

040000-PW

DISTRIBUTION CENTER

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

04 FEB 12 AM 9:12

In re:
ADVANCED TELECOMMUNICATION
NETWORK, INC.,
Debtor.

Case No. 6:03-bk-00299 - ABR
Chapter 11

OBJECTIONS OF DANIEL W. ALLEN TO AMENDED DISCLOSURE
STATEMENT AND INCORPORATED MEMORANDUM OF LAW

DANIEL W. ALLEN, ("Objector"), a creditor with a filed claim in this case, by and through his undersigned counsel, files Objections to Debtor's ("Debtor" or "ATN") Amended Disclosure Statement, dated January 20, 2004. In support thereof, Objector shows to this Court and alleges:

BACKGROUND, OWNERSHIP AND CONTROL OF DEBTOR

1. Daimian Freeman and James R. Becker are Bankruptcy Code §101(31)(B)(i),(ii) and (iii) "insiders," while Mr. Freeman's entities, RBW Holdings, LLC and Telecom Holdings, LLC, respectively owning 60% and 40% of the voting securities of ATN, are statutory "affiliates" under Bankruptcy Code §101(2)(A),(C). Mr. Freeman as ATN's President is in control of ATN's equity holders and controls and operates ATN's largest alleged secured creditor, Wats/800 Holdings, Inc. ("Wats Holdings"), which has been listed as having a first priority secured claim against all assets of ATN. ¹ Wats Holdings is an "insider", acknowledged by ATN in answering Statement of Affairs 3b which lists Wats Holdings as recipient of payments 1 year of filing as an "insider".

2. Prior to Mr. Freeman's October 2000 acquisition of Debtor², Debtor's principal stockholder and manager was Gary Carpenter and he remained ATN's President after October 19, 2000. Prior to October 19, 2000, Wats Holdings, owned and/or controlled by Mr. Freeman, was not a creditor of the Debtor.

3. Prior to October 19, 2000, ATN had dealings with Wats/800, Inc., a company then owned and operated by Mr. Freeman until it filed Chapter 7 in 1996.³

¹ Source: Amended Disclosure Statement page "7" and ATN Schedules in Bankruptcy Schedule "D" and Statement of Affairs "21b".

² Source: Amended Disclosure Statement page "7".

³ Source: Voluntary Petition filed July 19, 1996 in the United States Bankruptcy Court Middle District of Florida by Wats/800, Inc., signed by Damian Freeman in his capacity as President.

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC _____
OTH _____

NONNYK

DOCUMENT NUMBER-DATE

02000 FEB 12 03

FPSC-COMMISSION CLERK

Wats/800, Inc., was plaintiff in a pending New Jersey Federal District Court lawsuit against ATN filed in 1995.⁴ Mr. Freeman, through Wats Holdings, acquired the lawsuit brought by Wats/800, Inc. against ATN by a purchase from Wats/800, Inc.'s Chapter 7 Trustee.⁵ Wats Holdings thereafter substituted itself into the New Jersey Federal District Court lawsuit as plaintiff, and negotiated with ATN and its President, Gary Carpenter an agreed consent judgment in favor of Wats Holdings. To effectuate the same, on October 19, 2000, ATN, operated by Gary Carpenter, as its President, caused its counsel to file a Motion For Entry of Final Judgment in the New Jersey lawsuit, consenting to entry of judgment in favor of Wats Holdings,⁶ in the amount of \$6,000,000 which through negotiations with Gary Carpenter became a secured debt against ATN. This debt appears on ATN's Bankruptcy Schedule D as a \$4,766,978.03 first position lien on all assets of ATN.

4. ATN's December 31, 1999 unaudited balance sheet (Appendix Exhibit 1) and December 16, 1999 audit report (Appendix Exhibit 2) reflect the existence of a Gary Carpenter stockholder loan from ATN in excess of \$11,000,000 dollars. After entry of the New Jersey consent judgment in favor of Wats Holdings, ATN and Wats Holdings appears to have attempted to create a secured obligation which was reflected in filed UCC-1 Financing Statements recorded on November 9 and December 13, 2000, in New Jersey and Florida (Appendix Composite Exhibit 3) while Gary Carpenter, in his capacity as President of ATN, was still active in an official capacity. The Wats Holdings secured debt is approximately one half of the \$8,421,817.16 in debt scheduled by ATN.

CARPENTER'S UNACCOUNTED FOR \$11,000,000 STOCKHOLDER LOANS

5. The Amended Disclosure Statement and schedules in bankruptcy fail to account for the disposition of Mr. Carpenter's \$11 million debt to ATN. No disclosure of the existence or non-existence of such obligation is set forth in either the filed schedules or Amended Disclosure Statement. An ATN financial statement contained in the December 16, 1999 Audit Report (Appendix Exhibit 2) makes reference to the \$11 million borrowed by Gary Carpenter, which was authorized by Carpenter to himself, to purchase the Allens' ATN stock and assume the repayment of the Allens' relieved

⁴ Source: Correspondence from Wilhite and Associates to Sanford F. Schmidt, Esq. dated July 23, 1996.

⁵ Source: Amended Disclosure Statement page "12".

⁶ Source: Motion For Entry of Final Judgment filed by Wats/800 Holdings, Inc. and Advanced Telecommunication Network, Inc. on October 19, 2000 in Civil Action No. 95-5822(JBS) pending in the United States District Court For the District of New Jersey and Final Judgment entered October 19, 2000

stockholder loans. However, no financial statement or other information has been supplied to indicate the disposition of the stockholder loans to Mr. Carpenter.

6. Since November, 2000, ATN's books, records, and financial statement have been in the actual or constructive control of James R. Becker, ATN's Chief Financial Officer ⁷ and it is incumbent upon Messrs. Freeman and Becker to provide evidence that Gary Carpenter's loans have been paid back, or advise the manner and method of satisfying such loans which apparently were removed as an asset on ATN's subsequent tax returns and records.

7. The details, manner, method and inducements utilized by Mr. Freeman to acquire ATN from its stockholder, Gary Carpenter in October, 2000, and the details, manner, method and inducements utilized by Mr. Freeman to persuade Mr. Carpenter to acquiesce to the October 19, 2000 New Jersey consent judgment against ATN while Mr. Carpenter was ATN's majority stockholder and owed ATN \$11 million requires full disclosure. That settlement and consent judgment for \$6,000,000 against ATN has now somehow been transformed into a secured claim against ATN with what is purported to be a first priority lien status. Absent disclosure in the schedules, statement of affairs and Amended Disclosure Statement, the "insider" and "affiliated" party transactions should be viewed by the Court with skepticism until it can be determined whether and to what extent assets have been properly accounted for and/or recovered. Whether the proposed Plan should be confirmed will be dependent upon many factors including, whether it is proposed in "good faith" and not by any means forbidden by law as required by Bankruptcy Code §1129(a)(3).⁸

7. Whether Gary Carpenter repaid his \$11 million stockholder obligation to ATN is not known, but should be fully disclosed. Without complete details, creditors and this Court do not have adequate information with which to evaluate the Plan or the good faith of Debtor in sponsoring the Plan and cannot determine whether the debts alleged as owing, including the secured claim of Wats Holdings should be recognized and paid, or

in Civil Action No. 95-5822(JBS) pending in the United States District Court For the District of New Jersey.

⁷ Source: Debtor's Statement of Financial Affairs, item 19a and b.

⁸ Debtor's lack of "good faith" in this case was initially demonstrated by Debtor's success in forum shopping when it intentionally and initially filed the voluntary petition in this case in the Orlando Division rather than the Tampa Division of the Middle District in complete disregard for Local Bankruptcy Rule 1071-1(c), even though Debtor's filed Voluntary Petition listed Debtor's street address, county of residence and the location of its principal assets as Hillsborough County without listing any affiliated debtor proceedings pending in the Orlando Division.

should be subordinated for its lack of collateral value or inequitable conduct. Full disclosure will reveal whether Debtor and its management properly discharged their respective fiduciary duties to account for and recover all assets, including proceeds of causes of action that may apply to Mr. Carpenter.

8. Debtor's Statement of Affairs indicates that in October 2000, Mr. Freeman achieved a change of ownership and control of ATN by reaching an agreement with ATN's former management and principal stockholder, Mr. Carpenter. That change of control appears to have occurred concurrently with, and as part of, the agreement for entry of the New Jersey District Court consent judgment granted to Wats Holdings. Before approving the Amended Disclosure Statement, the Court should require all necessary documents and information be provided by Debtor to ensure that it is not sanctioning inequitable and collusive conduct by parties to non-disclosed transactions.⁹

9. Gary Carpenter's debt to ATN is reflected in an unaudited ATN balance sheet for the year ended December 31, 1999 (Appendix Exhibit 1) and a 1999 ATN Federal Income Tax 1120S Return (Appendix Exhibit 4) which both reveal stockholder obligations to ATN for stockholder loans in excess of \$9,745,000 as of December 31, 1999. These loans are Gary Carpenter's stockholder loans resulting from the Allens' earlier sale of their ATN stock months before to Carpenter. The Carpenter transaction was also reflected in a footnote to ATN'S audited report, dated December 16, 1999. (Appendix Exhibit 2). It reveals that Mr. Carpenter borrowed from ATN the necessary funding to purchase the Allens' stock in ATN, and records the Carpenter transactions as a stockholder loan receivable from the remaining majority stockholder who also assumed the Allens' stockholders' loans payable to ATN. Inquiry into the disposition of the Carpenter loans is essential to understand the true financial picture of ATN on and from January 12, 1999 and for purposes of voting, understanding the Plan and the propriety of the proposed distributions thereunder.

10. These transactions took place almost two years after the Allens' sale of ATN stock to Carpenter and has been omitted from required disclosure material. These transactions are likely to be highly pertinent to the equities in this case, as well as the classification and treatment of claims. Carpenter's debt to ATN, if indeed it was not

⁹ In addition to those transactions described above, ATN'S Statement of affairs item 3(a) lists Mr. Carpenter as recipient of a \$4,000 payment on October 23, 2002, within 90 days of ATN'S Chapter 11 filing on January 10, 2003, yet no action for its recovery as a preference has been undertaken by Debtor and no other explanation for the payment has been provided in Debtor's filings.

repaid, represents a significant undisclosed asset which should be available to satisfy claims and should have been reflected in Debtor's schedules and Amended Disclosure Statement and was not referenced. Whether Gary Carpenter's loan obligations were repaid, forgiven, written off, or otherwise disposed of, and whether Debtor, its equity holders, insiders and affiliates were involved in their disposition, are important factors relating to the good faith of the entire proceedings, the good faith of Debtor's proposed Plan, and the effect of the Plan on distributions to classes of creditors and equity.

11. Objector does not have ATN's 2000 Federal Income Tax Return or financial statements, and believes that their omission from the Amended Disclosure Statement was intentional in an effort to hide the Carpenter/Freeman negotiations and transactions. Debtor should attach to the Amended Disclosure Statement all documents related to: (a) Freeman's acquisition of ATN; (b) the correspondence and other documents negotiated reflecting the entire transaction surrounding the consent judgment; (c) the Carpenter loans and their disposition; and (d) provide a proper liquidation analysis which reflects the Carpenter transactions if the loans were not repaid. ATN's 2001 1120 Federal Income Tax Return prepared by Debtor's management, and attached without supporting schedules to the Amended Disclosure Statement fails to list Carpenter's stockholder loans as an asset in its January 1, 2001 opening balance. It is reasonable to presume that Freeman and Becker were both aware of all financial obligations between ATN and Carpenter as a result of the normal due diligence that acquisition transactions require. Without the complete tax returns for 2000 and 2001, and financial statements for such periods, there is little opportunity to understand the transactions undertaken.

12. If facts when disclosed reveal tying or step transactions and agreements which deprived ATN of assets, Objector believes such conduct may have a significant effect on confirming Debtor's Plan, post confirmation ownership and control of ATN and proposed distributions under the Plan. The Plan and Amended Disclosure Statement are suspect and raise serious questions relating to the bona fides of ATN's Chapter 11 filing, its litigation strategy to pursue the Allens, and the good faith of Debtor's Plan.

13. Until Debtor accounts for Gary Carpenter's \$11 million obligation, the "Hypothetical Liquidation Analysis" annexed to the Amended Disclosure Statement should not be accepted or relied upon by the Court and creditors. If the debt owed by Mr. Carpenter was not repaid or was improperly written off with the knowledge, acquiescence or participation of Debtor's existing management, such involvement may

have a significant bearing upon the priority and enforceability of Wats Holdings' alleged secured debt, which represents approximately \$4.6 million of ATN's scheduled \$8,421,817.16 debt.

14. Given the many hats Debtor's management has worn and the potential for conflict, absent the existence of a creditors' committee, examiner or trustee to review the transactions of Debtor, Carpenter and Wats Holdings, the Court should compel Debtor to fully disclose all factors and provide documentation to support the Amended Disclosure Statement.

THE AMENDED DISCLOSURE STATEMENT FAILS TO SET FORTH THE NATURE AND CHARACTER OF THE TRANSACTIONS GIVING RISE TO SECURED CLAIMS AND THE VALUE OF COLLATERAL HELD BY INVESTMENT PARTNERS AS A SECOND LIEN HOLDER AND WATS HOLDINGS AS A FIRST LIEN HOLDER

15. The relationship of Wats Holdings to ATN and Investment Partners to Wats Holdings and ATN has not been adequately described. The Amended Disclosure Statement does not connect Wats Holdings with Investment Partners other than to state that the relationship with ATN stems from litigation with ATN which concluded in the fall of 2000 and the litigation in both lawsuits relate to a transfer of a customer base from Wats/800, Inc. to ATN. It does indicate that Wats Holdings' lawsuit dealt with, *inter alia*, breach of contract issues, and that the Investment Partners litigation dealt with, *inter alia*, a wrongful conversion of collateral. Debtor's Schedule D does little to inform the reader as to the nature and scope of the alleged secured positions and merely lists Investment Partners, LLP as a "2nd Position Lien On Assets" for \$2,713,148.27 with the value of the collateral "Unknown" and lists Wats Holdings as a "1st Position Lien On All Assets" for \$4,766,978.03 with the value of collateral "Unknown". Creditors are entitled to know more about the nature of the collateral held by each secured creditor, and how the secured claims came into existence and were documented.

16. The mere granting of a money judgment, even by consent of the parties, generally does not bestow upon the judgment creditor, the status of a secured claim. Additional action is required to convert a money judgment into a secured claim with a perfected lien. Lien searches in both New Jersey and Florida reveal no evidence of the issuance of execution on Wats Holdings' \$6,000,000 judgment leading to the conclusion that ATN granted some form of consensual lien to each of the secured creditors. Debtor has wholly failed to disclose (1) what transaction took place, (2) whether there was a

relationship between the two secured creditors to achieve a common goal to become secured claimants against ATN, (3) if so, how was it implemented, and (4) the role of Debtor's current management in structuring the transactions so that Wats Holdings achieved what is purported to be a first lien and Investment Partners, who may have had a lien senior to Wats Holding, is now scheduled as a second lien holder. We do not know the details and can only speculate as to the nature, extent and validity of the alleged secured claims of each secured creditor.

17. Appendix Composite Exhibit 3 indicates that Gary Carpenter, as President of ATN executed two nearly identical UCC-1 Financing Statements which were recorded against ATN on the same date, November 9, 2000, at the same time, 9:01 a.m., with the State of New Jersey, and on December 13, 2000, also at the same time, 4:52 p.m., with the State of Florida, one in favor of Wats Holdings, and the other, in favor of Investment Partners LLP. Notwithstanding the first secured position granted Wats Holdings over Investment Partners LLP's second secured position as reflected on the Schedules, it is Investment Partners LLP, not Wats Holdings, whose UCC-1 Financing Statement was recorded first in both New Jersey and in Florida. Both the Wats Holdings and Investment Partners LLP Florida recorded UCC-1 Financing Statements contain a legend providing that they are to be returned to the same lawyer in Evansville, Indiana, while all four UCC-1 financing statements appear to have been typed on the same computer or typewriter, and cover the same property, yet fail to identify whether a first or second lien is granted, or the basis for the issuance of the UCC-1 Financing Statement. Consequently, it is necessary to see whether and to what extent a security interest agreement may exist between Debtor and each of the alleged secured creditors, and the terms of any inter-creditor agreement that may have been executed between Wats Holding and Investment Partners. The Amended Disclosure Statement and schedules are devoid of any such information.

18. There is evidence in the Amended Disclosure Statement and proposed Plan that the secured claims asserted by Wats Holding and Investment Partners may have minimal or no value. The Amended Disclosure Statement provides that of \$4.6 million in alleged secured claims owed to Wats Holdings, all but \$380,000 will be treated as a Class 4 unsecured claim. The alleged secured claim of Investment Partners is for the very same collateral represented as having no secured value, and is to be treated as a Class 4 unsecured Claim. The Wats/800, Inc. Chapter 7 Trustee who sold the debtor's claims,

valued the claims purchased by Wats Holdings at no more than \$10,000. Based upon these facts, Wats Holdings cannot obtain a post confirmation secured position when it would otherwise not be entitled to one where it has admitted there is no collateral value. The result of this is that Debtor's proposed plan cannot be confirmed because it unfairly discriminates against unsecured creditors, such as Dan Allen, because debt service, including interest and amortization, will be paid to Wats Holdings post confirmation.

19. Paragraph 3(a) of the Debtor's Statement of Financial Affairs states ATN paid and Wats Holdings received \$25,000 within 90 days, and \$355,000 within one year of ATN's bankruptcy filing. Debtor acknowledges that Wats Holdings is an "insider" (Paragraph 3(b) of its Statement of Financial Affairs). Notwithstanding this, the Amended Disclosure Statement makes no reference to the possibility of a preference recovery or lawsuit to be brought against Wats Holdings as an "insider." Since Investment Partners, LLP filed its UCC-1 Financing Statement first, and Debtor in its Amended Disclosure Statement and Plan has attributed no value to that secured creditor's collateral, which is the same collateral allegedly securing Wats Holding, Wats Holdings' receipt of pre-petition payments totaling \$380,000 is a clear preference that should be disclosed, pursued and disgorged. A clear pattern has emerged that ATN and its management has chosen to forego its fiduciary duties by abandoning any claims it may have against its affiliated or insider parties.

NO EXPLANATION IS OFFERED FOR REDUCTION IN ATN ASSETS

20. Debtor's Year 2000 financial statements and Federal Income Tax information have not been supplied. Year 2000 is a key and significant year, for in this year, Mr. Freeman and Mr. Becker acquired ownership and assumed control of ATN from its majority shareholder, Gary Carpenter. A two-page year 2001 1120 Federal Income Return attached to the Amended Disclosure indicates that in 2001, under Mr. Freeman and Becker's watch, ATN experienced a reduction of assets to \$573,645. By contrast, in year ended December 31, 1999, the 1120 Federal Income Tax Return (Appendix Exhibit 4) indicates that ATN assets totalled \$13.339 million. No explanation is offered in Debtor's Amended Disclosure to account for the substantial reduction in assets of nearly \$12.7 million.

LEGAL MEMORANDUM

21. The Bankruptcy Code, 11 U.S.C. §1125(a) defines "Adequate information" to be:

“***information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records, that would enable a hypothetical reasonable investor typical of holders of claims or interest of the relevant class to make an informed judgment about the plan, ****”.

22. The instant Amended Disclosure Statement fails to satisfy the standards as enumerated in 11 U.S.C. §1125(b) which prohibits a plan from being distributed for consideration unless the bankruptcy judge is satisfied that the statement contains “adequate information.” A determination as to the adequacy of the contents of a disclosure statement necessarily depends upon the facts and circumstances of each case. Adequate information should include the disclosure of any litigation likely to arise in either a bankruptcy or a non-bankruptcy context. Eubanks v. Federal Deposit Ins. Corp., 970 F.2d 1389 (5th Cir. 1992).

23. Under 11 U.S.C.S. § 1125(b), a party seeking Chapter 11 bankruptcy protection has an affirmative duty to provide creditors with a disclosure statement containing adequate information to enable a creditor to make an informed judgment about the plan. 11 U.S.C.S. § 1125(a)(1). Debtors must therefore identify and disclose all property of the estate including all of the debtor's legal and equitable property interests. Krystal Cadillac-Oldsmobile GMC Truck, Inc. v. GMC, 337 F.3d 314, 321 (3d Cir. 2003). A long-standing tenet of bankruptcy law requires one seeking benefits under its terms to satisfy a companion duty to schedule, for the benefit of creditors, all his interests and property rights. Therefore, preparing and filing a disclosure statement is a critical step in the reorganization of a Chapter 11 debtor. It is the pivotal concept in reorganization of a Chapter 11 debt. Id. at 322. The Bankruptcy Code requires that a debtor list potential causes of action, not merely claims it actually intends to sue on at the time of the required disclosure. It has been held that a debtor must disclose any litigation likely to arise in either a bankruptcy or non-bankruptcy context. While courts do not require debtors to list hypothetical claims that are so tenuous as to be fanciful, creditors and the bankruptcy court rely heavily on the debtor's disclosure statement in determining whether to approve a proposed reorganization plan; therefore, the importance of full and honest disclosure cannot be overstated. If the debtor has enough information prior to confirmation to suggest that it may have a possible cause of action, then that is a known cause of action such that it must be disclosed. Id. at 323.

24. In submitting a disclosure statement, debtors have a duty to provide adequate information, defined as information of a kind, and in sufficient detail as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, that enables a hypothetical reasonable investor to make an informed judgment about the plan. Peterson v. Scott (In re Scott), 172 F.3d 959, 967-68 (7th Cir. 1999). A debtor-in-possession owes a fiduciary duty to his or her creditors, and that duty requires the debtor-in-possession to furnish such information concerning the estate and the estate's administration as is requested by a party in interest. Id. Disclosure statements are for the purpose of disclosure; the intentional withholding of relevant information is not sanctioned. Id. Failure to use reasonable care in preparing a disclosure statement found to be inaccurate can result in sanctions. Jacobson v. AEG Capital Corp., 50 F.3d 1493, 1501 (5th Cir. 1995).

CONCLUSION

ATN'S Amended Disclosure is significantly deficient in providing the sort of "adequate information" required under Bankruptcy Code §1125(a) and (b) that enables a hypothetical reasonable investor to make an informed judgment about the plan. ATN has failed to disclose or provide explanation and documentation for:

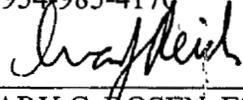
- (a) Gary Carpenter's stockholder loans from ATN in excess of \$11 million borrowed by Mr. Carpenter in 1999, and which are now not reflected in the Schedules in Bankruptcy or Debtor's Amended Disclosure Statement as paid or otherwise satisfied, and if not paid, what course of action ATN intends to take to recover the same;
- (b) the reduction in ATN assets of approximately \$12.7 million dollars from Year end 1999 to Year end 2001;
- (c) whether it will institute proceedings for the recovery of "insider" preferences against management controlled and affiliated entities described in the Statement of Financial Affairs;
- (d) the relationship, transactions and value of alleged secured interests asserted by Wats Holding and Investment Partners, or provide evidence of the execution of a security interest or other mortgage agreement to support filed UCC-1 Financing Statements;
- (e) unfair discrimination; and

(d) a reasonable liquidation analysis reflecting all assets and the liquidation and/or recovery thereof in terms of values.

The Amended Disclosure Statement should not be approved for distribution by ATN for solicitation and voting until there is "adequate information" and documentation provided by ATN, and further until this Court has ruled on Objector's Motion to Compel Debtor To Amend Filed Schedules in Bankruptcy scheduled for February 18, 2004, and Debtor has so amended its schedules as required by order of this Court.

Respectfully submitted,

BECKER & POLIAKOFF, P.A.
Attorneys for Objector, Daniel W. Allen
3111 Stirling Road, P.O. Box 9057
Ft. Lauderdale, FL 33310-9057
PH: 954-985-4133 / 954-985-4135
Fax: 954-985-4176

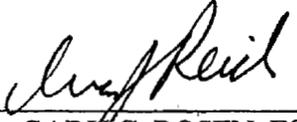
By: 

GARY C. ROSEN, ESQ.; FBN 310107
IVAN J. REICH, ESQ. FBN 778011

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent by facsimile and Fedex to R. Scott Shuker, Esq., Attorney for Plaintiff, Gronek & Latham, L.P., 390 N. Orange Avenue, Suite 600, Orlando, Florida 32801; and via regular mail to Kenneth C. Meeker, Assistant U.S. Trustee, United States Trustee's Office, 135 W. Central Blvd., Suite 620, Orlando, Florida 32801, and all parties on the attached Service List on this 10th day of February, 2004.

BECKER & POLIAKOFF, P.A.

By: 

GARY C. ROSEN, ESQ.
IVAN J. REICH, ESQ.

Label Matrix for USBC
Middle District of Florida
Case 6:03-bk-00299-ABB
Mon Feb 9 15:11:08 EST 2004

3 Rivers Telephone Cooperative
PO Box 429
Fairfield, MT 59436

800 Portability
138 Toppin Drive
Hilton Head, NC 29926

800 Portability
138 Toppin Drive
Hilton Head, Sc 29926

Aci Billing Services Inc
9255 Corbin Avenue
Northbridge, Ca 91324

Advanced Telecommunication Network Inc.
2502 N. Rocky Point Dr., Ste 860
Tampa, FL 33607

Airborne Express
P.O. Box 662
Seattle, Wa 98111

Airbourne Express, Inc.
3131 Elliott Ave, Ste 200 - AGCY
Seattle, WA 98121-1047

Alabama Dept Of Revenue
1409 Colesium Blvd
Montgomery, Al 36130

Allegiance Telecom Of
Maryland Inc
Po Box 847032
Dallas, TX 75284--7032

Allegiance Telecom Of
Texas Inc.
Po Box 847032
Dallas, TX 75284--7032

Allegiance Telecom Of Fl Inc
PO Box 847032
Dallas, Tx 75284--7032

Allegiance Telecom Of New
Jersey, Inc
Po Box 847032
Dallas, TX 75284--7032

Allegiance Telecom Of Pa Inc
PO Box 847032
Dallas, Tx 75284--7032

Alliance Telecommunications
Corporation
Po Box 72
Ada, MN 56510

Altel
PO Box 391
Cedar Knolls, Nj 07927

Ameritech
Lec Service Billing
Po Box 1838
Saginaw, MI 48605

Ameritech Indiana Cabs
PO Box 1838
Saginaw, Mi 46805

Ameritech Indiana Cabs
undeliverable

Anchor Protective System Inc
112 Ninth Avenue
Haddon Heights, Nj 08035

Arizona Dept Of Revenue
PO Box 29010
Phoenix, Az 85038

Arizona Usf
PO Box 360802
Pittsburgh, Pa 15251

Atlantax Systems Inc.
4360 Chamblee Dunwoody R
Suite 550
Atlanta, GA 30341

Attorney General of MI
c/o Peggy A. Housner
First Floor Treasury Bldg
Revenue & Collections Div
Lansing, MI 48922

Avaya
PO Box 5332
New York, Ny 10087

Avaya Inc.
Undeliverable

Avci Inc
Undeliverable

Avm Services
PO Box 780
Oaks, Pa 19456

Jillian K. Aylward
Universal Svc Admin Co
2120 L. Street, NW Ste 600
Washington, DC 20037

Bell South
PO Box 105373
Atlanta, Ga 30348

Bellsouth
Bell South Pro-cabs
Po Box 105373
Atlanta, GA 30348

Bellsouth
Bellsouth Pro-cabs
Po Box 105373
Atlanta, GA 30348

Bf Molz Inc
4 E Stow Road
Suite 12
Marlton, NJ 08053

Board Of Cnty Commissioners
Clay County
Po Box 698
Grn Cove Sprgs, FL 32043

Boone County
PO Box 198
Burlington, Ky 41005

Arthur B. Briskman
135 WEST CENTRAL BLVD.
SUITE 950
ORLANDO, FL 32801

Kay D. Brock
Bankruptcy & Collections Division
PO Box 12548
Austin, TX 78711

Andrew M. Brumby
PO Box 4956
Orlando, FL 32802

C-notes Interactive Inc
64 Brevoort Road
Chappaqua, Ny 10514

CIT Communications Finance Corp
1 CIT Drive 4104A
Livingston, NJ 07039

California Puc
PO Box 942867
Sacramento, Ca 94267

Campbell County
4th And York Streets
Newport, Ky 41071

Capehart & Scatchard Pa
8000 Midatlantic Drive
Suite 300
Mt Laurel, NJ 08054

Carter Leyard & Milburn
2 Wall Street
13th Floor
New York, NY 10005

Ceridian Benefits Service
3201 34th St S
Saint Petersburg, Fl 33711

Cit Communications Finan
Drinker, Biddle & Shanle
500 Campus Drive
Florham Park, NJ 07932

Cit Communications Finance
65 Cit Drive
Livingston, Nj 07039

Citizens Communcation 584
undeliverable

Citizens Communication
567 Cabs Department
Po Box 20540
Rochester, NY 14602

Citizens Communication
584 Cabs Department
Po Box 20540
Rochester, NY 14602

Citizens Utility Rate Payer
Board Accting Office
1500 Sw Arrowhead Rd
Opeka, KS 66604

City And County Of Denver
Treasury Division
Po Box 17420
Denver, CO 80217

City Of Bartow
PO Box 1069
Bartow, Fl 33831

City Of Boulder
PO Box 791
Boulder, Co 80306

City Of Boulder City
401 California Ave
Boulder City, Nv 89005

City Of Bremerton
239 4th Street
Breberton, Wa 98337

City Of Colorado Springs
PO Box 1575
Colorado Sprng, Co 80901

City Of Covington
638 Madison Avenue
Covington, Ky 41011

City Of Elgin
150 Dexter Ct
Elgin, Il 60120

City Of Erlanger
PO Box 18818
Erlanger, Ky 41018

City Of Henderson
Finance Dept
Po Box 95007
Henderson, NV 89009

City Of Independence
5247 Madison Pike
Independence, Ky 41051

City Of Lagrange
410 W Jefferson St
Lagrange, Ky 40031

City Of Lakewood
Dept Of Finance
10510 Gravelly Lk Dr Sw
Lakewood, WA 98499

City Of Largo
Mngmnt Serv Dept
Po Box 296
Largo, FL 33779

City Of Las Vegas
Dept Of Finance
400 E Stewart St
Las Vegas, NV 89101

City Of Los Angeles
201 N Figueroa St
Suite 1400
Los Angeles, CA 90012

City Of Los Angeles
Office Of The City Atty
201 N Figueroa St Ste 1400
Los Angeles, CA 90012

City Of Louisville
Delinquent Property Tax Division
Po Box 37720
Louisville, KY 40233

City Of Naperville
PO Box 3020
Naperville, IL 60566

City Of Newport
Finance Dept
998 Monmouth Street
Newport, NY 41071

City Of North Port
Finance Dept
5650 North Port Blvd
North Port, FL 34287

City Of Owensboro
PO Box 10003
Owensboro, Ky 42302

City Of Park Hills
Tax Collector
1106 Amsterdam Road
Park Hills, KY 41011

City Of Pompano Beach
Treasury Division
Po Drawer 1300
Pompano Beach, FL 33061

City Of Seattle
Revenue And Consumer Aff
700 Th Ave Ste 400
Seattle, WA 98104

City Of Seattle
Undeliverable

City Of Tavares
PO Box 1068
Tavares, FL 32778

City Of Temple Terrace
PO Box 16930
Temple Terrace, FL 33687

City Of Tucson
PO Box 27320
Tucson, Az 85726

City Of Vero Beach
PO Box 1389
Vero Beach, FL 32961

City Of Winterhaven
PO Box 2277
Winter Haven, FL 33883

City Of Zephyrhills
Finance Dept
5335 Eighth Street
Zephyrhills, FL 33540

City and County of Denver
c/o Eugene J. Kottenstette
201 W. Colfax Ave Dept 1207
Denver, CO 80202

City and County of Denver/Treasury
McNicholas Civic Center Bldg
144 W. Colfax Ave Room 384
Denver, CO 80202

Colorado Dept Of Revenue
1375 Sherman St
Denver, Co 80261

Commerce Bank
357 Kings Highway
Cherry Hill, Nj 08003

Commonwealth Massachusetts
Secretary Of States Offi
1 Ashburton Place Rm 1717
Boston, MA 02108

Commonwealth Of Kentucky
Revenue Cabinet
200 Fair Oaks Lane 4th Flr
Frankfort, KY 40620

Commonwealth Of Pennsylvania
PENnsylvania Puc
Po Box 3265
Harrisburg, PA 17105

Commonwealth of Kentucky Revenue Cabinet
100 Fair Oaks 5th Fl
PO Box 491
Frankfort, KY 40602

Commonwealth of PA
PA Department of Revenue
c/o Robert C. Edmundson
564 Forbes Ave, 5th Fl
Pittsburgh, PA 15219

Communications 1
685 East 187 Street
Room 204
Bronx, NY 10458

Compaq Computer Corporation
110 Spitrock Road
Mailstop Zk02-2/r94
Nashua, NH 03062

Comtelco
PO Box 3276
Kingsport, Tn 37664

Connecticut Department of Revenue Servic
25 Sigourney Street
Hartford, CT 06106

Corecomm
PO Box 57194
Philadelphia, Pa 19111

Corporate Communications
PO Box 683
Atco, Nj 08004

Countrywide Network
1017 East 157th Street
Burnsville, Mn 55306

County Of Bullitt
Attn Payl Parsely
Po Box 205
Shephardsville, KY 40165

County Of Volusia
Dept Of Finance
123 W Indiana Ave
Deland, FL 32720

Ct Corporation System
PO Box 4349
Carol Stream, Il 60197

D. Scott Barash
V.P. & General Counsel
2120 L. Street, NW Ste 600
Washington, DC 20037

Dale Technologies
PO Box 194
Thornwood, Ny 10594

Daniel Allen
7 Shingle Oak Drive
Voorhees, Nj 08043

Daniel W. Allen
c/o Robert L. Young
PO Box 1171
Orlando, FL 32802

Daniel W. Allen
C/o Pasquale Guglietta
1810 Chapel Ave West
Cherry Hill, NJ 08002

Daniel W. Allen
PASquale Guglietta
1810 Chapel Ave West
Cherry Hill, NJ 08002

Daniel W. Allen
c/o Robert L. Young
PO Box 1171
Orlando, FL 32802

David Allen
8832 Southern Breeze Drive
Orlando, FL 32836

David Allen
undeliverable

David Finger
1201 Orange St, Ste 725
Wilmington, DE 19801-1155

Dcra
Corporation Division
Po Box 92300
Washington, DC 20090

Dept Of Public Utilities
State Of North Carolina
4325 Mail Service Center
Raleigh, NC 27699

Robert C. Edmundson
Office of Attorney General
5th Floor Manor Complex
564 Forbes Avenue
Pittsburgh, PA 15219

Edward B Flink
Flink, Smith & Assoc.
7 Airport Park Blvd
Latham, NY 12110

Elverston Jordan
123 Kings Hwy East
Haddonfield, Nj 08033

Eugene J. Kottenstette
Asst City Atty, Land Use and Revenue
201 West Colfax Ave Dept 1207
Denver, CO 80202

Evans House
C/o Edward B Flink
7 Airport Park Blvd
Latham, NY 12110

Executive IV, LLC
c/o Matthew Podolnick
4300 Haddonfield Rd Ste 311
Pennsauken, NJ 08109

Executive IV, LLC
c/o Matthew Podolnick
4300 Haddonfield Rd Ste 311
Pennsauken, NJ 08109

Executive Iv Llc
1060 N Kings Highway
Suite 250
Cherry Hill, NJ 08034

Federal Communication
undeliverable

Federal Express
PO Box 1140
Memphis, Tn 38101

First Union National Bank
PO Box 96020
Charlotte, Nc 28296

Fl Dept Of Revenue
PO Box 6520
Tallahassee, Fl 32314

Fl Telecommunications Relay
undeliverable

Florida Department Of Revenue
Bankruptcy Unit
Po Box 6668
Tallahassee, FL 32314-6668

Florida Public Service
Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399

Forcedmatrix.com Inc
2502 N Rocky Point Dr #860
Tampa, Fl 33607

Gary Carpenter
50 Chews Landing
Cherry Hill, Nj 08033

Gary Carpenter
50 Chews Landing Dr.
Haddonfield, Nj 08033

Georgia Dept Of Revenue
PO Box 105499
Atlanta, Ga 30348

Georgia Puc
244 Washington Street Sw
Atlanta, Ga 30334

Gerald E Paladino Jr
564 Fairthorne St
Philadelphia, Pa 19128

Gerald Madden
2d Palm Point
St Pete Beach, FL 33706

Gordon & Weinberg, PC
21 South 21st St
Philadelphia, PA 19103

Great Sthern Life Insurance
Co
Po Box 97752
Dallas, TX 75397

Greenup County
PO Box 318
Greenup, Ky 41144

Henderson County
Courthouse
Henderson, Ky 42420

Margaret A Holland
NJ Division of Taxation
R J Hughes Justice Complex
P O Box 106
Trenton, NJ 08625

Hon Melvin Smith
601 E. Kennedy Blvd
Tampa, Fl 33602

John Honis
3456 Purdue Avenue
Dallas, TX 75225

Peggy A. Housner
Revenue and Collections Div
First Floor Treasury Bldg
Lansing, MI 48922

Hudson & Felzer Pc
Lori Graboyes
900 Route 168 Suite C-2
Turnersville, NJ 08012

Ids
1525 Northwest 167th Str
2nd Floor
Miami, FL 33169

Illinois Commerce Commission
527 E Capitol Ave
Springfield, Il 62701

Illinois Dept Of Revenue
PO Box 70300
Louisville, Ky 40270

Illinois Dept of Revenue
Bankruptcy Unit
100 W. Randolph #7-425
Chicago, IL 60601

Illinois Municipal League
PO Box 5180
Springfield, Il 62705

In Utility Regulatory Commn
302 W Washington St
Suite E-306
Indianapolix, IN 46204

Infotel Directories
5 Cotton Lane
Champlain, Ny 12929

Intele-choice Communications
Undeliverable

Investment Partners Llp
C/o Jeffrey Helfrich
501 Main Street, Ste 305
Evansville, IN 47708

Investment Partners, LLP
c/o Andrew M.rumby
PO Box 4956
Orlando, FL 32802

Investment Partners, LLP
c/o Andrew M. Brumby
PO Box 4956
Orlando, FL 32802

Iowa Utilites Board
350 Maple Street
Des Moines, Ia 50319

Irs Special Procedures
400 W Bay Street, Suite 35045
Jacksonville, Fl 32202-4437

John Honis
C/o Edward B Flink
7 Airport Park Blvd
Latham, NY 12110

Johson County
William Whitten Sheriff
Second St
Paintsville, KY 41240

Joseph Honis
4271 Henderson Pl
Syracuse, Ny 13219

Kansas Corp Commission
Accounting Office
1500 Sw Arrowhead Rd
Topeka, KS 66604

Karen Phillips House
C/o Edward B Flink
7 Airport Park Blvd
Latham, NY 12110

Kay D. Brock
Asst Atty Gen, c/o Martha M. Pena
Ofc of Atty Gen, Babkruptcy & Collection
POB 12548, Austin, TX 78711

Eugene J. Kottenstette
City & County of Denver
201 W. Colfax Ave Dept 1207
Denver, CO 80202

Kulzer & Dipadove
76 Euclid Avenue
Haddonfield, Nj 08033

Laserlink.net
112 Chelsey Drive
Media, Pa 19063

Lecstar Communications
4501 Circle 75 Pkwy
Atlanta, Ga 30339

Ronald J. LoRicco
LoRicco, Trotta & LoRicco, LLC
216 Crown Street Ste#502
New Haven, CT 06510

Long Distance Consultants
PO Box 846
Fair Lawn, Nj 07410

Louisiana Dept Of Revenue
PO Box 201
Baton Rouge, La 70821

Louisville And Jefferson
County Revenue Commission
Po Box 37720
Louisville, KY 40233

Louisville/Jefferson Cty Metro Governmen
Fiscal Court Bldg
531 Court Place, Ste 1001
Louisville, KY 40202

Maine Puc
242 State Street
18 State House Station
Augusta, ME 04333

Margaret A Hollamd DAG
New Jersey Atty Genl Office/Div of Law
R J Hughes Justice Complex
P O Box 106
Trenton NJ 08625, 08625

Marshall County
202 West 5th Street
Benton, Ky 42025

Matthew Podolnick Esq
4300 Haddonfield Rd
Suite 311
Pennsauken, NJ 08109

Mccracken County
Frank Augustus, Sheriff
Mccracken Courthouse
Paducah, KY 42003

Mci Worlcom
6926 N Lakewood
Tulsa, Ok 74117

Mcleodusa Telecom Svc
PO Box 3253
Cedar Rapids, Ia 52406

Metracom
4 Conant Road
Weston, Ma 02493

Michigan Treasury Collection
PO Box 30199
Lansing, Mi 48909

Minnesota Dept Of Commerce
85 7th Place East
Suite 500
St Paul, MN 55101

Minnesota Puc
121 7th Place East
Suite 350
St Paul, MN 55101

Missouri
Department Of Revenue
Po Box 475
Jefferson City, MO 65105

Missouri Department Of Revenue
Bankruptcy Unit Attn: Gary Barnhart, Po
Jefferson City, Mo 65105

Missouri Dept Of Revenue
Division Of Tax & Collec
Po Box 3390
Jefferson City, MO 65105

Missouri Psc
PO Box 360
Jefferson City, Mo 65102

Mpower Communications Corp
Carrier Billing
Po Box 36430
Las Vegas, NV 89133

Ms State Tax Commission
Corp Income Franchise Tax
Po Box 1033

N Carolina Dept Of Revenue
PO Box 25000
Raleigh, Nc 27640

NBANC
805 Jefferson Rd
Whippany, NJ 07981

NECA Oklahoma Universal Service Fund
NECA OUSF
80 S. Jefferson Rd
Whippany, NJ 07981

Nebraska Psc
PO Box 94927
Lincoln, Ne 68509

Neca - Trs
80 South Jefferson Road
Attn: Jeff Henderson
Whippany, NJ 07981

Neca - Trs
PO Box 360090
Pittsburg, Pa 15251

Neca - Trs
PO Box 360090
Pittsburgh, Pa 15251

Nemont Telephone Cooperative
PO Box 600
Scobey, Mt 59263

Network Intergration Group
PO Box 207
Lansford, Pa 18232

Network Operator Services
PO Box 3529
Longview, Tx 75606

Neustar Inc.
1120 Vermont Ave Nw # 400
Washington, Dc 20005

New Mexico Puc
PO Box 1269
Santa Fe, Nm 87504

New York Access Billing
100 State Street
Auite 650
Albany, NY 12207

New York Access Billing Ocn
8822
100 State St Ste 650
Albany, NY 12207

New York State Department
Of Taxation & High Value
Po Box 1909
Albany, NY 12201

New York State Departmet Of Tax
Bankruptcy Section
Po Box 5300
Albany, NY 12205

New York State Dept of Taxation & Financ
Bankruptcy Section
PO Box 5300
Albany, NY 12205

Newsouth Communications
2 N Main Street
Greenville, Sc 29601

North Carloina
Utilities Commission
Po Box 29510
Raleigh, NC 27626

North State Telephone Co
Accounting Dept
Po Box 2326
High Point, NC 27261

Nys Dept Of Public Service
Box 646
Albany, Ny 12201

Ohio Dept Of Taxation
PUBLIC Utility Tax Div
Po Box 530
Columbus, OH 43266

Oklahoma Business Tax Accts
PO Box 53248
Oklahoma City, Ok 73152

Oklahoma High Cost Fund
800 N Harvey Rm 199
Oklahoma City, Ok 73102

Oklahoma Tax Commission
Bankruptcy Section/General Counsel Off
P.O. Box 53248
Oklahoma City, OK 73152-3248

Operating Telephone Subsidiaries
First Liberty bank Tower
201 Second St Ste 1000
Macon, GA 31201

Oregon Puc
550 Capitol Street Ne
Salem, Or 97301

Output Technology Solutions
125 Ellington Rd
South Windsot, Ct 06074

Pa Dept Of Revenue
4 Revenue Place
Harrisburg, Pa 17129

Pa Usf
PO Box 360395
Pittsburgh, Pa 15251

Pasquale Guglietta
Commerce Center 3rd Flr
1810 Chapel Avenue W
Cherry Hill, NJ 08002

Pat Tragno
507 Benttree Ct
Oswego, .Il 60543

Pbcc
undeliverable

Pennsylvania Department of Revenue
Commonwealth of Pennsylvania/Bankruptcy
Department 280946
Harrisburg, PA 17128-0496

Pitney Bowes Inc.
PO Box 856390
Louisville, Ky 40285

Pitney Bowes Ltd.
Financial Services
7322 Sw Freeway Ste 1600r
Houston, TX 77074

Plant Connection
400 Hartford Rd
Moorestown, NJ 08057

Platform Technologies Inc
Jeannie Falatek
129 Shasta Rd
Plymouth Mtg, PA 19462

Platinum Communications
13455 Noel Rd #1130
Dallas, Tx 75240

Matthew Podolnick
Sherman, Silverstein, Kohl et al
4300 Haddonfield Rd Ste 311
Pennsauken, NJ 08109

Postmaster Of Cherry Hill
Cherry Hill Post Office
Camden County, Nj 08003

Price Waterhouse-
Coopers Securities
1751 Pinnacle Dr
McLean, VA 22102

Private Payphone
Owners Network
4001 S Decatur #37-384
Las Vegas, NV 89103

Profitec
C/o Amy Johnson
216 Crown St #502
New Haven, CT 06510

Profitec
PO Box 9386
Providence, Ri 02940

Profitec, Inc
c/o Ronald J. LoRicco
216 Crown St Ste #502
New Haven, CT 06510

Profitec, Inc
c/o Ronald J. LoRicco, Sr.
216 Crown St Ste 502
Bew Haven, CT 06510

Psi Net Inc.
Undeliverable

Public Service Commission
Of West Virginia
Po Box 812
Charleston, WV 25323

Public Service Commission Of
Wisconsin
Po Box 7854
Madison, WI 53707

Purchase Power
PO Box 856042
Louisville, Ky 40285

Qwest
PO Box 2348
Seattle, Wa 98111

Qwest
PO Box 3400
Omaha, Ne 68103

Ivan J Reich
3111 Stirling Road
Fort Lauderdale, FL 33312

Ribbons Express
815 Hylton Rd
Suite 3
Pennsauken, NJ 08110

Robert C. Edmundson
5th Fl Manor Complex
564 Forbes Avenue
Pittsburgh, PA 15219

Robert Carpenter
400 Haddon Avenue Unit
Haddonfield, Nj 08033

S.C. Department of Revenue
PO Box 125
Columbia, SC 29214

Schnader Harrison
Segal & Lewis, Llp
1600 Markey St Ste 3600
Philadelphia, PA 19103

Schnader Harrison
Undeliverable

Schnader Harrison Segal & Lewis LLP
Nicholas J. LePore, III
1600 Market St Ste 3600
Philadelphia, PA 19103

Scott County
119 N Hamilton St
Georgetown, Ky 40324

Secretary Of State Of Iowa
Business Services Division
Hoover Bldg, 2nd Floor
Des Moines, IA 50319

Seminole County
Dept Of Fiscal Services
1101 E First Street
Sanford, FL 32771

Sherri Pittington
7002 W Indian School
Phoenix, Az 85033

R. Scott Shuker
Gronek & Latham, LLP
P.O. Box 3353
Orlando, FL 32802-3353

Skytel
PO Box 740577
Atlanta, Ga 30374

Skytel Communications
PO Box 22809
Jackson, MS 39225

Sms/800 Business Manager
8 Corporate Place, Pya 3d109
Piscataway, Nj 08854

Snet
PO Box 9608
New Haven, Ct 06535

South Carolina Puc
Accounting Dept
Po Drawer 11649
Columbia, SC 29211

South Dakota Puc
500 East Capitol Ave
Pierre, Sd 57501

Southwestern Bell
PO Box 3025
Houston, Tx 77097

Southwestern Bell
PO Box 4843
Houston, Tx 77097

Southwestern Bell
PO Box 630017
Dallas, Tx 75263

Southwestern Bell
PO Box 930170
Dallas, Tx 75393

Sprint
Local Telecom Div
Po Box 219489
Kansas City, MO 64121

Sprint
Local Telecommunication
Po Box 219489
Kansas City, MO 64121

Sprint Telecenters Inc
C/o David B. Jones
Po Box 3146
Orlando, FL 32802

St Of Arkansas Dept Finance
And Admi Collections Section
Po Box 8090
Little Rock, AR 72203

St Of Delaware Public Srvc
Commission 861 Silver Lake
Blvd Cannon Bldg Ste 100
Dover, DE 19904

St Of Ha Dept Of Commerce
Business Reg Division
Po Box 40
Honolulu, HI 96810

St Of Kansas Dept Of Rev
Compliance Dept
915 Sw Harrison St
Topeka, KS 66625

St Of Louisiana Dept Of Rev
Collections Division
Po Box 201
Baton Rouge, LA 70821

St Of Michigan Dept Of
Treasury Colln Division
Po Box 77929
Detroit, MI 48277

St Of New Jersey Dept Of
Treasury Div Of Revenue
Po Box 417
Trenton, NJ 08646

St Of Nv Dept Of Taxation
1500 E College Pkwy
Suite 115
Carson City, NV 89706

St Of Vermont Dept Of Public
Service 112 State St
Drwaer 20
Montpelier, VT 05620

State Of Alabama Psc
334242
Montgomery, Al 36130

State Of California
Franchise Tax Board
Po Box 942840
Sacramento, CA 94240

State Of Colorado
Central Collection Servi
225 E 16th Ave Ste 555
Denver, CO 80203

State Of Connecticut
Dept Of Puc
10 Franklin Square
New Britain, CT 06051

State Of Connecticut
Dept Of Revenue Services
Po Box 5088
Hartford, CT 06102

State Of Idaho Puc
PO Box 83720
Boise, Id 83720

State Of Kansas
C/o Angela K. Cox
Po Box 12005
Topeka, KS 66612

State Of Nevada Puc
1150 E William St
Carson City, Nv 89701

State Of Nh Puc
8 Old Suncook Rd
Concord, Nh 03301

State Of Rhode Island
Secretary Of State
100 N Main St
Providence, RI 02903

State Of South Carolina
Dept Of Revenue
Po Box 125
Columbia, SC 29214

State Of Texas
State Comptroller
111 E 17th Street
Austin, TX 78774

State Of Texas Puc
PO Box 13326
Austin, Tx 78711

State Of Utah
Utah State Tax Commissio
210 N 1950 West
Salt Lake City, UT 84134

State Of Washington Department Of R
Attn: Doug Houghton
2101 4th Ave Ste 1400
Seattle, WA 98121

State Of Wyoming Psc
2515 Warren Ave Suite 30
Cheyenne, Wy 82002

State of Michigan, Dept of Treasury
First Floor Treasury Building
Lansing, MI 48922

State of New Jersey
Division of Taxation Compliance Activity
PO Box 245
Trenton, NJ 08695

State of Wisconsin
Department of Revenue
2135 Rimrock Road
Madison, WI 53713

Stc
PO Box 1160
N Sioux City, Sd 57049

Steven Ray Lynn
135 E Bickford Street
Missoula, Mt 59801

Miriam G. Suarez
United States Trustee
135 W. Central Blvd Ste 620
Orlando, FL 32801

Submicron Systems Inc
6330 Hedgewood Drive
Suite 150
Allentown, PA 18106

Submicron Systems Corp
Klehr, Harrison, Etal
919 Market St Ste 1000
Wilmington, DE 19801

Tab Inc
341 Cooper Rd
West Berlin, Nj 08091

Telcordia Technologies
Church Street Station
Po Box 634
New York, NY 10249

Telcordia Technologies
Undeliverable

Telecom Usa
PO Box 856161
Louisville, Ky 40285

Telecommunications Tax
Office Of St Tax Commiss
600 E Boulevard Ave
Bismark, ND 58505

Telephonetics Inc
Undeliverable

Tennessee Regulatory
Authority
460 James Robertson Pkwy
Nashville, TN 37243

Texas Comptroller of Public Accts
Office of Atty General
PO Box 12548
Austin, TX 78711

The Furst Group Inc
Undeliverable

The Mobile Storage Group
PO Box 12058
La Crescenta, Ca 91224

The Texas Comptroller of Public Accts
c/o Kay D. Brock
PO Box 12548
Austin, TX 78711

Trans Supply Inc
2100 Summit Avenue
E. St Louis, Il 62205

United States Trustee
135 W. Central Blvd., Suite 620
Orlando, FL 32801

United Parcel Service
PO Box 7247
Philadelphia, PA 19170

United States Trustee
135 W Central Blvd., Ste 620
Orlando, Fl 32801

Universal Service Admin Co
D. Scott Barash
V.P. & General Counsel
2120 L. Street, NW Ste 600
Washington, DC 20037

Universal Service Administrative Company
Attn: Jillian Aylward, Assoc Gen Counsel
2120 L. Street NW Ste 600
Washington, DC 20037

Us West
PO Box 3400
Omaha, Ne 68103

Usaa
9800 Fredericksburg Rd
San Antonio, Tx 78288

Value Call International
1921 Broadway
Schenectady, Ny 12306

Value Call International
4271 Henderson Pl
Syracuse, Ny 13219

Verizon
PO Box 17398
Baltimore, Md 21297

Verizon
PO Box 28001
Lehigh Valley, Pa 18002

Verizon
PO Box 408
Cockeysville, Md 21030

Verizon
PO Box 4430
Albany, Ny 12204

Verizon
PO Box 4832
Trenton, Nj 08650

Verizon
PO Box 4833
Trenton, Nj 08650

Verizon California Inc.
PO Box 101687
Atlanta, Ga 30392

Verizon Communications Inc
undeliverable

Verizon Florida Inc
PO Box 101687
Atlanta, Ga 30392

Verizon Midwest
PO Box 101687
Atlanta, Ga 30392

Verizon North
PO Box 101687
Atlanta, Ga 30392

Verizon Northwest
PO Box 101687
Atlanta, Ga 30392

Verizon Of Hawaii Inc
PO Box 101687
Atlanta, Ga 30392

Verizon South
PO Box 101687
Atlanta, Ga 30392

Verizon Southwest
PO Box 101687
Atlanta, Ga 30392

Vermont Usf
PO Box 360848
Pittsburgh, Pa 15251

Village Of Bartlett
228 S Main St
Bartlett, Il 60103

Village Of Downers Grove
801 Burlington Ave
Downers Grove, Il 60515

Village Of Johnsburg
1515 Channel Beach Ave
Johnsburg, Il 60050

Village Of Libertyville
118 W Cook Ave
Libertyville, Il 60048

Village Of Lily Lake
Undeliverable

Village Of Mundelein
440 E Hawley St
Mundelein, Il 60060

Village Of Virgil
PO Box 93
Virgil, Il 60182

Voicelog Llc
19808 Meredith Drive
Rockville, Md 20855

W Virginia Dept Of Tax & Rev
Charleston Regional Tax
1001 Lee St East
Charleston, WV 25301

Washington State
Dept Of Revenue
Po Box 34054
Seattle, WA 9812

Wats Telecom
405 Dominick Circle
Summersville, Wv 26651

Wats/800 Holdings Inc.
2502 N Rocky Point Dr #860
Tampa, Fl 33607

West Virginia State Tax Division
PO Box 766
Charleston, W. VA 25323

Winstar Telecom
2350 Corporate Park Dr
4th Floor
Herndon, VA 20171

Wisconsin Dept Of Revenue
PO Box 93208
Milwaukee, Wi 53293

Woodford County
Woodfor County Sherriff
103 Main Street
Versailles, KY 40383

Woodward Group Ltd
6 And 8 South Plum Street
Media, Pa 19063

Woodward Group Ltd
85 Plum Street
Media, Pa 19063

Worldwide Wats
1100 Collings Avenue
Apt6b
W Collongswood, NJ 08107

Xerox Corporation
Collections Svcs 1st Flr
800 Carllon Parkway
St Petersburg, FL 33716

Xtracom
833 West Chicago Ave
Room 201
Chicago, IL 60622

Delmar E. Yard
800 Portability, Inc.
138 Toppin Dr.
Hilton Head, SC 29926

Robert L. Young
PO Box 1171
Orlando, FL 32802

Ypd Corporation
2502 N Rocky Point Dr
Ste 860
Tampa, FL 33607

Date : 11/18/02
Time : 1:43 PM

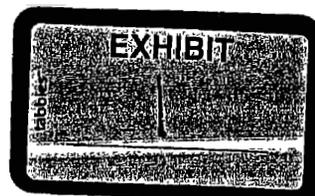
Advanced Telecommunications
Four Executive Campus
Suite 200
Cherry Hill, N.J. 08002

Page no. 1

As of 12/31/99

BALANCE SHEET

Account	Account Name	General Acct	Detail Acct
11011	Petty Cash		500.00
11023	ATN, Inc. Escrow		0.00
11031	Summit Bank Disb. Acct.		313931.47
11036	Payroll Checking Account		610.10
11038	STI Acct. BDP, Inc Deposit		15478.00
11039	STI Acct. BDP Inc. Wkly		709.00
11040	ARCH Communications Stock		0.00
11042	Security Deposits		17450.00
110422	Pre-Paid MCI COS		-0.00
110442	Prepaid Commissions		0.00
110443	Prepaid Legal Expense		0.00
110444	Prepaid Repairs&Maintenan		653.00
11045	Prepaid State Inc. Taxes		2345.00
11051	Fairclld/NatAcct/PUI		0.00
110520	Fairchild		0.00
110521	Hertz Receivable		-0.00
110523	ESI Receivable		0.00
110524	Rec'b from Shrhlder D.A.		0.00
110525	Due from related Co.		7092.68
110562	GE Receivable		0.00
110566	Platinum Cust. Receivable		798148.73
110566-AC1	Cendant Cust. Receivable		2248.77
110566-AC2	Cendant Cust. Receivable		2614.12
110566-AC3	Cendant Cust. Receivable		13045.97
110566-AC4	Cendant Cust. Receivable		46.36
110566-AC6	Cendant Cust. Receivable		224.71
110566-AC7	Cendant Cust. Receivable		487.12
110567	PUI Receivable		126338.60
110568	Tel-Save Receivable		0.00
110569	WATS Int'l Cust. Recev		0.00
110570	BDP Receivable		-3492884.13
110572	Cendant Receivable		14326.07
110591	Allow. for Doubtful Accts		-103454.94
110591-AC2	Allow for doubtful accts		0.00
110591-AC3	Allow for doubtful accts		0.00
11060	Loan Rec. Gary Carpenter		92441.70
110601	Gary Carpenter-Tax Recv		8944.18
11061	Loan Rec. Dan Allen		0.00
110611	Dan Allen-Tax Recv		-0.00
11062	Loan Rec. Dave Allen		0.00
110621	David Allen-Tax Recv		0.00
11063	Loan Rec. Bob Carpenter		200.00
110630	Bob Carpenter-Tax Recv		4515.55
110631	Loan Recb - Stockholders		9638914.07
1106311	Interest Rec'b - Stkhold		1346873.04
110640	Note Rec. Shared Tech		0.00
1106401	Interest Rec. Shared Tech		0.00
11072	Purchase Discounts		0.00
11082	Coinless Receivable		10000.00



Joseph F. Adams CPA (NJ, PA)
Marvin D. Alloy, CPA (NJ, PA, DC)
Reynold P. Cicalese, CPA (NJ, PA)
William B. Jones, CPA (NJ, PA)
Bruce R. Mulford, CPA (NJ, PA, NH), ABV**
Steven L. Shapiro, CPA (NJ, PA), PFS**
Raymond Silverstein, CPA (NJ, PA)
R. Dennis Vogt, CPA (NJ, PA)
Harry W. Wilson, CPA (NJ, PA)

Michael L. Engleman, CPA (NJ, PA)
Richard A. Middleton, CPA (NJ)
George E. Barrett, CPA (NJ, PA)

* Accredited in Business Valuation
** Personal Financial Specialist



ALLOY, SILVERSTEIN, SHAPIRO,
ADAMS, MULFORD & CO.
a professional corporation
CERTIFIED PUBLIC ACCOUNTANTS

Joseph C. Hagan
Richard Schwartz, CPA (PA)
John F. Lorang, CPA (NJ)
Kathy A. Raso, CPA (NJ)
Deborah L. Spectax, CPA (NJ)
Anne D'Amico, CPA (NJ)
Michael S. Kehoe, CPA (NJ)
Kim Sheehan, CPA (NJ)
Lee Shields Jr., CPA (NJ)
Craig F. Patten, CPA (NJ)
Leonard Lewis Jr., CPA (NJ)
Nancy L. Zemlak, CPA (NJ, PA)
Winnie Frenzel, CPA (NJ, PA)
Terry L. Clark, CPA (PA)
Jasper J. Cairn, CPA (NJ)

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Stockholders
Advanced Telecommunication Network, Inc.
and Affiliated Companies
Four Executive Campus - Suite 200
Cherry Hill, New Jersey 08002-4105

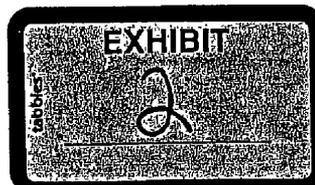
We have audited the accompanying combined balance sheets of Advanced Telecommunication Network, Inc. and Affiliated Companies as of December 31, 1998 and 1997 and the related combined statements of income, retained earnings (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Advanced Telecommunication Network, Inc. and Affiliated Companies as of December 31, 1998 and 1997, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

Alloy, Silverstein, Shapiro, Adams, Mulford & Co.
ALLOY, SILVERSTEIN, SHAPIRO, ADAMS, MULFORD & CO.

Cherry Hill, New Jersey
December 16, 1999



ADVANCED TELECOMMUNICATION NETWORK, INC.
AND AFFILIATED COMPANY

NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1998 AND 1997

(Continued)

20. Subsequent Events

During 1999, the corporations executed a new telecommunication services contract with AT&T Corp. which is expected to be operational in the first quarter of 2000 and will supersede the corporations' previous contract in effect during 1996, 1997 and 1998 for selected inbound and outbound services. Services which do not become operational until after the first quarter of 2000 will still be administered under the current contract until such time that they become operational under the new agreement. Under terms of the agreement, the corporations are committed to minimum revenue and volume requirements over a 3.5 year period. Prior shortfalls were waived with the new contract and no payments for shortfalls were made during 1998 and 1997.

On January 12, 1999, the stockholders of the corporations entered into a settlement, stock purchase and escrow agreement to resolve certain disputes between the parties which were the subject of litigation in the Superior Court of New Jersey. Per the agreement, the entire holdings of two stockholders, equal to forty five percent of the outstanding shares of the corporations, was purchased by the remaining majority stockholder. In addition, the corporations agreed to indemnify the selling stockholders for legal costs related to the litigation. On January 12, 1999, the corporations paid legal costs for the selling stockholders in the amount of \$1,250,000. On January 29, 1999 and June 1, 1999, the corporations paid, on behalf of the remaining majority stockholder, \$250,000 and \$6,000,000, respectively, to the selling stockholders for their outstanding shares. The above amounts were recorded by the corporations as a loan receivable from the remaining majority stockholder. In addition, the remaining majority stockholder assumed the selling stockholders' loans payable to the corporation in the amount of \$1,588,645. Under the agreement, an adjustment period extending until December 31, 1999 will be in force, during which time the selling stockholders have a right to amend the selling price if the corporations engage in certain transactions which increase the value of the corporations in excess of a "threshold amount", as defined in the agreement. Under the agreement terms, all parties are required to comply with certain covenants and stipulations.

On June 16, 1999, the corporations established a revolving line of credit with Commerce Bank, N.A. consisting of a loan against eligible receivables in an aggregate outstanding principal amount not to exceed the lesser of (a) \$1,000,000 or (b) an amount equal to a maximum of 80% of net eligible receivables. Interest on the line of credit is payable monthly at the Wall Street Journal's prime rate plus 1.5%.

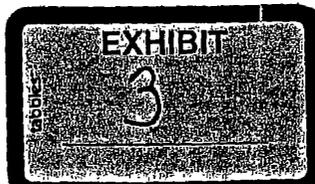


State of Florida
UNIFORM COMMERCIAL CODE FINANCING STATEMENT
 This Financing Statement is presented to a filing officer pursuant to the Uniform Commercial Code: **FORM UCC-1 (REV.1993)**

1. Debtor (Last Name First if an individual) Advanced Telecommunication Network, Inc.		1a. Date of Birth or FEIN# 223111344
1b. Mailing Address 4 Executive Campus, Suite 200	1c. City, State Cherry Hill, NJ	1d. Zip Code 08002
2. Additional Debtor or Trade Name (Last Name First if an individual)		2a. Date of Birth or FEIN#
2b. Mailing Address	2c. City, State	2d. Zip Code
3. Secured Party (Last Name First if an individual) Investment Partners, LLP		
3a. Mailing Address 501 Main Street, Suite 305	3b. City, State Evansville, IN	3c. Zip Code 47708
4. Assignee of Secured Party (Last Name First if an individual)		
4a. Mailing Address	4b. City, State	4c. Zip Code
5. This Financing Statement covers the following types or items or property [include description of real property on which located and owner of record when required. If more space is required, attach additional sheet(s)]. See Exhibit A attached hereto		
200000281186--5 -12/14/00--01017--001 *****137.00 <i>12/13</i> <i>USA</i> <i>2800</i>		
6. Check only if Applicable: <input checked="" type="checkbox"/> Products of collateral are also covered. <input checked="" type="checkbox"/> Proceeds of collateral are also covered. <input type="checkbox"/> Debtor is unamenable utility.		
7. Check appropriate box: <input type="checkbox"/> All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid. (one box must be marked) <input checked="" type="checkbox"/> Florida Documentary Stamp Tax is not required.		
8. In accordance with s. 679.402(2) F.S., this statement is filed without the Debtor's signature to perfect a security interest in collateral: <input type="checkbox"/> already subject to a security interest in another jurisdiction when it was brought into this state or debtor's location changed to this state. <input type="checkbox"/> which is proceeds of the original collateral described above in which a security interest was perfected. <input type="checkbox"/> as to which the filing has lapsed. Date filed _____ and previous UCC-1 file number _____ <input type="checkbox"/> acquired after a change of name, identity, or corporate structure of the debtor.		9. Number of additional sheets presented: <u>1</u> This Space for Use of Filing Officer FILED 00 DEC 13 PM 4:52 SECRETARY OF STATE TALLAHASSEE FLORIDA
10. Signature(s) of Debtor(s) Advanced Telecommunication Network, Inc. By: <i>[Signature]</i> Gary Carpenter, President		
11. Signature(s) of Secured Party or If Assigned, by Assignee(s)		
12. Return Copy to: Name Address Jeffrey K. Helfrich, Esq. Address Kahn, Dees, Donovan & Kahn, LLP Address P.O. Box 3646 City, State, Zip Evansville, IN 47735-3646		

STANDARD FORM - FORM UCC-1

Approved by Secretary of State, State of Florida



**EXHIBIT "A" TO
FINANCING STATEMENT**

**ADVANCED TELECOMMUNICATION NETWORK, INC. - "DEBTOR"
AND
INVESTMENT PARTNERS, LLP - "SECURED PARTY"**

All of the following described property, together with all additions, accessions, accessories and replacements: all of the assets of Debtor, tangible or intangible, wherever located, including, but not limited to, all inventory, machinery, equipment, computer hardware and/or software, furniture, fixtures, contract rights, leasehold rights, judgments, causes of action, things in action, claims, choses in action, rights to any and all claims whatsoever against any and all individuals or entities, instruments, documents, licenses, chattel paper, domain names, deposits securing letters of credit, letters of agency, accounts, cash, receivables, bank deposits, deposit accounts, all stock and/or other evidence of ownership in any other corporation, subsidiary, or other entity, and general intangibles, any and all of which Debtor currently has or which Debtor may have in the future, together with all additions, accessions, accessories and replacements, and in the proceeds of all of the foregoing, including insurance proceeds.

UNIFORM COMMERCIAL CODE **State of Florida** FINANCING STATEMENT FORM UCC-1 (REV.1993)
 This Financing Statement is presented to a filing office pursuant to the Uniform Commercial Code.

1. Debtor (Last Name First if an individual) Advanced Telecommunication Network, Inc.		1a. Date of Birth or FEIN 223111344
1b. Mailing Address 4 Executive Campus, Suite 200	1c. City, State Cherry Hill, NJ	1d. Zip Code 08002
2. Additional Debtor or Trade Name (Last Name First if an individual)		2a. Date of Birth or FEIN
2b. Mailing Address	2c. City, State	2d. Zip Code
3. Secured Party (Last Name First if an individual) WATS800 Holdings, Inc.		
3a. Mailing Address 2624 West Grand Reserve Circle, Apt. 727	3b. City, State Clearwater, FL	3c. Zip Code 33759
4. Assignee of Secured Party (Last Name First if an individual)		
4a. Mailing Address	4b. City, State	4c. Zip Code
5. This Financing Statement covers the following types or items of property (include description of real property on which located and owner of record when required. If more space is required, attach additional sheet(s)). See Exhibit A attached hereto		
6. Check only if Applicable: <input checked="" type="checkbox"/> Products of collateral are also covered. <input checked="" type="checkbox"/> Proceeds of collateral are also covered. <input type="checkbox"/> Debtor is transmitting utility.		
7. Check appropriate box: <input type="checkbox"/> All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid. <input checked="" type="checkbox"/> Florida Documentary Stamp Tax is not required.		
8. In accordance with s. 679.402(2) F.S., this statement is filed without the Debtor's signature to perfect a security interest in collateral: <input type="checkbox"/> already subject to a security interest in another jurisdiction when it was brought into this state or debtor's location changed to this state, <input type="checkbox"/> which is proceeds of the original collateral described above in which a security interest was perfected. <input type="checkbox"/> as to which perfecting has lapsed. Date filed _____ and previous UCC-1 file number _____ <input type="checkbox"/> acquired after a change of name, identity, or corporate structure of the debtor.		9. Number of additional sheets presented: <u>1</u>
10. Signature(s) of Debtor(s) Advanced Telecommunication Network, Inc. By: Gary Carpenter, President		This Space for Use of Filing Office FILED 00 DEC 13 PM 4:52 SECRETARY OF STATE TALLAHASSEE FLORIDA
11. Signature(s) of Secured Party or If Assigned, by Assignee(s)		
12. Return Copy to: Name: Jeffrey K. Helfrich, Esq. Address: Kahn, Dees, Donovan & Kahn, LLP Address: P.O. Box 3646 City, State, Zip: Evansville, IN 47735-3646		

200000281187-3
 -12/14/00--01017--00
 ***137.00
 12/13 NST 2800

**EXHIBIT "A" TO
FINANCING STATEMENT**

**ADVANCED TELECOMMUNICATION NETWORK, INC.- "DEBTOR"
AND
WATS/800 HOLDINGS, INC.-"SECURED PARTY"**

All of the following described property, together with all additions, accessions, accessories and replacements: all of the assets of Debtor, tangible or intangible, wherever located, including, but not limited to, all inventory, machinery, equipment, computer hardware and/or software, furniture, fixtures, contract rights, leasehold rights, judgments, causes of action, things in action, claims, choses in action, rights to any and all claims whatsoever against any and all individuals or entities, instruments, documents, licenses, chattel paper, domain names, deposits securing letters of credit, letters of agency, accounts, cash, receivables, bank deposits, deposits accounts, all stock and/or other evidence of ownership in any other corporation, subsidiary, or other entity, and general intangibles, any and all of which Debtor currently has or which Debtor may have in the future, together with all additions, accessions, accessories and replacements, and in the proceeds of all of the foregoing, including insurance proceeds

FOR OFFICE USE ONLY	Debtor(s) Name (Last Name, First) Complete Address Advanced Telecommunication Network, Inc. 4 Executive Campus, Suite 200 Cherry Hill, NJ 08002	Maturity date (if any): FOR OFFICE USE ONLY <div style="font-size: 2em; font-family: cursive;">2007603</div>
	Secured Party(ies) and Complete Address Investment Partners, LLP 501 Main Street, Suite 305 Evansville, IN 47708	2007 NOV - 9 A 9 01 DEPARTMENT OF TREASURY REGISTRATION SECTION
	Assignee(s) of Secured Party and Complete Address	

This financing statement covers the following types (or items) of property:

All of the following described property, together with all additions, accessions, accessories and replacements: all of the assets of Debtor, tangible or intangible, wherever located, including, but not limited to, all inventory, machinery, equipment, computer hardware and/or software, furniture, fixtures, contract rights, leasehold rights, judgments, causes of action, things in action, claims, choses in action, rights to any and all claims whatsoever against any and all individuals or entities, instruments, documents, licenses, chattel paper, domain names, deposits securing letters of credit, letters of agency, accounts, cash, receivables, bank deposits, deposit accounts, all stock and/or other evidence of ownership in any other corporation, subsidiary, or other entity, and general intangibles, any and all of which Debtor currently has or which Debtor may have in the future, together with all additions, accessions, accessories and replacements, and in the proceeds of all the foregoing, including insurance proceeds.

5866707
J164617

When collateral is crops or fixtures complete this portion of form.
 a. Description of real estate (Sufficient to identify the property).

b. Name and complete address of record owner.

a. <input checked="" type="checkbox"/> Proceeds of Collateral are also covered.	b. <input checked="" type="checkbox"/> Products of Collateral are also covered.	No. of additional sheets presented. ()
() Filed with Register of Deeds and Mortgages of _____ County.	() Filed with the County Clerk of _____ County.	(X) Secretary of State
Signature(s) of Debtor(s) Advanced Telecommunication Network, Inc.		Signature(s) of Secured Party(ies) or Assignee(s)
By: Gary Carpenter, President		

FILING OFFICER COPY — This form of statement is approved by the Secretary of State of New Jersey.

STANDARD FORM - UNIFORM COMMERCIAL CODE - FORM UCC-1. (Rev. 9/81)

FOR OFFICE USE ONLY

Debtor(s) Name (Last Name, First) Complete Address

Maturity date (if any):

Advanced Telecommunication
Network, Inc.
4 Executive Campus, Suite 200
Cherry Hill, NJ 08002

FOR OFFICE USE ONLY

2007604

Secured Party(ies) and Complete Address

WATS/800 Holdings, Inc.
2624 West Grand Reserve Circle
Apt. 727
Clearwater, FL 33759

2007604 - 9 A 4 C 1

DEPARTMENT OF TREASURY
UCC SECTION
FILING

Assignee(s) of Secured Party and Complete Address

This financing statement covers the following types (or items) of property:

All of the following described property, together with all additions, accessions, accessories and replacements: all of the assets of Debtor, tangible or intangible, wherever located, including, but not limited to, all inventory, machinery, equipment, computer hardware and/or software, furniture, fixtures, contract rights, leasehold rights, judgments, causes of action, things in action, claims, choses in action, rights to any and all claims whatsoever against any and all individuals or entities, instruments, documents, licenses, chattel paper, domain names, deposits securing letters of credit, letters of agency, accounts, cash, receivables, bank deposits, deposit accounts, all stock and/or other evidence of ownership in any other corporation, subsidiary, or other entity, and general intangibles, any and all of which Debtor currently has or which Debtor may have in the future, together with all additions, accessions, accessories and replacements, and in the proceeds of all of the foregoing, including insurance proceeds.

S 866707
J 1046118

When collateral is crops or fixtures complete this portion of form.
a. Description of real estate (Sufficient to identify the property).

b. Name and complete address of record owner.

a. Proceeds of Collateral are also covered. b. Products of Collateral are also covered. No. of additional sheets presented. ()

() Filled with Register of Deeds and Mortgages of

County.

(X) Secretary of State

() Filled with the County Clerk of

County.

Signature(s) of Debtor(s)

Signature(s) of Secured Party(ies) or Assignee(s)

Advanced Telecommunication Network, Inc.

By: Gary Carpenter, President

FILING OFFICER COPY - This form of statement is approved by the Secretary of State of New Jersey.

STANDARD FORM - UNIFORM COMMERCIAL CODE - FORM UCC-1. [Rev. 9/81]

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

1999

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has timely filed
Form 2553 to elect to be an S corporation.
EXTENSION GRANTED TO 09/15/00

For calendar year 1999, or tax year beginning

and ending

A Effective date of election as an S corporation 01/16/1991	Use IRS label. Otherwise, please print or type.	Name ADVANCED TELECOMMUNICATION NETWORK INC	C Employer identification number 22-3111344
B Business code no. (see pages 26-28) 513300		Number, street, and room or suite no. (If a P.O. box, see page 10 of the instructions.) FOUR EXECUTIVE CAMPUS SUITE 200	D Date incorporated 01/16/1991
		City or town, state, and ZIP code CHERRY HILL, NJ 08002-4105	E Total assets (see page 10) \$ 13,339,674.

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

G Enter number of shareholders in the corporation at end of the tax year **2**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1 a Gross receipts or sales 47,039,526 - b Less returns and allowances c Bal ▶	1c	47,039,526.
	2 Cost of goods sold (Schedule A, line 8)	2	44,033,379.
	3 Gross profit. Subtract line 2 from line 1c	3	3,006,147.
	4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)	4	
	5 Other income (loss) (attach schedule) STATEMENT 1	5	755,938.
	6 Total income (loss). Combine lines 3 through 5 ▶	6	3,762,085.
Deductions (See instructions for limitations)	7 Compensation of officers STATEMENT 2	7	180,154.
	8 Salaries and wages (less employment credits)	8	1,394,743.
	9 Repairs and maintenance	9	22,666.
	10 Bad debts	10	3,038,739.
	11 Rents	11	270,162.
	12 Taxes and licenses STATEMENT 3	12	135,446.
	13 Interest	13	85,399.
	14 a Depreciation (if required, attach Form 4562) 14a 103,127.		
	b Depreciation claimed on Schedule A and elsewhere		
	c Subtract line 14b from line 14a	14c	103,127.
	15 Depletion (Do not deduct oil and gas depletion)	15	
	16 Advertising	16	73,496.
	17 Pension, profit-sharing, etc., plans	17	
	18 Employee benefit programs	18	105,929.
	19 Other deductions (attach schedule) STATEMENT 4	19	1,416,668.
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19 ▶	20	6,826,529.	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6	21	-3,064,444.	
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule) 22a		
	b Tax from Schedule D (Form 1120S) 22b		
	c Add lines 22a and 22b 22c		
	23 Payments: a 1999 estimated tax payments and amount applied from 1998 return 23a		
	b Tax deposited with Form 7004 23b		
	c Credit for Federal tax paid on fuels (attach Form 4136) 23c		
	d Add lines 23a through 23c 23d		
	24 Estimated tax penalty. Check if Form 2220 is attached <input type="checkbox"/>	24	
	25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See instructions for depository method of payment ▶	25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid ▶	26	
27 Enter amount of line 26 you want: Credited to 2000 estimated tax ▶ Refunded ▶	27		

**COPY
RETAIN FOR
YOUR FILES**

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer



Title

Paid Preparer's Use Only

Preparer's signature

Firm's name for you (if self-employed) and address

**ALLOY SILVERSTEIN SHAPIRO ADAMS MULFORD
900 NORTH KINGS HIGHWAY
CHERRY HILL, NEW JERSEY**

Employed

Preparer's SSN or PTIN

E.I. No. **▶**

22-1942902

ZIP code **▶**

08034

Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		2,165,634.		331,230.
2a Trade notes and accounts receivable	7,158,170.		1,070,430.	
b Less allowance for bad debts	1,355,053.	5,803,117.	103,455.	966,975.
3 Inventories				
4 U.S. Government obligations				
5 Tax-exempt securities				
6 Other current assets STMT 12		1,045,342.		1,929,960.
7 Loans to shareholders		3,484,656.		9,745,257.
8 Mortgage and real estate loans				
9 Other investments STMT 13		379,164.		
10a Buildings and other depreciable assets	926,830.		967,677.	
b Less accumulated depreciation	654,346.	272,484.	756,801.	210,876.
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)	3,030,514.		3,030,514.	
b Less accumulated amortization	2,936,787.	93,727.	2,983,448.	47,066.
14 Other assets STMT 14		136,875.		108,310.
15 Total assets		13,380,999.		13,339,674.
Liabilities and Shareholders' Equity				
16 Accounts payable		8,128,818.		7,974,275.
17 Mortgages, notes, bonds payable in less than 1 year		204,660.		1,591,807.
18 Other current liabilities STMT 15		1,784,306.		165,782.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		1,193,602.		
21 Other liabilities STMT 16		2,250,000.		4,982,884.
22 Capital stock		10,305.		10,305.
23 Additional paid-in capital				
24 Retained earnings STMT 19		-190,692.		-1,385,379.
25 Adjustments to shareholders' equity				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity		13,380,999.		13,339,674.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)			
1 Net income (loss) per books	-1,194,687.	5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	672.
b Travel and entertainment \$	4,851.	STMT 18	1,267,602.
STMT 17	29,773.	7 Add lines 5 and 6	1,268,274.
4 Add lines 1 through 3	-1,160,063.	8 Income (loss) (Schedule K, line 23). Line 4 less line 7	-2,428,337.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed			
	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	1,676,299.		
2 Ordinary income from page 1, line 21			
3 Other additions STMT 10	653,895.		
4 Loss from page 1, line 21	(3,064,444.)		
5 Other reductions STMT 11	(31,530.)		
6 Combine lines 1 through 5	-765,780.		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	-765,780.		