

REQUEST TO CHANGE/ESTABLISH DOCKET
(PLEASE TYPE)

Date 09/12/00

Docket No. 001409-TS

gm

1. Division Name/Staff Name Regulatory Oversight/McCoy

2. OPR RG0/McCoy

3. OCR Legal

4. Suggested Docket Title Request for Transfer of and Name Change on Shared Tenant Services Certificate No. 3598 from HQ Boca Raton, Inc. to Chicago Suites, Inc. d/b/a HQ Global Workplaces; and Cancellation of HQ Hidden River, Inc., STS Certificate No. 3597; Anron, Inc. d/b/a/ HQ Miami, STS Certificate No. 2219; Anron, Inc. d/b/a HQ Orlando, STS Certificate No. 2221; Ronette, Inc. d/b/a HQ Sand Lake, STS Certificate No. 2998; and HQ Rocky Point, Inc. d/b/a HQ Tampa.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

HQ Boca Raton, Inc.

Chicago Suites, Inc.

2. Interested Persons and their representatives (if any)

6. Check one:

Documentation is attached.

Documentation will be provided with recommendation.

Chicago Suites, Inc. (dba HQ Global Workplaces)
1117 Perimeter Center West, Suite 500E
Atlanta, Georgia 30338
Phone 770-677-5637

September 6, 2000

Toni McCoy
Florida Public Service Commission
Division of Regulatory Oversight
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RE: Transfer and cancellation of STS Certificates

Dear Ms. McCoy:

Enclosed is the Application to transfer one of the existing STS Certificates. Also, we would like to cancel the other five:

It has come to our attention the Telecommunications Act of 1996 granted statewide certification to Shared Tenant Service Certificates. Therefore, we request that Chicago Suites, Inc. (dba HQ Global Workplaces) be granted ownership via a Certificate transfer of Certificate No. 3598 from HQ Boca Raton, Inc. Also, we would like to cancel the multiple location Certificates that are no longer required. Please process the cancellation of the following Certificates:

HQ Hidden River, Inc.	No. 3597
Anron, Inc. (dba HQ Miami)	No. 2219
Anron, Inc. (dba HQ Orlando)	No. 2221
Ronette, Inc. (dba HQ Sand Lake)	No. 2998
HQ Rocky Point, Inc. (dba HQ Tampa)	No. 2682

We will pay any Regulatory Assessment Fees due with respect to the cancelled certificates.

If you require additional information, please call me.

Sincerely,

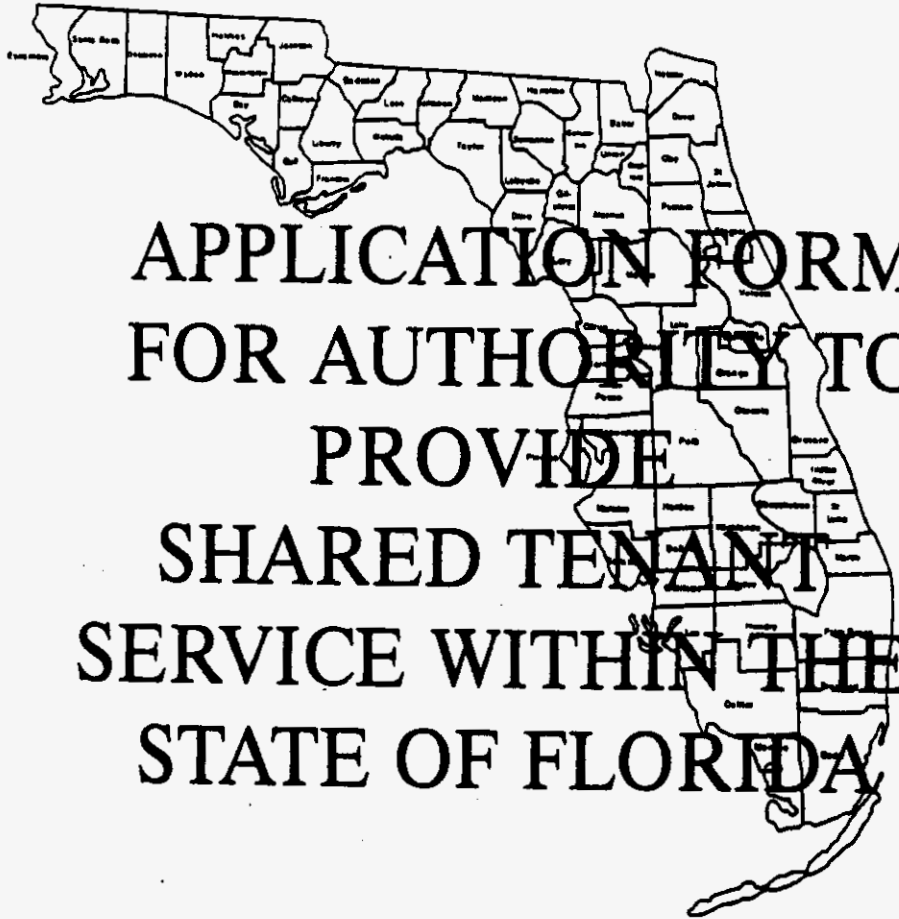


J Mark McCarty
Director of Tax
Enclosures

RECEIVED

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Florida Public Service Commission
Division of Regulatory Oversight



**APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
SHARED TENANT
SERVICE WITHIN THE
STATE OF FLORIDA**

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE SHARED TENANT SERVICE
WITHIN THE STATE OF FLORIDA

INSTRUCTIONS

- A. This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- B. Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$100.00 to:

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

Note: No filing fee is required for a assignment or transfer of an existing certificate to another certificated company.

- E. If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Communications
Bureau of Certification and Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

FORM PSC/CMU 37 (6/98)

Required by Commission Rule Nos. 25-24.565, 25-24.569, and 25-24.567

1. This is an application for (check one):
- () Original certificate (new company)
 - Approval of transfer of existing certificate: Example, a certificated company purchases an existing company and desires to retain the original certificate authority.
 - () Approval of assignment of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.
 - () Approval for transfer of control of existing certificate: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Chicago Suites, Inc.

3. Name under which applicant will do business (fictitious name, etc.):

HO Global Workplaces

4. Official mailing address (including street name & number, post office box, city, state, and zip code):

Chicago Suites, Inc

1117 Perimeter Center West, Ste. 500E

Atlanta, GA 30338

5. Florida address (including street name & number, post office box, city, state, and zip code):

Please see attached: List of

physical locations in Florida.

Chicago Suites, Inc.
D/B/A HQ Global Workplaces
List of physical locations in Florida

- 1) 2255 Glades Road Suite 324A
Boca Raton, FL 33431
- 2) 8201 Peters Road, Suite 1000
Plantation, FL 33324
- 3) 801 Brickell Avenue, Ninth Floor
Miami, FL 33131
- 4) 7380 Sand Lake Road, Fifth Floor
Orlando, FL 32819
- 5) 10151 Deerwood Park Blvd., Suite 250
Jacksonville, FL 32256
- 6) 8875 Hidden River Parkway, Suite 300
Tampa, FL 33637
- 7) 3001 N. Rocky Point Dr. East, 2nd Floor
Tampa, FL 33607

6. Structure of organization:

- Individual Corporation
 Foreign Corporation Foreign Partnership
 General Partnership Limited Partnership
 Other, _____

7. If individual, provide:

Name : _____

Title : _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

8. If incorporated in Florida, provide proof of authority to operate in Florida:

- (a) Florida Secretary of State corporate registration number: _____.

9. If foreign corporation, provide proof of authority to operate in Florida:

- (a) Florida Secretary of State Corporate registration number: F9800000192a.

10. If using fictitious name-d/b/a, provide proof of compliance with the fictitious name statute (Chapter 865.09 FS) to operate in Florida.

- (a) Florida Secretary of State fictitious name registration number: F9800000192a.

11. If applicant is a limited liability partnership, provide proof or registration to operate in Florida.

- (a) The Florida Secretary of State registration number: _____.

12. If a partnership, provide name, title and address of all partners and a copy of the partnership agreement.

a. Name : _____
Title : _____
Address: _____
City/State/Zip: _____
Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

b. Name : _____
Title : _____
Address: _____
City/State/Zip: _____
Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

13. If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number: _____

14. Provide FEID Number (if applicable): 58-2380273

15. Who will bill for your services.

Chicago Suites, Inc.
Name : (DBA HQ Global Workplaces)
Address: 1117 Perimeter Center West #500 E
City/State/Zip: Atlanta, GA 30338
Telephone Number: (770) 677-5637

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name : Mark McCarty

Title : Director of Tax

Address: 1117 Perimeter Center West, #500E

City/State/Zip: Atlanta, GA 30338

Telephone No.: (770) 677-5637 Fax No.: (770) 677-5775

Internet E-Mail Address: Mark.mccarty@hq.com

Internet Website Address: _____

(b) Official point of contact for the ongoing operations of the company:

Name : Mark McCarty

Title : Director of Tax

Address: 1117 Perimeter Center West, #500E

City/State/Zip: Atlanta, GA 30338

Telephone No.: (770) 677-5637 Fax No.: (770) 677-5775

Internet E-Mail Address: mark.mccarty@hq.com

Internet Website Address: _____

(c) Complaints/Inquiries from customers:

Name : Fay Brewer

Title : Area V.P.

Address: 801 Brickell Ave., Ninth Floor

City/State/Zip: Miami, FL 33131

Telephone No.: 305-350-5651 Fax No.: 305-371-0096

Internet E-Mail Address: _____

Internet Website Address: _____

17. List the states in which the applicant:

- (a) has applications pending to be certificated as a shared tenant service provider.

N/A

- (b) is certificated to operate as a shared tenant service provider.

Florida

- (c) has been denied authority to operate as a shared tenant service provider and the circumstances involved.

N/A

- (d) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

N/A

- (e) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

N/A

18. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

a. Adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, provide explanation.

N/A

b. Officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

N/A

19. Submit the following:

A. Financial capability.

The application must contain the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements must be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and must include:

1. the balance sheet,
2. income statement, and
3. statement of retained earnings.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

Further, the following (which includes supporting documentation) must be provided:

1. A written explanation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. A written explanation that the applicant has sufficient financial capability to maintain the requested service.

3. A written explanation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

B. **Managerial capability;** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

C. **Technical capability;** give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

**** APPENDIX A ****

CERTIFICATE TRANSFER OR ASSIGNMENT STATEMENT

I. (Name) J. Mark McCarty
(Title) Director of Tax & Ass. Secretary of
(Name of Company) HQ Boca Raton, Inc *
& Chicago Suites, Inc.

and current holder of Florida Public Service Commission
Certificate Number 3598, have reviewed this
application and join in the petitioner's request for a

transfer

assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

J. Mark McCarty
Signature

8-6-00
Date

Director of Tax
Title

(770) 677-5637
Telephone No.

Address: 1117 Perimeter Center West

(770) 677-5775
Fax No.

Suite 500 E

Atlanta, GA 30338

* HQ Boca Raton, Inc. was merged into
Chicago Suites, Inc on 5-1-98.

**** APPENDIX B ****

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide interexchange telecommunications service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

I will comply with all current and future Commission requirements regarding shared tenant service. I understand that I am required to pay a regulatory assessment fee (minimum of \$50.00 per calendar year) and pay gross receipts tax. Furthermore, I agree to keep the Commission advised of any changes in the names or addresses listed in the application within 10 days of the change.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Signature: J. Mark McCarty Date: 9-6-00

Printed Name: J. Mark McCarty

Title: Director of Tax & Ass. Secretary

Address: 1117 Perimeter Center West (770) 677-5637
Suite 500E Telephone No.
Atlanta, GA 30338 (770) 677-5775
Fax No.

Chicago Suites, Inc.
Application for transfer of STS Certificate

Line 19

A. Chicago Suites, Inc. has only been in existence since May 1998. Therefore, we are enclosing financial statements for the years ending 12/31/98 and 12/31/99 and the seven months ending 7/31/00.

Chicago Suites, Inc. has the financial capability to 1) provided the requested service in Florida, 2) maintain the requested service and 3) meet its lease or ownership obligations. Chicago Suites, Inc. is owned and supported by a parent company with \$650 million in gross receipts.

B. The parent company has over 250 employees. Management consists of top-notch professionals with years of management experience.

C. The company employs several individuals that are very experienced in the IT and electronic communications areas. Services are purchased from the major telephone companies and resold to Chicago Suites, Inc.'s tenants.

Chicago Suites, Inc.	
Income Statement	
5/1/98 to 12/31/98 - First Year	
Gross Revenue	24,994,373.00
Interest Income	-
Operating Expenses:	
salary expense	5,033,061.00
overtime	66,269.00
contract services	119,739.00
payroll taxes	313,811.00
group insurance	308,703.00
other employee benefits	116,637.00
401 k plan	55,865.00
employee training & recruitment	84,522.00
total - personnel expense	6,098,607.00
office rent	7,597,221.00
utilities	122,837.00
facilities maintenace	175,824.00
total - rent & facilities	7,895,882.00
client g & s\office supplies	313,110.00
client parking	132,221.00
client postage	182,654.00
client overnite del, cor, & ups	262,177.00
client furniture & misc rental	432,880.00
furniture moving	25,725.00
door signs & directory listing	14,182.00
coffee/beverage serv & supplies	81,630.00
client use of other hq centers	26,094.00
total - client support service	1,470,673.00
fax equipment	17,536.00
computer & other misc equipment	145,863.00
copier equipment	312,845.00
postage equipment	24,398.00
videoconferencing equipment	-
total - equipment expense	500,642.00
telephone equipment rental	13,255.00
phone install, maint, & supplies	217,052.00
client line/cntrx-fixed trunk	496,089.00
client local measured service	164,207.00
client telephone long distance	615,869.00
state surcharges	7,630.00
other resale telephone use	56,905.00
miscellaneous telco	132,896.00
videoconferencing charges	81,129.00
videoconferencing equipment	24,970.00
total - telecommunications	1,810,002.00
hqns network sales commissions	50,189.00
broker & client referral fees	85,868.00
yellow page advertising	454,698.00
media advertising	110,787.00
sales literature & brochures	33,612.00
sales promotions	86,546.00

Chicago Suites, Inc			
Balance Sheet			
12/31/98			
			Chicago Suites, Inc.
Assets			
Cash and cash equivalents			3,311,284
Account receivable, less allowance			627,953
Other current assets			409,641
Prepaid assets			296,606
Total current assets			4,645,484
Depreciable assets			5,845,603
Accumulated depreciation - fixed assets			(614,370)
Goodwill			54,489,251
Accumulated amortization - goodwill			(1,195,375)
Below market leases			2,538,000
Accumulated depreciation - below market leases			(101,600)
Acquisition costs			50,657
Accumulated amort - acquisition costs			(5,076)
Other assets			185,303
Total assets			65,837,877
Liabilities and Stockholders' Equity			
Accounts payable			843,971
Security deposits			3,179,781
Accrued lease costs			365,320
Other accrued expenses			686,863
Intercompany			3,735,654
Note payable - current			1,400,355
Current tax liability			(53,595)
Accrued taxes - sales and use			57,686
Total current liabilities			10,216,035
Total liabilities, including long-term debt			10,216,035
Common stock			1,000
Additional paid in capital			55,727,374
Retained earnings			(106,532)
Total stockholders' equity			55,621,842
Total liabilities and stockholders' equity			65,837,877

J. M. ...

Chicago Suites, Inc.	
Income Statement	
1/1/99 to 12/31/99	
Gross Revenue	41,201,445.15
Interest Income	29,356.43
Rent Expense	10,850,118.36
GAAP Straight-line Rent Adj	104,665.81
Escalation Expense	2,509,657.86
CPI Expense	-
Other Rent Expense	66,181.95
Parking	250,235.90
Utilities	194,516.88
Administrative Wages	1,677,237.73
Administrative P/R Tax Exp	112,343.76
Temporary Administrative	22,435.24
Personal Assistant Wages	43,148.85
Personal Asst P/R Tax Exp	4,027.36
Contract Labor-Personal Asst	1,772.00
Mileage - Personal Asst	437.30
Clothing Allowance	-
Copier Expense	397,983.44
Copier Supplies	11,148.20
Copier Repairs & Maintenance	55,720.97
Postage Purchases	302,414.12
Postage Equipment Maintenance	42,579.97
Postage Supplies	954.64
Federal Express	296,756.76
UPS	29,848.45
Other Delivery	22,869.82
Fax Equipment	13,132.60
Fax Maintenance	753.23
Fax Supplies	1,967.06
Equipment Purchases	128,979.59
Equipment Rental	440,148.32
Software	6,695.30
Repairs & Maintenance	31,928.15
Supplies - Computer/Equipment	16,112.45
Furniture Rental	360,944.08
Printing	15,978.96
Office Supplies	301,880.47
Coffee/Beverage	169,536.67
Catering	34,752.99
Other Client Expenses	(115,985.35)
Storage	10,909.96
Security Expense	64.05
Internet Access	224,869.81
Phone - Monthly	546,662.08
Phone - T1 / Line Charge	689,230.35
Phone - Equipment Rental	20,676.04
Phone - Repairs & Maintenance	105,128.00
Phone - Local	143,531.12
Phone - Long Distance / Int'l	836,803.06
Phone - Installation	497,450.76
Phone - Calling Cards	1,709.80
Videoconference Equipment	56,030.77
Video Conference Usage	125,863.35
Phone Expense	30,018.83
Long Distance / Int'l	2.92
Copier Expense	10,709.94
Postage	7,806.79
Fedex	19,085.24
UPS	7,094.96
Other Delivery	17,321.21
Fax Expense	401.51
Supplies	104,385.84
Printing	2,721.72
Small Equipment Purchases	20,512.68
Videoconference Expense	16,068.76
Moving Expenses	51,069.48
Custodial & Janitorial	11,916.49
Repairs & Maintenance - Center	307,282.33
Repairs & Maintenance - Furn/Fix	55,216.78
Other Center Expense	6,974.08
Furniture Purchases	4,385.21
Furniture/Fixture Rental	3,513.58
Sales Manager Wages	1,633,419.68
Sales Manager Bonuses	289,658.85

Chicago Suites, Inc.	
Income Statement	
1/1/99 to 12/31/99	
Sales Manager P/R Tax Exp	125,774.15
Commissions	159,208.68
Entertainment - Sales Exp	40,899.03
Advertising	470,787.14
Promotional Expense	111,722.31
Employee Benefits	168,622.82
Recruitment Expenses	213,802.67
Employee Relocation	5,100.00
Training	6,538.42
Entertainment - Employees	15,935.49
Other Employee Benefits	49,796.51
Support Staff Wages	1,842,893.23
Operations Manager Wages	75,564.99
Staff Bonuses	96,152.51
Staff & Ops Mgr P/R Tax Exp	263,373.40
Contract Labor	250,648.88
Travel	39,172.44
Meals & Entertainment	4,912.36
Other Professional Services	1,339.99
Accounting	-
Consulting Services	-
Legal	1,961.60
Property Insurance	-
Bad Debt Expense	31,141.03
Charitable contributions	186.74
Bank Fees	503.17
Credit Card Discounts	-
Late Charges	6,445.35
Tax - Penalties	10,745.17
Licenses	1,393.95
Property Taxes	18,128.94
Use Tax	2,749.04
Miscellaneous Taxes	75,179.07
Income Tax Expense	-
Dues & Subscriptions	5,919.88
Royalty Expense	-
Franchise Fees	114,858.30
Miscellaneous Expense	(90,267.32)
Prior Year Inc/Exp Adj	(33,798.53)
Rent Expense	14,851.35
Escalation	12,074.16
Other Rent Expense	1,806.85
Parking	-
Utilities	401.50
Storage	2,608.02
Phone Expense	149,336.13
Long Distance / Int'l	(116.30)
Copier Expense	-
Copier Supplies	(5.00)
Copier Repairs & Maintenance	155.00
Postage	22,261.74
FedEx/Delivery	50,997.36
Fax	57.36
Office Supplies	104,125.68
Printing	23.60
Coffee / Beverage	86.08
Catering	1,916.44
Equipment Purchases	689.43
Equipment Rental	-
Repairs & Maintenance - Equip	3,050.22
Prototype Expense	-
Furniture Purchases	21,211.92
Furniture Rental	-
Repairs & Maintenance - Fum/Fix	79.85
Repairs & Maintenance - Center	-
Video Conference Expense	223.66
Sales Wages	773.99
Sales Bonuses	-
Sales P/R Tax Expense	43.89
Entertainment - Sales Expense	-
Advertising	-
Promotional Expense	75.00
Marketing Research Expense	-
Marketing - Annual Conference	-
Employee Benefits	2,189.43

Chicago Suites, Inc.	
Income Statement	
1/1/99 to 12/31/99	
Recruitment Expenses	1,346.32
Employee Relocation	-
Training	711.81
Entertainment - Employees	825.00
Other Employee Benefits	83.48
Corporate Wages	258,049.55
Corporate Bonuses	70,646.83
Corporate P/R Taxes	25,166.61
Contract Labor	-
Stock Based Compensation Exp	-
Travel	19,685.21
Meals & Entertainment	7,330.76
Automobile Lease	-
Other Professional Service	13,769.35
Accounting	-
Consulting Services	2,135.00
Legal	-
Legal - Kaidanow Litigation	-
Property Insurance	-
Bad Debt Expense	4,257.11
Charitable contributions	-
Bank Fees	3,174.10
Late Charges	1,892.37
Tax - Penalties	486.22
Licenses	2,930.84
Property Taxes	1,532.53
Use Tax	1,654.60
Miscellaneous Taxes	358,272.17
Corporate Income Tax Expense	-
Dues & Subscriptions	15,318.13
System Development Expense	-
Y2K Expense	-
Dead Deal Costs	-
Trademark Expense	-
Miscellaneous Expense	(82,565.45)
Prior Year Inc/Exp Adj	296.43
Interest Expense	128,435.68
LC/Fronting Fees	-
Depr Exp Furniture/Fixtures	560,536.39
Depr Exp Phone Equipment	42,608.28
Depr Exp Computer Equipment	33,192.78
Depr Exp Office Equipment	617,931.69
Depr Exp Leasehold Improvements	238,903.11
Amort Exp Preopening Exp	3,870.84
Amort Exp Cap Legal Fees	-
Amort Exp Organization Costs	210.12
Amort Exp License Fees	247.27
Amort Exp Systems Development	-
Amort Exp Goodwill	1,964,308.17
Amort Exp Acquisition Costs	16,957.84
Amort Exp Deferred Interest	-
Amort Exp Def Financing Costs	-
Amort Exp Capitalized Interest	-
Amort Exp Below Market Leases	27,864.00
Interest Expense Allocation	2,223,959.00
National Corp Overhead Alloc	6,239,317.60
Regional Corp Overhead Alloc	-
Realized Gain / Loss	-
Net income (loss)	(293,044.45)

J. M. and M. C. Co.

Chicago Suites, Inc.					
GAAP Balance Sheet					
1999 Tax Return					
					12/31/99
	Assets				
Cash and cash equivalents					16,260.92
Account receivable, less allowance					4,195,241.69
	Other Current Assets				
Prepays					129,352.21
Security Deposits					272,077.10
	Total Other Current Assets				401,429.31
Depreciable Assets					10,518,546.59
Accumulated depreciation - fixed assets					(2,100,105.11)
	Net fixed assets				8,418,441.48
	Intangibles				
Goodwill					54,489,250.11
Accumulated amort - goodwill					(3,021,539.74)
Below market leases					2,538,000.00
Accumulated amort - below market leases					(254,204.00)
Acquisition costs					496,888.00
Accumulated amort - acquisition costs					(27,604.84)
All others					78,568.02
Accumulated amort - all others					(20,237.90)
Total Intangible Assets					57,602,706.13
Total Accumulated Amortization					(3,323,586.48)
Total Net Intangible Assets					54,279,119.65
Total Assets					67,310,493.05

Chicago Suites, Inc.			
GAAP Balance Sheet			
1999 Tax Return			
			12/31/99
Liabilities and Stockholders' Equity			
Accounts payable			-
Notes payable in less than one year			382,612.07
Other Current Liabilities			
Sales, Use and Excise tax payable			185,196.46
Note payable - current			-
Accrued interest			-
Other accruals			45,235.73
Accrued payroll			149,233.35
Accrued telecommunications / Internet			19,807.75
Total Other Current Liabilities			399,473.29
Notes payable in one year or more			342,112.28
Other Liabilities			
Security deposits			3,892,654.74
Deferred Lease Costs			754,742.32
Intercompany			3,793,392.38
Total Other Liabilities			8,440,789.44
Total Liabilities			9,564,987.08
Equity			
Common stock			1,000.00
Additional paid in capital			55,727,374.00
Retained earnings			2,017,131.97
Total stockholders' equity			57,745,505.97
Total Liabilities and Stockholders' Equity			67,310,493.05
Retained Earnings Walkforward (DR) Cr			
Beginning retained earnings			(106,532.00)
Current year income (loss)			(293,044.45)
Other increases (decreases) - Change due to GAAP purchase accounting			2,416,708.42
Retained earnings at 12/31/99			2,017,131.97

J. MacMillan

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

Report GLTRBAL1
 Number 002

All Companies
 Seven Months Ending July 31, 2000

	Beginning of Period	Change in Period	End of Period	W/P Adjustments		Adjusted B/S
				DR.	CR.	
TOTAL Revenue	0.00	19,056,973.62	19,056,973.62			

Client Expense

60010	Rent Expense	0.00	4,613,890.27	4,613,890.27		
60020	GAAP Straight-line Rent Adj	0.00	64,920.17	64,920.17		
60030	Escalation Expense	0.00	1,133,741.79	1,133,741.79		
60040	CPI Expense	0.00	12,693.84	12,693.84		
60050	Other Rent Expense	0.00	10,067.52	10,067.52		
60060	Parking	0.00	133,556.68	133,556.68		
60070	Utilities	0.00	86,472.87	86,472.87		
TOTAL Rent Expense		0.00	6,055,343.14	6,055,343.14		
61010	Administrative Wages	0.00	715,971.81	715,971.81		
61020	Administrative P/R Tax Exp	0.00	69,225.41	69,225.41		
61030	Temporary Administrative	0.00	17,596.42	17,596.42		
61110	Personal Assistant Wages	0.00	58,957.80	58,957.80		
61120	Personal Asst P/R Tax Exp	0.00	6,417.93	6,417.93		
61130	Contract Labor-Personal Asst	0.00	342.50	342.50		

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

Report GLTRLBAL1
Number 002

All Companies
Seven Months Ending July 31, 2000

		Beginning	Change in	End of	----- W/P Adjustments -----		Adjusted
		of Period	Period	Period	DR.	CR.	B/S
61140	Mileage - Personal Asst	0.00	508.17	508.17			
TOTAL Administrative Expense		0.00	869,020.04	869,020.04			
62010	Copier Expense	0.00	136,134.62	136,134.62			
62020	Copier Supplies	0.00	8,078.20	8,078.20			
62030	Copier Repairs & Maintenance	0.00	60,792.68	60,792.68			
62110	Postage Purchases	0.00	125,002.68	125,002.68			
62120	Postage Equipment Maintenance	0.00	24,989.83	24,989.83			
62130	Postage Supplies	0.00	850.46	850.46			
62210	Federal Express	0.00	111,967.40	111,967.40			
62220	UPS	0.00	23,607.61	23,607.61			
62230	Other Delivery	0.00	20,399.63	20,399.63			
62310	Fax Equipment	0.00	455.82	455.82			
62320	Fax Maintenance	0.00	259.00	259.00			
62330	Fax Supplies	0.00	590.71	590.71			
62410	Equipment Purchases	0.00	5,613.47	5,613.47			
62420	Equipment Rental	0.00	15,730.64	15,730.64			
62430	Software	0.00	3,370.02	3,370.02			
62440	Repairs & Maintenance	0.00	28,447.45	28,447.45			
62450	Supplies - Computer/Equip	0.00	570.78	570.78			
62460	Furniture Rental	0.00	410,563.00	410,563.00			
63010	Printing	0.00	8,602.28	8,602.28			
63020	Office Supplies	0.00	172,972.73	172,972.73			
63030	Coffee/Beverage	0.00	74,023.12	74,023.12			
63040	Catering	0.00	35,210.04	35,210.04			
63050	Other Client Expenses	0.00	13,096.09	13,096.09			
64010	Storage	0.00	11,369.91	11,369.91			
64020	Security Expense	0.00	247.23	247.23			
64110	Internet Access	0.00	393,333.78	393,333.78			
TOTAL Other Client Expense		0.00	1,686,279.18	1,686,279.18			

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

Report GLTRLBAL1
Number 002

All Companies
Seven Months Ending July 31, 2000

		Beginning	Change in	End of	----- W/P Adjustments -----		Adjusted
		of Period	Period	Period	DR.	CR.	B/S
65010	Phone - Monthly	0.00	342,419.27	342,419.27			
65020	Phone - T1/Line Charges	0.00	87,012.77	87,012.77			
65030	Phone - Equipment Rental	0.00	1,671.34	1,671.34			
65040	Phone - Repairs & Maintenance	0.00	157,603.18	157,603.18			
65050	Phone - Local	0.00	160,509.96	160,509.96			
65060	Phone - Long Distance/Int'l	0.00	529,209.89	529,209.89			
65070	Phone - Installation	0.00	97,642.86	97,642.86			
65080	Phone - Calling Cards	0.00	82.24	82.24			
65510	Video Conference Equipment	0.00	3,871.60	3,871.60			
65520	Video Conference Usage	0.00	37,922.39	37,922.39			
TOTAL Telecommunications Expense		0.00	1,417,945.50	1,417,945.50			
TOTAL Client Expense		0.00	10,028,587.86	10,028,587.86			
Facility Expenses							
70110	Phone Expense	0.00	7,801.25	7,801.25			
70160	Long Distance / Int'l	0.00	454.91	454.91			
70210	Copier Expense	0.00	196.68	196.68			
70310	Postage	0.00	7,071.59	7,071.59			
70410	Fedex	0.00	19,283.43	19,283.43			
70420	UPS	0.00	6,666.32	6,666.32			
70430	Other Delivery	0.00	17,544.34	17,544.34			
70510	Fax Expense	0.00	355.82	355.82			
70610	Supplies	0.00	113.04	113.04			
70620	Printing	0.00	20,697.38	20,697.38			
70710	Small Equipment Purchases	0.00	12,993.21	12,993.21			
70810	Videoconference Expense	0.00	1,355.27	1,355.27			
TOTAL Facility Overhead Expense		0.00	94,533.24	94,533.24			

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

Report GLTRBAL1

All Companies

Number 002

Seven Months Ending July 31, 2000

		Beginning of Period	Change in Period	End of Period	----- W/P Adjustments ----- DR. CR.	Adjusted B/S
71010	Moving Expenses	0.00	4,977.37	4,977.37		
71020	Custodial & Janitorial	0.00	12,480.90	12,480.90		
71030	Repairs & Maintenance - Center	0.00	98,038.86	98,038.86		
71040	Repairs & Maintenance-Furn/Fix	0.00	71,806.20	71,806.20		
71050	Other Center Expense	0.00	11,907.64	11,907.64		
71060	Furniture Purchases	0.00	1,484.25	1,484.25		
71070	Furniture/Fixture Rental	0.00	63.31	63.31		
TOTAL Facility Design Expense		0.00	200,758.53	200,758.53		
72010	Sales Manager Wages	0.00	658,149.47	658,149.47		
72020	Sales Manager Bonuses	0.00	157,412.49	157,412.49		
72025	Accrued Sales Mgr Bonuses	0.00	44,918.00	44,918.00		
72030	Sales Manager P/R Tax Exp	0.00	73,369.13	73,369.13		
72040	Commissions	0.00	37,332.66	37,332.66		
72050	Entertainment - Sales Exp	0.00	29,548.68	29,548.68		
72060	Advertising	0.00	250,564.10	250,564.10		
72070	Promotional Expense	0.00	16,116.16	16,116.16		
TOTAL Facility Sales Expense		0.00	1,267,410.69	1,267,410.69		
73010	Employee Benefits	0.00	311,426.39	311,426.39		
73020	Recruitment Expenses	0.00	84,750.42	84,750.42		
73040	Training	0.00	1,606.01	1,606.01		
73050	Entertainment - Employees	0.00	10,806.38	10,806.38		
73060	Other Employee Benefits	0.00	2,367.02	2,367.02		
TOTAL Facility Employee Benefits		0.00	410,956.22	410,956.22		
74010	Support Staff Wages	0.00	766,219.39	766,219.39		
74020	Operations Manager Wages	0.00	0.00	0.00		
74030	Staff Bonuses	0.00	19,158.46	19,158.46		

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

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Number 002

All Companies
Seven Months Ending July 31, 2000

	Beginning of Period	Change in Period	End of Period	----- W/P Adjustments -----		Adjusted B/S
				DR.	CR.	
74040 Staff & Ops Mgr P/R Tax Exp	0.00	80,409.27	80,409.27			
74050 Contract Labor	0.00	46,074.21	46,074.21			
TOTAL Facility Staff Wages	0.00	911,861.33	911,861.33			
75010 Travel	0.00	10,926.68	10,926.68			
75020 Meals & Entertainment	0.00	2,234.99	2,234.99			
TOTAL Facility Travel Expense	0.00	13,161.67	13,161.67			
76010 Other Professional Services	0.00	459.53-	459.53-			
76040 Consulting Services	0.00	34.35	34.35			
TOTAL Facility Professional Services	0.00	425.18-	425.18-			
78010 Bad Debt Expense	0.00	245,012.33	245,012.33			
78020 Charitable Contributions	0.00	100.53	100.53			
78050 Late Charges	0.00	46,734.86	46,734.86			
78070 Licenses	0.00	3,035.84	3,035.84			
78080 Property Taxes	0.00	37,539.80	37,539.80			
78100 Miscellaneous Taxes	0.00	30,489.07	30,489.07			
78120 Dues & Subscriptions	0.00	3,951.41	3,951.41			
78140 Y2K Expense	0.00	3,186.97	3,186.97			
78410 Miscellaneous Expense	0.00	3,639.70	3,639.70			
78510 Prior Year Inc/Exp Adj	0.00	33,834.43	33,834.43			
78610 Interest Exp - Center Level	0.00	3,392.95	3,392.95			
TOTAL Facility Miscellaneous Expenses	0.00	410,917.89	410,917.89			
TOTAL Facility Expenses	0.00	3,309,174.39	3,309,174.39			

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

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Number 002

All Companies
Seven Months Ending July 31, 2000

		Beginning	Change in	End of	----- W/P Adjustments -----		Adjusted
		of Period	Period	Period	DR.	CR.	B/S
Corporate/Regional Expenses							
80110	Phone Expense	0.00	78.12	78.12			
80640	Catering	0.00	119.55	119.55			
TOTAL Corporate Overhead Expenses		0.00	197.67	197.67			
82010	Sales Wages	0.00	18,188.04-	18,188.04-			
82030	Sales P/R Tax Expense	0.00	1,391.40-	1,391.40-			
TOTAL Sales Expense		0.00	19,579.44-	19,579.44-			
83010	Employee Benefits	0.00	8.28-	8.28-			
83050	Entertainment - Employees	0.00	75.00-	75.00-			
TOTAL Employee Benefits		0.00	83.28-	83.28-			
84010	Corporate Wages	0.00	1,092.90-	1,092.90-			
84040	Corporate P/R Taxes	0.00	22.82	22.82			
TOTAL Corporate Wages		0.00	1,070.08-	1,070.08-			
86040	Consulting Services	0.00	16,800.00	16,800.00			
TOTAL Professional Services		0.00	16,800.00	16,800.00			
88070	Licenses	0.00	205.00	205.00			
88100	Miscellaneous Taxes	0.00	49,104.31	49,104.31			
88410	Miscellaneous Expense	0.00	10,448.00	10,448.00			
88610	Interest Expense	0.00	28,611.08	28,611.08			
TOTAL Miscellaneous Expenses		0.00	88,368.39	88,368.39			

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

Report GLTRLBAL1
 Number 002

All Companies
 Seven Months Ending July 31, 2000

		Beginning	Change in	End of	----- W/P Adjustments -----		Adjusted
		of Period	Period	Period	DR.	CR.	B/S
89010	Depr Exp Furniture/Fixtures	0.00	202,856.19	202,856.19			
89020	Depr Exp Phone Equipment	0.00	82,726.11	82,726.11			
89030	Depr Exp Computer Equipment	0.00	61,301.28	61,301.28			
89040	Depr Exp Office Equipment	0.00	345,906.70	345,906.70			
89050	Depr Exp Leasehold Improvemnts	0.00	114,471.01	114,471.01			
89060	Amort Exp Preopening Exp	0.00	1,612.85	1,612.85			
89080	Amort Exp Organization Costs	0.00	87.55	87.55			
89420	Amort Exp Goodwill	0.00	814,850.41	814,850.41			
89520	Amort Exp Acquisition Costs	0.00	6,901.20	6,901.20			
89930	Amort Exp Below Market Leases	0.00	11,610.00	11,610.00			
TOTAL Depreciation & Amortization Expense		0.00	1,642,323.30	1,642,323.30			
TOTAL Corporate/Regional Expenses		0.00	1,726,956.56	1,726,956.56			
99010	Interest Expense Allocation	0.00	1,145,844.00	1,145,844.00			
99020	National Corp Overhead Alloc	0.00	3,674,953.00	3,674,953.00			
TOTAL Overhead Allocation		0.00	4,820,797.00	4,820,797.00			
Net (Income)/Loss		0.00	828,542.19	828,542.19			
TOTAL Liabilities & Stockholder's Equity		63,010,613.65	221,395.94	63,232,009.59			

John MacNeil

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

Report GLTRLBAL1

All Companies

Number 002

Seven Months Ending July 31, 2000

		Beginning	Change in	End of	----- W/P Adjustments -----		Adjusted
		of Period	Period	Period	DR.	CR.	B/S
10010	Cash - Operating	2,002.59	2,002.59-	0.00			
10020	Cash - Payroll	0.00	0.00	0.00			
10100	Petty Cash	14,258.33	0.00	14,258.33			

TOTAL Cash		16,260.92	2,002.59-	14,258.33			
12010	Accts Receivable - Client	2,784,957.27	1,290,380.17-	1,494,577.10			
12011	A/R - Conversion	7,020.45	7,437.80-	417.35-			
12012	A/R Refunds	33,023.25	99,055.70	132,078.95			
12030	Allowance for Doubtful Accts	20,744.92-	0.00	20,744.92-			
12060	Miscellaneous Receivables	853,759.72	351,335.01-	502,424.71			
12070	Employee Loans/Advances	428.55	171.42-	257.13			
12080	Accrued Estimated Revenue	13.27-	241,669.55	241,656.28			
12090	Accrued Service Revenue	536,810.64	18,810.64-	518,000.00			
12100	A/R - Intercompany	0.00	0.00	0.00			

TOTAL Receivables		4,195,241.69	1,327,409.79-	2,867,831.90			
13010	Prepaid Expenses	129,352.21	96,373.47-	32,978.74			

TOTAL Prepaid Assets		129,352.21	96,373.47-	32,978.74			
14030	Security Deposits	272,077.10	127,104.38-	144,972.72			

TOTAL Other Current Assets		272,077.10	127,104.38-	144,972.72			
15010	Furniture and Fixtures	3,205,256.74	418,209.70	3,623,466.44			
15020	Telephone Equipment	900,333.55	186,015.16	1,086,348.71			
15030	Computer Equipment	527,146.44	367,026.03	894,172.47			
15040	Office Equipment	4,139,695.38	15,486.16	4,155,181.54			
15050	Leasehold Improvements	1,746,114.48	286,231.57	2,032,346.05			
15060	Preopening Costs	75,611.01	4,306.90-	71,304.11			

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

Report GLTRLBAL1
Number 002

All Companies
Seven Months Ending July 31, 2000

	Beginning of Period	Change in Period	End of Period	----- W/P Adjustments ----- DR. CR.	Adjusted B/S
15070 Capitalized Legal Fees	2,239.20	2,239.20-	0.00		
15080 Organization Costs	717.81	0.00	717.81		

TOTAL Fixed Assets	10,597,114.61	1,266,422.52	11,863,537.13		
16010 Acc Depr-Furniture & Fixtures	462,940.35	202,856.19-	665,796.54-		
16020 Acc Depr-Phone Equipment	42,608.87	98,705.40-	141,314.27-		
16030 Acc Depr-Computer Equipment	34,345.37	61,536.11-	95,881.48-		
16040 Acc Depr-Office Equipment	1,155,977.86	329,692.58-	1,485,670.44-		
16050 Acc Depr-Leasehold Improvemnts	404,232.66	114,471.01-	518,703.67-		
16060 Acc Amort-Preopening Costs	19,887.70	3,262.65-	23,150.35-		
16080 Acc Amort-Organization Costs	350.20	87.55-	437.75-		

TOTAL Accumulated Depreciation & Amortization	2,120,343.01	810,611.49-	2,930,954.50-		
17010 Goodwill	54,489,250.11	0.00	54,489,250.11		
17020 Acc Amort-Goodwill	3,021,539.74	761,225.61-	3,782,765.35-		
17110 Acquisition Costs	496,888.00	6,901.20-	489,986.80		
17120 Acc Amort-Acquisition Costs	27,604.84	0.00	27,604.84-		
17610 Below Market Leases	2,538,000.00	0.00	2,538,000.00		
17620 Acc Amort Below Market Leases	254,204.00	63,585.00-	317,789.00-		

TOTAL Intangible Assets	54,220,789.53	831,711.81-	53,389,077.72		
19999 Interproject	4,299,879.40	2,150,186.95	2,149,692.45-		

TOTAL Inter-project	4,299,879.40	2,150,186.95	2,149,692.45-		

TOTAL Assets	63,010,613.65	221,395.94	63,232,009.59		
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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

Report GLTRLBAL1
 Number 002

All Companies
 Seven Months Ending July 31, 2000

		Beginning	Change in	End of	----- W/P Adjustments -----		Adjusted
		of Period	Period	Period	DR.	CR.	B/S
		-----	-----	-----	-----	-----	-----
Liabilities							
20010	Accounts Payable Control	506,487.02	769,923.01-	263,435.99-			
20510	Due To/From	0.00	0.00	0.00			
21010	Accrued Interest Due to Parent	0.00	0.00	0.00			
21030	Accrued Expenses	45,469.17-	66,919.41-	112,388.58-			
21050	Withholding Liabilities-Other	233.44	233.44-	0.00			
21060	Accrued Long Distance	2,397.00-	39,185.65	41,582.65-			
21065	Accrued Internet	17,410.75-	8,559.25-	25,970.00-			
21080	Accrued Payroll	149,233.35-	157,450.06-	306,683.41-			
22020	Deferred Tax L/B-Current	0.00	0.00	0.00			
22030	Sales Tax Payable	87,667.86-	159,343.39	71,675.53			
22040	Use Tax Payable	3,242.47-	2,760.81	481.66-			
22050	Excise Tax Payable	94,286.13-	25,181.72-	119,467.85-			
22510	Notes Payable - Current	382,612.07-	133,130.65	249,481.42-			
TOTAL Current Liabilities		275,598.34-	772,217.69-	1,047,816.03-			
23010	Rent Billed in Advance	0.00	0.00	0.00			
23030	Deferred Lease Costs	754,742.32-	64,920.17-	819,662.49-			
TOTAL Current Deferred Liabilities		754,742.32-	64,920.17-	819,662.49-			
24010	Intercompany Due To/From	0.00	0.00	0.00			
TOTAL Intercompany Due To/From		0.00	0.00	0.00			
25010	Notes Payable - Long Term	342,112.28-	85,832.32	256,279.96-			
TOTAL Long Term Debt		342,112.28-	85,832.32	256,279.96-			
26010	Client Retainer Fees	3,892,654.74-	298,632.59-	4,191,287.33-			

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PRODUCTION SYSTEM

CHICAGO SUITES, INC.

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All Companies
Seven Months Ending July 31, 2000

	Beginning of Period	Change in Period	End of Period	----- W/P Adjustments -----		Adjusted B/S
				DR.	CR.	
TOTAL Long Term Liabilities	3,892,654.74-	298,632.59-	4,191,287.33-			
TOTAL Liabilities	5,265,107.68-	1,049,938.13-	6,315,045.81-			
Equity						
30020 Additional Paid In Capital	55,728,374.00-	0.00	55,728,374.00-			
30030 Shareholder Distributions	0.00	0.00	0.00			
30045 Transfer Net Assets - Dev/Core	0.00	0.00	0.00			
30050 Retained Earnings	2,017,131.97-	0.00	2,017,131.97-			
TOTAL Equity	57,745,505.97-	0.00	57,745,505.97-			
TOTAL Equity	57,745,505.97-	0.00	57,745,505.97-			

J. M. ...