

Spectrotel, Inc. Balance Sheet December 31, 2002 Preliminary and Unaudited

	December '2002	Prior	Current
Assets			
Current Assets:		_	
Cash			
Accounts receivable			
Allowance for doubtful accounts			3
Unbilled revenue			
Deferred cost			
Prepaid expenses and other assets			
Cutrent Assets			
Fixed Assets, net			
Other Assets			
The state of the s			
Total Assets			
Liabilities and Equity			
Liabilities Not Subject to Compromise			
Current Liabilities:			
Accounts Payable		-	
Accrued Sal and Benefits			
Accrued Auditing and acct fees			
Accrued Operating			
Telecommunication taxes		1	
Insurance loan -current			
Customer deposit		•	
-			
Current portion of debt Deferred revenue			
Deferred revenue			
Current Liabilities		4	
Liabilities Subject to Compromise	,		
Accounts payable	- Annahment	-	A., B.
Bankruptcy settlements	1		
Telecomm, sales and use tax			
Capital lease- Heller			
Capital lease-Cisco	'		
Capital lease-Lucent			
Note Payable-Commtech			
Note Payable-PDC			
Accrued interest			
11001da Indian			
Liabilities Subject to Compromise			
Stockholders' Equity:			
Series A convertible preferred stock			
Common stock - par \$0.001			
Additional paid in capital			
Options and warrants			
Accumulated deficit			
Total Equity			
Total Liabilities and Equity			
Notes:		Comment of the commen	
Figures above are pre-audit and do not reflect the 20	02 year end audit adjustments vivin	or affect to universaria from Chi	nter 11 renemaiantion ca
Nov 25,2002.	,		
2. Consistent with GAAP accounting guidelines for reo	rganization, retained earnings as of	Dec 2002 will be adjusted to zer	ю.
		1	
I affirm that the financial statements are true and corr	ect: //_/		
	4/9/02		
	(((())		
Jack Davan, President & CEO	Date		

DOCUMENT NUMBER-DATE 03820 APR 25 8

Spectrotel Inc., d/b/a Plan B Communications Florida Application April 9, 2003

Overview

Plan B Communication Inc. filed a petition to reorganize under Chapter 11 of the United States Code on Mach 16, 2001 (the "Petition Date"). The company's plan of reorganization was confirmed by the courts on September 13, 2002 and became effective November 25, 2002. Accordingly, the company's creditors believe that the company's positive operating cashflow for 2002), its operating cash position and an undrawn revolving credit facility of the company's future operating requirements.

On Pre-petition basis (Pre-March 16, 2001), the company was and continues to be certified to provide resold and facilities based Local exchange and Interexchange telecom services in the states of New York and Massachusetts. During the reorganization period, the company, having sufficient resources, management and systems infrastructure, successfully obtained certifications to provide telecommunication services in the states of New Jersey and Pennsylvania. Since emerging from Chapter 11 reorganization, in the month of December 2002, the company has continued to execute its growth strategy and successfully obtained authorization to provide telecommunication services in the states of Virginia and Maryland. To date, the company has maintained a solid relationship and has been in compliance with credit term agreements with its key supplier, "Verizon".

Upon emergence from bankruptcy, the entity name changed from Plan B Communications Inc. to Spectrotel Inc. Neither Spectrotel nor any of its affiliates have ever been denied requested certification in any jurisdiction, nor has the company or its affiliates had a permit, license or certificate revoked by any authority.

Financials

Year to date December' 2002 financial results:

The company's fiscal 2002 revenues were the support that It also generated, on year to date basis, operating cash flow of which was sufficient to support the company's market expansion and non-recurring bankruptcy expenses or "restructuring fees" during the Chapter 11 reorganization. The restructuring expenses totaled approximately for the twelve months ended December 2002. Upon emerging from bankruptcy, these restructuring expenses have been reduced to zero. Despite these costs, the company steadily maintained a cash balance of the during the year.

During the month of December, the company made substantial initial cash settlement distributions to creditors totaling approximately

Throughout the reorganization period, Verizon, our company's largest supplier, was prepaid on the 1st & 15th of each month. Effective December 1, 2002 Verizon extended its normal 30-day credit terms thereby increasing the company's working capital by approximately

Together with current cash on hand of a revolving credit facility of and positive operating cash flow expected in 2003 of see 2003 cashflow projection), management is confident that the company will maintain sufficient liquidity to support future cash requirements and expected 2003 sales growth in the range of

The company recently engaged Davis, Graber & Nasberg, LLP, Certified Public Accountants, as its auditors, to audit its financials for the fiscal year ended December 31, 2002. An audit report is expected April 2003.

Exhibits:

- Unaudited December 2002 Financials Balance Sheet, Income Statement and Cashflow
- Monthly Cashflow projections for 2003.

Spectrotel, Inc.

						Fo	Forecasted Cash flows - 2003	s - 2003						
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		The state of the s							1					
	Actual	Fest	Fost	Fest	Fost	Fcs	Fost	Fost	Fcst	Frst	Fcst	Fest	Fest	Fest
	20.10	IIBP-10	03.1-07	31-Mac	3G-Apr	31-May	30-Jun	31-Jul	30-Aug	30-Sep	31-04	30-Nov		٤
#of days in month Beginning Cash Ralance	25	25	24	26	26	26	25	56	26	25	26	23	26	
tions	;									Ī	\(\frac{1}{2}\)			Į
Other Tax Ptnrs								•						
Total Collections -net of tax														
Cost of Sales:														
Global Venzon COGS														
Operating Expenses: Payroll (26 Payrolds)														
Benefits includes 401K													-	
AccessLINE									,					
Acquisition Costs				-	2.									
USAC Other Operating Expenses														
Commissions - Agents			·—·											
Cap Leases - Varilease					. ` `									
חופופא וווכאוופ														
Capital Expenditures														
Operating Cashilow "OCF"														
Chapter 11 Distributions: Vertron Post-Petition (212K, 3 Mo's)														
Lucent														
Gen'l Unsec (677K) Cony Class														
Priority Claim - Trento		1-1									,			
Info Directions Someoshein														
Taxes														
Prof Fees (Holdback) Total Charler 11 Distributions														
Net Cashflow "NCF"														
Endist Cark holes Prodit in					-									
Credit Line - Draw (Payment)	_													
Ending Cash per Books														
					A STATE OF THE PERSON NAMED IN COLUMN 1									
Key Assumptions:	-	-												
Revenues / COS:														
Cost of sales prowth of the sear month based c	n line growth of	n red sent	nonth. Revenue	per line per month	(Pricing) consistent	with Dec 2002 levels								
Course ages grant of a man and a man	er and	the months	тагря	nam constant a	evels for 2003.									
4. Estimated Access Collection per month 2003	at Der mor	offi consistent wit	th end of year 20	02 runrates.										
Operating Expensese:														
5. Headcount levels of Pernalning flat (r 2003.	.03.													
7. Acquisition costs at per line provisione	d by telemarket	ng seu	er month) and		of Agent revenues exiting 2002 at anonyimately	-	ler month remained to	to boo direction so	2003					
8. Varilease expires Feb 2003. Lease is renewed at I.m.v	lat i.m.v						Sudding in the last	The state of the s	CH 2003.					
9. Commissions to Agents increase in line with	trategy to double	e agent revenue	s by end of 2003											
Chapter 11 Disbursements:														
11. Tax Liability of bover 6 years at Mer	iver 4 years at 4	% interess		+										
				-					-					
										1	-		-	

Spectrotel, Inc. Statement of Cash Flows For the Month Ended December 31,2002 Preliminary and Unaudited

0.14	Prior	Current	YTD
Cash flows from operating activities: Cash from Local & LD		-	A
Cash from Access Fees			
Cash from agents Miscellaneous Cash			
Total cash received	-		
Cost Of Services			
Cash Paid for Local Service			
Cash Paid for LD Service			
Cash Paid for Enhanced Local			
Miscellaneous COS			
Total cash disbursed for Cos			<u> </u>
Op Exp			
Salaries (including Taxes)			
Operating and Support Systems)
Internal Telecom			•
Travel & Entertainment			
Administration			
Rent			
Insurance			
Telecom Taxes Paid			
Acquisition Costs			
Miscellaneous			
Total Op Exp			
Net cash provided by operating activities			
Restructuring, investing and financing:	•		
Legal - Debtor			
Financial		i	
US Trustee fees			
Bankruptcy settlements			
Legal - Creditor			
Total Restructuring Costs			
Purchase of capital assets			
Payment of capital lease obligations and notes			
Refund Of Customer Deposits And Credits	-		
Net cash provided by restruct, investing and financing			
provided by seasons my coloning and imanoning	8		
Net increase (decrease) in cash			
Beginning cash balance			
Ending cash balance			
-			
		,	/
I affirm that the financial statements are true and	correct:	//	•
1/20		4/9/13	•
Jack Dayan, President & CEO		-///-	
John Dayan, Freezesti & Cabo		Date	
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11 11/2		4 19/03	
Joe Noto, Controller		Date	
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Spectrotel, Inc. Statement of Income For the Month Ended December 31, 2002 Preliminary and Unaudited

	Prior	Current	YTD
Revenue		-	
Cost of Revenue			
Gross Margin	·		
5			
Operating Expenses:			
Salaries, payroll taxes and benefits			
Operating and support systems			
Internal telecom			
Travel and entertainment			
Administration			
Rent			
Insurance			
Acquisition costs			
Bad debt			
Total Operating Expenses			
Income (loss) from operations		:	
Other Income (Expense):			
Interest, net			
Income taxes			
Depreciation			
Amortization			
Misc. Income (loss)			
Total other income (expense)			
Total other meetic (Expense)	<u></u>		
Income before restructuring costs			
Restructuring Costs:			
Network termination			
Gain and loss from settlements			
Legal fees of debtor			
Financial and accounting fees			
U.S. Trustee fees			
Legal and accounting fees of creditor			
Total restructuring costs			
•			
Income before prior period adjustments			
			
Net Income (loss)			
I affirm that the financial statements are true and correct:		/	
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	9/7/05		
Jack Dayan, President & CEO	Date		
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Joe Noto, Controller	Date		
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