provide periodic forecasts and comprehensive performance reporting.
- Manage allocation and reverse logistics for 100+ Sears locations.
- Manage Sears wholesale program for 750+ stores nationwide.
- Develop and implement policies and procedures to maximize inventory investment.

Vice President, Business Development

Responsibilities:

- Help identify methods of increasing value of the company.
- Ensure effective integration of strategic alliance programs into Univance.
- Translate corporate vision into strategic opportunities/initiatives.
- Identify and evaluate vendors able to fulfill product/service requirements.
- Evaluate strengths, weaknesses, strategic opportunities, overall abilities and financial health of vendors.
- Negotiate contract terms and updates with regard to commitments, pricing and services.
- Develop vendor performance analysis vehicle and conduct regular evaluations.
- Identify, cultivate and implement strategic relationships.

- Identify and evaluate merger/acquisition opportunities.
- Manage internal and external channels of communication.
- Handle major account interface.
- Provide cost analysis and financial evaluation of products and services.

Director of Carrier and Client Services

Responsibilities:

- Plan, budget, set and achieve goals for several departments including Carrier Relations, Customer Support, Provisioning, Agent Relations and Program Management.
- Oversee carrier and vendor relations with firms including MCI, Level 3, Qwest, ICG and Global Crossing.
- Streamline and document internal and external processes.
- Provide back office support for agents and sales people.
- Improve communication and morale of personnel.
- Research market conditions and produce viable projects to increase revenue.
- Manage, retain and grow existing base of customers.
- Gain expertise in regulatory issues and implementing Third Party Verification program.

1998 - Qwest Telecommunications, Inc.

Carrier Sales Engineer

Responsibilities:

- Technical consulting and application design for international, national and regional carriers, ISP's and major wholesale accounts including US West, Electric Lightwave Inc., Star Telecom, France Telecom, Digital Broadcast Network, Cable & Wireless, Verio, Williams, Nextlink, Winstar and others. Utilized understanding of Qwest's capabilities to provide innovative solutions to design applications.
- Development of virtual private networks and private data networks to meet specific customer requirements.
- Planned and implemented co-location and interconnect strategies for carriers/ISP's.
- Provided technical support and project management for major carrier accounts.
- Produced reporting, project plans and presentations designed to gain new business.
- Acted as liaison between sales, customers and various internal departments including provisioning, access engineering, transport engineering, common systems engineering, network management center, ring operation center and field technicians (both install and maintenance).

1993 through 1997 - MCI Telecommunications, Inc.

Held several different positions in support of various products, customers and programs.

Responsibilities:

- As Project Coordinator Team Lead, managed configuration and implementation of services and products including internet, frame relay and private line along with any necessary equipment.
- Provided technical support for top corporate clients in the Western and Pacific Regions including Great West Life, Pacesetter Corp., Dain Rauscher and Pan American Banks.
- Developed and implemented departmental escalation guidelines.
- Business process re-engineering including initial process design and implementation.
- Project liaison between MCI sales account teams, customers, vendors, access providers and other internal organizations.
- As Multi-Location Support Manager, managed retained and grew corporate national and strategic accounts including Ziff Davis, Softbank Services Group, Manulife Financial, The Borders Group and Pulte Homes among others.
- Provided support for technical and billing projects or concerns with voice and data services.
- Provided cost analysis and proposals to clients and sales account team.
- Trouble analysis and resolution, spares management and fault resolution.

References available upon request.

**NOTICE OF APPLICATION
FOR A CERTIFICATE OF CON-
VENIENCE AND NECESSITY
TO PROVIDE COMPETITIVE
RESOLD INTEREXCHANGE
TELECOMMUNICATIONS
SERVICES BY MOTION
TELECOM, INC.**

Motion Telecom, Inc. ("Applicant") has filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold interexchange telecommunications services in the State of Arizona. Applicant will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. A.R.S. § 40-282 provides that the commission may act on an application for a Certificate to provide resold telecommunications services without a hearing, or with a hearing, if one is requested by any party. Applicant or any other party must request a hearing within twenty (20) days of the date of this notice, or the Commission will rule on the application without a hearing. The application, report of the Commission's Utilities Division Staff, and any written exceptions to the Staff report prepared by this applicant are available for inspection during regular business hours at the offices of the Commission located at 1200 West Washington Street, Phoenix, Arizona, 85007, and at Applicant, 7101 South Fulton Street, Suite 200, Englewood, CO 80112. Under appropriate circumstances, interested parties may intervene in the proceedings, and participate as a party. Intervention shall be in accordance with the A.A.C. R 14-3-105, except that all motions to intervene must be filed on or within twenty (20) days of the date of this notice. You may have the right to intervene in the proceedings, or you may make a statement for the record. If you have any comments, mail them to: The Arizona Corporation Commission Attention Docket Control Re: Motion Telecom, Inc. T-04186A-03-0406 1200 West Washington Street Phoenix, Arizona 85007 All comments should be received within twenty (20) days of the date of this notice. 03-463-July 28, 2003.

THE ARIZONA REPUBLIC

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

Melissa Daams, being first duly sworn, upon oath deposes and says: That she is a legal advertising representative of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic

7/28/2003

Melissa Daams

Sworn to before me this
28TH day of
July A.D. 2003



Marilyn Greenwood
Notary Public

Jan 2002 through Dec 2002 Gross Revenue

STATE	SUM OF MONTHLY CHARGES EXL	SUM OF MONTHLY CHARGES GAS	GRAND TOTAL
AK	495.24	-	495.24
AL	75,387.71	-	75,387.71
AR	25,883.12	-	25,883.12
AZ	833,118.41	-	833,118.41
BC	13.17	-	13.17
CA	5,575,575.24	56,352.00	5,631,927.24
CO	2,689,880.19	172,166.57	2,862,046.76
CT	75,831.19	-	75,831.19
DC	15,302.06	-	15,302.06
DE	19,247.40	-	19,247.40
FL	989,980.25	22,605.06	1,012,585.31
GA	143,061.59	-	143,061.59
HI	3,602.08	-	3,602.08
IA	348,039.63	-	348,039.63
ID	23,853.45	-	23,853.45
IL	667,401.02	185,877.93	853,278.95
IN	97,261.31	-	97,261.31
KS	49,184.49	-	49,184.49
KY	21,815.76	-	21,815.76
LA	51,129.17	-	51,129.17
MA	148,652.96	34,366.46	183,019.42
MD	132,242.70	-	132,242.70
ME	8,794.66	-	8,794.66
MI	260,000.69	-	260,000.69
MN	491,488.47	-	491,488.47
MO	89,671.11	-	89,671.11
MS	13,766.38	-	13,766.38
MT	24,120.35	-	24,120.35
NC	37,646.79	301,597.44	339,244.23
ND	10,021.27	-	10,021.27
NE	49,651.41	-	49,651.41
NH	20,430.81	-	20,430.81
NJ	252,006.47	3,441,735.54	3,693,742.01
NM	57,175.09	-	57,175.09
NV	101,210.18	-	101,210.18
NY	546,646.99	4,258.54	550,905.53
OH	174,322.35	-	174,322.35
OK	13,730.66	341,080.52	354,811.18
ON	157.80	-	157.80
OR	106,334.25	-	106,334.25
PA	206,494.43	-	206,494.43
PQ	247.28	-	247.28
RI	9,360.94	-	9,360.94
SC	22,790.12	-	22,790.12
SD	39,489.59	-	39,489.59
TN	38,242.39	-	38,242.39
TX	739,652.89	(42,381.94)	697,270.95
UT	47,059.53	-	47,059.53
VA	222,964.14	56,239.57	279,203.71
VI	338.21	-	338.21
VT	2,690.00	-	2,690.00
WA	1,045,583.50	408,793.82	1,454,377.32
WI	171,669.47	-	171,669.47
WV	6,429.50	-	6,429.50
WY	5,712.77	-	5,712.77
	16,802,858.63	4,982,691.51	21,785,550.14

Assets

Current Assets

First Natl - Operations Acct	\$66,171.47
First National - Dreyfus	571,719.41
Cash - Wells Fargo	36,765.46
Cash - 1st of Arvada	94,856.89
A/R - Billing System	1,361,161.40
A/R Unbilled	534,075.27
Allow for Doubtful Accounts	(100,000.00)

TOTAL Current Assets 2,564,749.90

Fixed Assets

Furniture and Equipment	240,571.51
Computers	40,453.91
Leasehold Improvements	60,088.66
Goodwill	2,649,949.35

TOTAL Fixed Assets 2,991,063.43

TOTAL Assets \$5,555,813.33

Liabilities AND Equity

Current Liabilities

Accounts Payable-Vendors	\$516,566.49	
Accounts Payable-Agents	(57.75)	
Accrued Commissions Payable	50,906.10	
Accrued Payroll	49,154.40	
Tax Payable - USAC	114,069.18	
Sales Tax Payable - State	50,011.56	
Sales Tax Payable - County	2,579.56	
Sales Tax Payable - City	17,651.67	
Sales Tax Payable - Other	(487.31)	
	<hr/>	
TOTAL Current Liabilities		800,393.90

Long-Term Liabilities

Due to AAS	3,471,939.58	
Due to AWI	85,075.47	
Customer Deposits	35,640.00	
Deferred Revenue	425,936.99	
	<hr/>	
TOTAL Long-Term Liabilities		4,018,592.04

TOTAL Liabilities 4,818,985.94

Equity

RETAINED EARNINGS - PRIOR	.00	
Retained Earnings-Current Year	736,827.39	
	<hr/>	
TOTAL Equity		736,827.39

TOTAL Liabilities AND Equity \$5,555,813.33

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
Revenue				
Switched Voice Revenue	\$521,854.91	51.8 %	1,537,133.38	48.5
Switched Dedicated Revenue	248,039.81	24.6	472,481.90	14.9
Private Line Revenue	229,483.28	22.8	1,140,831.98	36.0
Finance Charges	8,664.51	.9	17,001.12	.5
TOTAL Revenue	1,008,042.51	100.0	3,167,448.38	100.0
Cost of Sales				
Cost of Goods - Switched	313,008.53	31.1	1,384,810.11	43.7
Cost of Goods - Dedicated	367,736.38	36.5	369,070.38	11.7
Cost of Goods - Private Line	9,255.37	.9	252,888.94	8.0
Customer Refunds	7.64	.0	7.64	.0
Discounts Taken	(90,791.47)	(9.0)	(152,222.77)	(4.8)
TOTAL Cost of Sales	599,216.45	59.4	1,854,554.30	58.6
Gross Profit	408,826.06	40.6	1,312,894.08	41.4
Expenses:				
Operating Expense				
Commission Expense - Agents	47,363.93	4.7	136,917.72	4.3
Billing Service	22,284.87	2.2	39,237.43	1.2
Lockbox Expense	5,694.86	.6	5,694.86	.2
Universal Service Fund	.00	.0	33,956.87	1.1
TOTAL Operating Expense	75,343.66	7.5	215,806.88	6.8
General & Administrative Expen				
Managers Salary	8,750.00	.9	8,750.00	.3
Accounting Salaries	28,654.87	2.8	52,439.75	1.7
Administrative Salaries	2,952.00	.3	5,780.32	.2
IT Salaries	30,814.34	3.1	62,802.70	2.0
Customer Support Salaries	14,088.50	1.4	26,047.26	.8
Overtime	2,018.22	.2	5,417.79	.2
Temporary Services	742.50	.1	8,461.72	.3
Advertising Expense	25,000.00	2.5	25,000.00	.8
Bank Charges	1,516.88	.2	1,536.88	.0
Credit Card Fees	282.08	.0	282.08	.0
Computer/Software Maintenance	4,854.64	.5	8,962.64	.3
Internet Charges	35.00	.0	35.00	.0
Legal Fees	.00	.0	37,148.31	1.2
Professional Fees	950.00	.1	29,860.30	.9
Office Supplies	.00	.0	2,097.12	.1
Payroll Service Fees	12,463.29	1.2	22,817.67	.7
Rent Expense	2,179.85	.2	21,618.48	.7
Regulatory Expense	4,851.00	.5	5,664.49	.2
Tax and License Fees	28,472.06	2.8	34,985.78	1.1

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
General & Administrative Expen	(Continued)			
Telephone Expense-Fax	\$48.00	.0 %	292.73	.0
Telephone Expense-Regular	.00	.0	333.50	.0
Travel and Entertainment	.00	.0	112.37	.0
TOTAL General & Administrative	168,673.23	16.7	360,446.89	11.4
TOTAL Expenses	244,016.89	24.2	576,253.77	18.2
Net Income from Operations	164,809.17	16.3	736,640.31	23.3
Other Income & Expenses				
Interest Income	187.08	.0	187.08	.0
TOTAL Other Income & Expenses	187.08	.0	187.08	.0
Earnings before Income Tax	164,996.25	16.4	736,827.39	23.3
Net Income (Loss)	\$164,996.25	16.4 %	736,827.39	23.3



August 7, 2003

Arizona Corporation Commission
Corporations Division
1300 West Washington
Phoenix, AZ 85007-2996

Re: Request for Certificate of Good Standing
Motion Telecom, Inc.

Dear Madam or Sir,

Attached is a check in the amount of \$45 for an expedited copy of Motion Telecom, Inc.'s Arizona Certificate of Good Standing. I have also included a pre-addressed and prepaid FedEx envelope for expedited service to the Arizona Corporation Commission, Utilities Division at 1200 West Washington Street.

Should you have any questions, please contact me at jmann@awipcs.com or 303-643-6627 directly.

Best regards,

Joelyn Mann
Corporate & Regulatory Compliance Manager
Motion Telecom, Inc.

Enclosures

FedEx Express **USA Airbill** FedEx Tracking Number **837771451378**

From ID No. **0200**

Packages up to 150 lbs

1 From Please print and press hard **8/8/03** Sender's FedEx Account Number **002542-3026**

Sender's Name **Corporations Division** Phone **602 542-3026**

Company **AZ Corp Commission**

Address **1300 W Washington** Dept./Floor/Suite/Room

City **Phoenix** State **AZ** ZIP **85007**

2 Your Internal Billing Reference **41864030466**

3 To Recipient's Name **Utilities Division** Phone **602 542-4251**

Company **AZ Corp Commission**

Address **1200 W Washington** We cannot deliver to P.O. boxes or P.O. ZIP codes.

Address **Phoenix AZ 85007**

City _____ State _____ ZIP _____ Dept./Floor/Suite/Room

4a Express Package Service Delivery commitment may be made in some areas. Signature required for all packages.

FedEx 2Day Next business day FedEx Express Saver Next business day

4b Express Freight Service FedEx 1Day Freight FedEx 2Day Freight FedEx 3Day Freight

5 Packaging FedEx Envelope FedEx Pak Includes FedEx Small Pak, FedEx Large Pak and FedEx Sure Pak Other

6 Special Handling SATURDAY Delivery HOLD Weekend at FedEx Location HOLD Saturday at FedEx Location

7 Payment Bill to: Sender Recipient Third Party Credit Card Cash/Check

FedEx Act No. **252184554** Total Packages _____ Total Weight _____ Total Declared Value* \$ **00**

8 Release Signature _____ Your liability is limited to \$100 unless you declare a higher value. See back for details.

By using this Airbill you agree to the service conditions on the back of this Airbill and in our current Service Guide, including terms that limit our liability.

Questions? Visit our Web site at fedex.com or call 1.800.Go.FedEx® 800.463.3339.

RETAIN THIS COPY FOR YOUR RECORDS