

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

JUN 09 2006

Missouri Public
Service Commission

In the matter of the Application of)
CloseCall America, Inc for a)
Certificate of Service Authority to)
Provide Basic Local Telecommunications)
Services throughout the State of)
Missouri and to Classify Said Services and)
the Company as Competitive.)
_____)

Case No. (For Commission use only)

APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
TO PROVIDE BASIC LOCAL EXCHANGE TELECOMMUNICATIONS
SERVICE AND FOR COMPETITIVE CLASSIFICATION

Comes now CloseCall America, Inc., by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.420, and 392.430 RSMo 1994, 392.410, 392.450 RSMo Supp. 1996, the Federal Telecommunications Act of 1996, and 4 CSR 240-2.060, for authority to provide basic local telecommunications service in portions of the State of Missouri and to classify said service and company as competitive. In support of its application CloseCall America, Inc. states as follows:

1. Applicant CloseCall America, Inc. (hereto referred as "CloseCall") is a corporation duly organized and existing under and by virtue of the laws of the State of Delaware. A copy of the articles of incorporation can be found in Exhibit A. A certified copy of the Applicants authorization to do business in Missouri issued by the Secretary of State is being filed concurrently with this application. Space has been reserved for the authorization in Exhibit B.

2. All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to the case, along with being the business contact, should be addressed to:

Ben Aylesworth
Executive Director of Regulatory Affairs
CloseCall America, Inc.
101 Log Canoe Circle
Stevensville, MD 21666
410-604-3022
410-604-0031 Fax

3. CloseCall proposes to provide basic local exchange telecommunications service on a facilities-based and resold basis, throughout the state of Missouri. Its main

focus will be in the local exchanges of the incumbent telecommunications company of SBC.

4. Pursuant to this application CloseCall seeks to offer and provide all forms of basic local telecommunications service, including: POTS lines, ADSL, ISDN, SDSL, T-1 Private Lines(Business only), Switch 56 KBPS, Fractional T1(Business only), Long Distance.

5. CloseCall possesses the technical and managerial expertise and experience necessary to provide the services it proposes. Management biographies, which demonstrate the extensive experience and expertise are attached hereto and incorporated herein by reference as Exhibit C. CloseCall also possesses the necessary financial resources. This can be seen in CloseCall's financial statements found in Exhibit D.

6. CloseCall seeks classification of itself and its services as competitive.

7. CloseCall will offer basic local telecommunications service as a separate and distinct service in accordance with applicable law. CloseCall will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in CloseCalls proposed service areas in accordance with applicable law.

8. CloseCall is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards, including, but not limited to billing, quality of service, and tariff filing and maintenance in a manner consistent with the Commission's requirements for incumbent local exchange carrier(s) with whom CloseCall seeks authority to compete.

Additionally, CloseCall agrees that, pursuant to Section 392.455(3) & (4) RSMo Cum Supp. 1996, its service area shall be no smaller than a exchange and CloseCall will offer basic local telecommunications service as a separate and distinct service.

Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, CloseCall requests the following statutes and regulations be waived for CloseCall and its basic local exchange services offerings:

<u>Statutes</u>	<u>Missouri Public Service Commission Rules</u>
392.210.2	4 CSR 240-10.020
392.240.1	
392.270 4	CSR 240-30.040
392.280 4	CSR 240-3.550(5)(C)
392.290	
392.300.2	
392.310	
392.320	
392.330	
392.340	

9. It will promptly file said tariffs bearing no less than 45 day effective date with the Commission in a manner consistent with the Commission's practice in similar cases. In any circumstance, Applicant will file its proposed basic local exchange telecommunications service tariff no later than 30 days after Commission approval of Applicant's interconnection and/or resale agreement. Space for the tariff has been reserved in Exhibit E.

10. CloseCall submits that the public interest will be served by Commission approval of this application because CloseCalls proposed services will create and enhance competition and expand customer service options consistent with the legislative

goals set forth in the federal Telecommunications Act of 1996 and Chapter 392 RSMo. Prompt approval of this application also will expand the availability of innovative, high quality, and reliable telecommunications services within the State of Missouri.

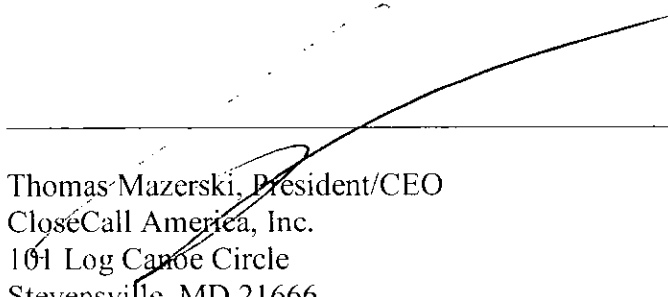
11. CloseCall submits, notwithstanding the provisions of Section 392.500 RSMo., as a condition of certification and competitive classification, CloseCall agrees that, unless otherwise ordered by the Commission, CloseCall originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each ILEC within those service areas CloseCall seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, CloseCall agrees that if the ILEC in whose service area CloseCall is operating decreases its originating and/or terminating access service rates, the Applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.

13. CloseCall does not have any pending action or final unsatisfied judgment or decisions against it from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within 3 years of application.

14. No annual report or assessment fees are overdue.

WHEREFORE, Applicant CloseCall respectfully requests that the Commission grant it a certificate of service authority to provide basic local telecommunications services as herein requested, classify CloseCall and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,



Thomas Mazerski, President/CEO
CloseCall America, Inc.
101 Log Canoe Circle
Stevensville, MD 21666

Exhibit A

Delaware

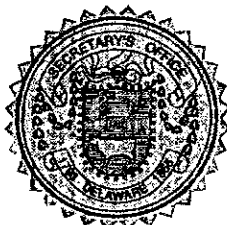
PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "CLOSECALL AMERICA, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-FIFTH DAY OF APRIL, A.D. 2006.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

3838400 8300

AUTHENTICATION: 4692950

060380656

DATE: 04-25-06

Exhibit B

[Reserved for future use]

Exhibit C

**CLOSECALL AMERICA, INC.
MANAGEMENT AND TECHNICAL TEAM**

Each of the following Managers, unless otherwise noted, operates out of the Company's principal office located at 101 Log Canoe Circle, Stevensville, MD 21666. The Company's main phone number is (410) 604-0405 and each Manager's extension is noted below. Each Manager can be reached by Fax at (410) 604 - 0031.

Thomas Mazerski, President and CEO (Ext. 174), established CloseCall America, Inc. ("CloseCall" or "Company") in 1999 and serves as its President/CEO. He also serves as the Director of Operations and is involved in assuring regulatory compliance. Prior to joining CloseCall, Mr. Mazerski served as Executive Director of Merger Integration at Bell Atlantic/Verizon. Most recently he drew upon his experience at Bell Atlantic/Verizon as oversaw the integration of C.L.Y.K. Inc. D/B/A Affinity Telecom and CloseCall into one business unit providing telecommunications services to over 66,000. Mr. Mazerski has a Masters Degree in Economics and maintains continuing communications with Verizon as well as other ILECs that the Company utilizes in providing services.

Gregory S. Van Allen, Vice President of Information Technology and Local Services (Ext. 124), has been working with CloseCall since July 2000. He created the local service department in September 2000 and had grown the product from zero to over 30,000 subscribers. His duties include overseeing a staff of over 25 employees, establishing interconnection agreements between CloseCall and incumbent local carriers, and maintaining all aspects of a successful local service product from revenue lines and customer service. Greg graduated from the University of Maryland, Baltimore County in 1996 with a B.S. degree in Information Systems Management.

Naden Lean LLC, Accountants and Business Consultants ("Naden Lean"), have evidenced the ability to manage, coordinate and motivate administrative staff to maintain the internal functions of consumer businesses. Naden Lean maintains the audit processes for the company. Naden Lean's responsibilities include management of working capital including receivables, cash and payables, and financial forecasting, including capital budget, cash budget, pro forma financial statements, external financing requirements, and financial condition requirements. CloseCall is also independently audited every year by public accounts provided by its parent company MobilePro, Corp.

Naden Lean can be reached at:

Naden Lean LLC
Timonium One, Suite 405
1966 Greenspring Drive
Timonium, MD 21093
Phone: (410) 453-5500
Fax: (410) 453-5522

Tiffany Leyda, Executive Director of Billing Operations (Ext. 139), Mrs. Leyda has worked extensively with software engineers to maintain the custom back office technology platform which allows CloseCall to interface directly with primary carriers, payment centers and customers on a virtual basis to allow for increased efficiency in the management of service and account maintenance. She has over 6 years experience managing the operation and growth of all billing operations to meet the needs of the Company's expanding product offerings and regulatory requirements.

Jo Ann Lanning, Executive Director Customer Service (Ext. 157), has six years of experience in customer service, call center management and organizational development.

Jeffery Parmer, Executive Director of Information Technology (Ext. 122), is MCSE, A+, and Cisco certified. He also has a number of additional programming and technology certifications in computer languages, components, web technologies, tools, operating systems and hardware. Mr. Parmer's manages all servers, systems, and in office computers. His team oversees the administration and maintenance of all software applications and company web sites. Mr. Parmer is also responsible for the internet and VOIP product offerings as well as the office security systems.

Ben Aylesworth, Executive Director of Regulatory Affairs (Ext. 174), has been working with CloseCall since June 2004. He designed a department exclusively dedicated to fulfilling the regulatory needs of CloseCall. Mr. Aylesworth orchestrated CloseCall's local service expansion to cover 12 states while maintaining its good standing in all jurisdictions that it serves. Mr. Aylesworth graduated from the University of Maryland – R.H. Smith School of Business with a B.S. degree in Finance.

Exhibit D

10:01 AM
04/14/06
Accrual Basis

CloseCall America
Balance Sheet
As of December 31, 2004

Dec 31, 04

ASSETS

Current Assets

Checking/Savings

1000 - Checking I Centreville 01	83,929.27
1001 - Payroll Checking Centreville 02	17,748.60
1002 - Savings Centreville	
1002.10 - Savings 26	53,515.42
1002.20 - Savings 27	161,888.92
1002.30 - Allocated Savings	5,353.39
Total 1002 - Savings Centreville	220,757.73
1003 - V/MC Checking Centreville 03	26,119.40
1004 - CK By Phone - Checking CNB 04	18,996.34
1030 - Petty Cash Account	300.00
1100 - Centreville Crt. of Deposit	
1101 - CD for Verizon WL LOC 50	260,234.83
1102 - CD for VZ LOC's 51	100,000.00
Total 1100 - Centreville Crt. of Deposit	360,234.83

Total Checking/Savings 728,086.17

Accounts Receivable

1200 - Accounts Receivable	1,423,217.67
1202 - Allowance for Doubtful Accounts	-385,115.26

Total Accounts Receivable 1,038,102.41

Other Current Assets

1021 - Other Current Assets

1112 - Balance transfer account	542.53
1150 - Wireless Inventory	18,161.62
1170 - Due from SSI-Affinity	61,178.79
1410 - Prepaid Expense	
1415 - Prepaid Internet Costs	19,443.76
1425 - Prepaid Marketing	
1426 - Less - Long Term Portion	-14,008.00
1425 - Prepaid Marketing - Other	433,364.00

Total 1425 - Prepaid Marketing 419,356.00

1450 - COGS prepaid 516,707.00

1410 - Prepaid Expense - Other 60,687.40

Total 1410 - Prepaid Expense 1,016,194.16

1475 - UNE-P Conversion Costs

1476 - Less - LT portion	-14,483.85
1475 - UNE-P Conversion Costs - Other	106,976.99

Total 1475 - UNE-P Conversion Costs 92,493.14

1630 - Wireless Commissions

1650 - Agent prizes 13,026.84

1750 - Payroll Exchange 13,493.00

8.91

Total 1021 - Other Current Assets 1,215,098.99

1090 - Affinity Receivables

1091 - Affinity Accounts Receivable	310,000.00
1092 - Allowance Account	-30,000.00

Total 1090 - Affinity Receivables 280,000.00

1109 - Audit Unbilled Accounts Rec

1700 - Due from employees 2,646,531.00

462.77

Total Other Current Assets 4,142,092.76

Total Current Assets 5,908,281.34

10:01 AM
04/14/06
Accrual Basis

CloseCall America
Balance Sheet
As of December 31, 2004

	Dec 31, 04
Fixed Assets	
1500 · Property and Equipment	
1505 · Leasehold Improvements	4,291.21
1510 · Billing Software & Equipment	25,036.74
1515 · Local UNE Software	3,119.00
1525 · Furniture & Fixtures	61,503.63
1530 · Office Equipment	75,836.01
1540 · Computer Equipment	170,482.69
1545 · Software	728.99
1546 · Automobile	57,500.00
Total 1500 · Property and Equipment	398,498.27
1550 · Accumulated Depreciation	-345,082.02
1560 · New Office Space	
1561 · Office Equipment	4,460.55
1562 · Leasehold Improvements	18,116.69
1563 · Furniture & Fixtures	141,033.81
1564 · Billing Software	16,012.50
1565 · Software	18,119.80
1566 · Computer Equipment	69,199.50
Total 1560 · New Office Space	266,942.85
Total Fixed Assets	320,359.10
Other Assets	
1603 · Intangible Assets	
1600 · Customer Base	
1602 · Accumulated Amortization	-49,999.87
1600 · Customer Base - Other	50,000.00
Total 1600 · Customer Base	0.13
1610 · Software Development Costs	
1615 · Accum. Amortization	-77,799.00
1610 · Software Development Costs - Other	290,755.14
Total 1610 · Software Development Costs	212,956.14
1620 · Website Development Costs	
1625 · Accum. Amortization	-14,449.00
1620 · Website Development Costs - Other	36,132.75
Total 1620 · Website Development Costs	21,683.75
Total 1603 · Intangible Assets	234,640.02
1721 · Due To/From Corp	
1720 · Due to/from Corporate	570,000.00
Total 1721 · Due To/From Corp	570,000.00
1900 · Long-Term Investments	
1605 · Security Deposit	8,000.00
1606 · Equipment Deposits	3,512.58
1626 · LT Portion of Prepaid Mktg	14,008.00
1636 · Wireless commissions - LT	6,057.02
1656 · Agent prizes - LT	3,359.00
1676 · LT Portion of UNEP Costs	14,483.85
Total 1900 · Long-Term Investments	49,420.45
Total Other Assets	854,060.47
TOTAL ASSETS	7,082,700.91

10:01 AM
04/14/06
Accrual Basis

CloseCall America
Balance Sheet
As of December 31, 2004

Dec 31, 04

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable

2,132,292.50

Total Accounts Payable

2,132,292.50

Other Current Liabilities

2007 · Centreville LOC - current

47,837.64

2009 · Current Portion of L/T Debt

2006 · Auto loan - current

9,954.94

2370 · Capital Lease Current

8,413.13

Total 2009 · Current Portion of L/T Debt

18,368.07

2016 · Accrued Expenses

2008 · Accrued Tax Liability

2008-1 · Accrued Federal Universal Fund

100,473.55

2008-2 · Accrued Federal Excise Tax

74,147.79

2008-3 · Accrued State Taxes

221,239.28

Total 2008 · Accrued Tax Liability

395,860.62

2010 · Accrued Payroll

51,296.26

2011 · Accrued Expenses

310,440.89

2120 · Accrued Payroll Taxes

5,716.62

2125 · 401K payable

31,972.16

2126 · Employee benefits payable

2,315.21

2450 · Contract payable

2451 · Baltimore Ravens

225,300.00

2452 · Aberdeen Ironbirds

87,495.00

2453 · Ripken Baseball

55,000.00

2454 · Frederick Keys

48,870.00

2455 · Bowie Baysox

39,690.00

2456 · Delmarva Shorebirds

25,000.00

Total 2450 · Contract payable

481,355.00

Total 2016 · Accrued Expenses

1,278,956.76

2090 · Due to Affinity (Receivables)

428,020.00

2391 · Deferred Revenue

2390 · Deferred Income

1,032,253.00

Total 2391 · Deferred Revenue

1,032,253.00

2472 · Other Current Liabilities

2200 · Customer Deposits

2210 · Wireless customer deposits

12,925.00

2200 · Customer Deposits - Other

117,688.33

Total 2200 · Customer Deposits

130,613.33

Total 2472 · Other Current Liabilities

130,613.33

Total Other Current Liabilities

2,936,048.80

Total Current Liabilities

5,068,341.30

Long Term Liabilities

2410 · Centreville LOC

66,756.25

2473 · Long-Term Debt

2400 · Capital Leases - L/T

23,851.12

2460 · Centreville Auto Loan

30,267.55

Total 2473 · Long-Term Debt

54,118.67

10:01 AM
04/14/06
Accrual Basis

CloseCall America
Balance Sheet
As of December 31, 2004

	Dec 31, 04
2475 · Due To/From US-1	
1730 · Due to/from subsidiary	-41,795.52
Total 2475 · Due To/From US-1	-41,795.52
Total Long Term Liabilities	79,079.40
Total Liabilities	5,147,420.70
Equity	
2600 · Owner Equity	
2610 · Series A Preferred	550,000.00
2620 · Series B Preferred	50,000.00
2630 · Series C Preferred	134,386.82
2650 · Common Stock	432.65
2670 · Due from Shareholders	-100.00
Total 2600 · Owner Equity	734,719.47
2801 · APIC	
2800 · Additional paid in Capital	8,171,337.65
Total 2801 · APIC	8,171,337.65
2900 · Retained Earnings	1,063,109.85
2901 · Accumulated R/E Deficit	
2850 · R/E - Pre-Acquisition	-7,383,224.00
Total 2901 · Accumulated R/E Deficit	-7,383,224.00
Net Income	-650,662.76
Total Equity	1,935,280.21
TOTAL LIABILITIES & EQUITY	7,082,700.91

9:25 AM
04/14/06
Accrual Basis

CloseCall America
Profit & Loss
January through December 2004

Jan - Dec 04

Ordinary Income/Expense

Income

3100 · Long Distance Revenue	
3110 · Long Distance Telephone Service	8,094,580.47
3111 · Long Distance Usage Credit	-557,104.82
3112 · USF Revenue	588,709.08
3113 · Fed State Local Surcharge	491,233.27
3114 · PICC Revenue	228,427.97
3116 · Minimum Charge	324,981.89
3117 · Monthly charge	1,789,891.05
3120 · 1800Closecall	10,671.98
3125 · State surcharges	48,935.99
3100 · Long Distance Revenue - Other	316,877.31
Total 3100 · Long Distance Revenue	11,337,204.19
3200 · Local Service Revenue	
3210 · Local Activation and Recurring	7,951,095.34
3220 · Local Fed Sub Line Charge	1,856,176.14
3230 · Local Credit Adjustments	-13,205.76
3240 · Local Carrier Access Billing	139,408.83
3260 · Local Usage Credit	-266,125.25
3280 · Carrier Access Billing	-14,414.94
3200 · Local Service Revenue - Other	280,343.09
Total 3200 · Local Service Revenue	9,933,277.45
3300 · Wireless Revenue	
3301 · Wireless Usage	809,798.01
3303 · Wireless - Recurring Revenue	1,447,786.45
3370 · Wireless Misc. Revenue	52,971.65
3375 · Wireless - Misc Credits	-157,453.40
3378 · Wireless - Free Minutes	-208,365.30
3390 · Wireless Telephone Sales	308,140.67
3399 · Other Wireless Product Sales	2,949.63
3300 · Wireless Revenue - Other	85,762.00
Total 3300 · Wireless Revenue	2,341,589.71
3400 · Internet Revenue	
3420 · Internet Revenue	376,276.66
3421 · DSL Set Up Fee	7,625.00
3422 · DSL Installation Kits	10,464.00
3423 · DSL Professional Installations	1,235.00
3430 · Internet credits	-5,638.54
3431 · DSL Debits	40.00
3440 · VOIP Equipment	1,907.50
3441 · VOIP Debits	-340.05
3400 · Internet Revenue - Other	-3,556.00
Total 3400 · Internet Revenue	388,013.57
3500 · Revenue Adjustment	-336,791.65
3600 · Intercompany Wholesale Revenue	132,021.34
9210 · Late Fees	55,420.05
9220 · Closed for Non-payment Fee	99,462.00
9250 · Other Account Fees	77,457.99
Total Income	24,027,654.65

Cost of Goods Sold

4100 · Long Distance COS	
4110 · Long Distance Cost of Sales	4,383,009.91
4112 · Cost of USF	438,731.05
4120 · 1800Closecall Costs	100,430.09
4190 · Excise tax discounts	-45,601.77
4195 · State tax discounts	9,885.67
4100 · Long Distance COS - Other	-3,710.00
Total 4100 · Long Distance COS	4,882,744.95

9:25 AM

04/14/06

Accrual Basis

CloseCall America Profit & Loss January through December 2004

	Jan - Dec 04
4200 · Local Cost of Sales	
4210 · CABS	136,388.01
4220 · Business	569,227.08
4230 · Residential	5,661,065.96
4235 · UNE-P Platform	105,379.18
4240 · Wiring Installation Costs	84,416.38
4245 · VoiceMail	23,166.37
4200 · Local Cost of Sales - Other	144,979.00
Total 4200 · Local Cost of Sales	6,724,621.98
4300 · Wireless Cost of Sales	
4302 · Wireless Airtime Cost	1,203,310.74
4310 · Wireless LD	12,460.24
4320 · Wireless Phones	169,814.96
4325 · Weblink -Pagers Usage	2,861.79
4300 · Wireless Cost of Sales - Other	36,003.88
Total 4300 · Wireless Cost of Sales	1,424,451.61
4400 · Internet Cost of Sales	
4410 · Internet Service Providers	183,953.89
4420 · Internet Email Hosting	27,712.50
4440 · DSL Installation Cost	459.04
4450 · DSL Credit	1,280.76
4460 · VOIP Credit	87.50
Total 4400 · Internet Cost of Sales	213,493.49
4500 · State Tax Discounts	-86,453.13
Total COGS	13,158,858.90
Gross Profit	10,868,795.75
Expense	
5001 · Salaries & Wages	
5002 · Payroll Expense - Cust Service	
5010 · Salaries & Wages - Cust Service	698,142.27
5021 · 401(k) - Cust. Service	13,622.00
5030 · Expense Allowance - Cust Serv	7,384.68
5040 · Payroll taxes - Cust Serv	66,535.02
5090 · Other payroll exp - Cust Serv	-4,096.92
Total 5002 · Payroll Expense - Cust Service	781,587.05
5003 · Payroll Expenses - Wireless	
6210 · Salaries and Wages - Wireless	215,519.25
6221 · 401(k) - Wireless	5,727.14
6230 · Expense Allowance - Wireless	3,942.70
6240 · Payroll Taxes - Wireless	19,099.71
6290 · Other Payroll Expense - Wireless	-6,809.43
Total 5003 · Payroll Expenses - Wireless	237,479.37
6100 · Payroll Expenses - Local	
6110 · Salaries and Wages Local	464,501.10
6121 · 401(k) - Local	11,426.93
6130 · Expense Allowance - Local	6,865.46
6140 · Payroll Taxes - Local	40,422.08
6190 · Other Payroll Expense - Local	-13,145.49
Total 6100 · Payroll Expenses - Local	510,070.08
6301 · Payroll Expense - Internet	
6310 · Salaries and Wages - Internet	249,816.31
6321 · 401(k) - Internet	4,566.19
6330 · Expense Allowance - Internet	2,307.70
6340 · Payroll Taxes - Internet	23,111.58
6390 · Other Payroll Exp - Internet	-21,317.18
Total 6301 · Payroll Expense - Internet	258,484.60

9:25 AM
04/14/06
Accrual Basis

CloseCall America
Profit & Loss
January through December 2004

	Jan - Dec 04
7100 · Payroll Expenses - Admin/Finan	
7110 · Salaries and Wages - A/F	788,926.03
7121 · 401(k) - A/F	24,967.36
7130 · Expense Allowance - A/F	107,552.30
7140 · Payroll Taxes - A/F	73,844.41
7180 · Board Compensation	3,500.00
7190 · Other Payroll Exp. - A/F	-37,192.36
Total 7100 · Payroll Expenses - Admin/Finan	961,597.74
7300 · Payroll Expenses - New Products	
7301 · Salaries & Wages - New Products	71,557.74
7321 · 401(k) - New Products	1,725.10
7325 · Payroll Taxes - New Products	5,673.37
7395 · Other payroll expense	2,364.67
7300 · Payroll Expenses - New Products - Other	0.00
Total 7300 · Payroll Expenses - New Products	81,320.88
7400 · Payroll Expenses - Corporate	
7401 · Salaries & Wages - Corporate	87,629.20
7422 · Expense Allowance - Corp Group	18,681.83
7425 · Payroll Taxes - Corporate	3,901.81
7495 · Other payroll expense	10,298.76
Total 7400 · Payroll Expenses - Corporate	120,511.60
7500 · Payroll Expenses - Billing	
7501 · Salaries & Wages - Billing	28,047.82
7525 · Payroll Taxes - Billing	1,868.18
7595 · Other payroll expense	4,511.30
Total 7500 · Payroll Expenses - Billing	34,427.30
Total 5001 · Salaries & Wages	2,985,478.62
5100 · Back Office	
5111 · Profitec Customer Service	108,650.83
5112 · Data Base & Business Billing	
5120 · Postage - Profitec	12,467.57
5150 · Web Site Exp	
5152 · XML to OSG	8,250.00
5156 · T1 Port Charge	7,180.94
5160 · Graphic Development	1,000.00
5162 · Programming	1,506.25
5164 · Server rent	17,600.00
5168 · Other Web Site Expense	2,139.46
5150 · Web Site Exp - Other	599.40
Total 5150 · Web Site Exp	38,276.05
5112 · Data Base & Business Billing - Other	64,582.53
Total 5112 · Data Base & Business Billing	115,326.15
5113 · Record Processing - OSG	234,160.68
5114 · Postage - OSG	211,953.85
5100 · Back Office - Other	24,921.96
Total 5100 · Back Office	695,013.47
5300 · Residential Billing - Profitec	
5310 · Account Processing - Profitec	705,480.55
5340 · Electronic File Transfer	24,648.75
5345 · Inserts	29,427.20
5350 · Local Billing	5,750.00
5358 · Color Print Fee	1,058.62
5362 · Programming Fee	4,809.10
5368 · Software fee	8,400.00
Total 5300 · Residential Billing - Profitec	779,574.22

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Accrual Basis

CloseCall America
Profit & Loss
 January through December 2004

	Jan - Dec 04
5500 · Travel Expense	
7305 · Auto expenses	11,705.44
7310 · Food	4,841.21
7330 · Reimbursement Exp.	118.75
7335 · Entertainment	24.76
5500 · Travel Expense - Other	379.33
Total 5500 · Travel Expense	17,069.49
5550 · Insurance Expense	
7352 · Directors & Officers Liability	10,832.58
7353 · Group Health Insurance	162,103.18
7354 · Life	2,913.12
7355 · 401K Admin fees	2,937.50
7356 · Property & Liab	3,086.46
7358 · Umbrella	25,579.66
7359 · Auto Insurance	593.35
7364 · Workmans Comp	6,610.34
Total 5550 · Insurance Expense	214,656.19
5600 · Rent Expense	
7810 · Rent	217,389.12
7815 · CAM	13,169.33
7820 · Utilities Exp	14,679.48
7830 · Office Cleaning	16,900.00
7840 · Bldg Maintenance & Repair	9,218.63
7850 · Security	328.95
Total 5600 · Rent Expense	271,685.51
5650 · Office Supplies and Equipment	
7432 · Equipment	11,780.26
7433 · Equipment Lease	8,129.43
7434 · Furniture Office	1,082.20
7435 · Equipment repairs	3,161.36
7436 · Office setup	569.43
7438 · Software expense	4,200.40
7442 · Computer supplies and equipment	13,621.02
7531 · Office Supplies Expense	12,842.75
5650 · Office Supplies and Equipment - Other	2,771.27
Total 5650 · Office Supplies and Equipment	58,158.12
5700 · Postage and Shipping	
7552 · Postage Meter and Stamps	17,156.04
7554 · Permit fee	625.00
7555 · Shipping	18,106.73
7560 · Shipping Materials	1,625.66
7570 · Express Mail	703.12
5700 · Postage and Shipping - Other	72,030.28
Total 5700 · Postage and Shipping	110,246.83
5750 · Telephone	
7615 · Employee Internet Access	1,411.39
7620 · Telephone System Lease Pymt	122,298.08
7660 · Telephone system service fees	125.00
7674 · T-1 Curcuit	77,305.60
7675 · Telephone Usage Exp	4,431.31
7677 · Local Telephone Expense	1,434.01
7678 · Long Distance ETel. Exp	182,964.41
7679 · Telephone-Cellular Exp	-256.32
7680 · Wireless Company Phone Expense	7,548.99
7685 · Telephone Employee Discounts	72,475.33
7690 · Misc. telephone system exp.	4,021.06
Total 5750 · Telephone	473,758.86

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Accrual Basis

CloseCall America
Profit & Loss
 January through December 2004

	Jan - Dec 04
5800 · Professional Services	
7705 · Payroll Services	5,976.85
7706 · Accounting Audit	28,500.00
Total 5800 · Professional Services	34,476.85
5850 · Other Administrative Expenses	
7920 · Taxes-Filing Fee	2,085.26
7925 · Business Taxes	6,883.46
7950 · Subscription Expense	577.49
7955 · License & Permits	11,196.80
7970 · Property Tax	6,129.19
7980 · Misc. Exp	1,191.90
Total 5850 · Other Administrative Expenses	28,064.10
5900 · Membership fees	710.00
9410 · Amortization	67,531.99
9420 · Depreciation	118,579.00
9600 · Bad Debts	859,419.75
9710 · Interest Expense	14,782.02
9715 · Penalties	-7,818.12
9730 · Banking SC and expenses	51,569.45
9740 · Credit Card Processing	174,955.45
9990 · Other Expense	9,114.48
Total Expense	6,957,026.28
Net Ordinary Income	3,911,769.47
Other Income/Expense	
Other Income	
9030 · Interest Income	15,878.67
9300 · Miscellaneous Income	6,261.52
Total Other Income	22,140.19
Other Expense	
6200 · Bonuses	
5020 · Bonus - Customer Service	55,444.40
6120 · Bonus - Local	48,950.00
6220 · Bonus - Wireless	34,550.00
6320 · Bonus - Internet	39,000.00
7120 · Bonus - A/F	174,355.00
7302 · Bonus - New Products	5,000.00
6200 · Bonuses - Other	0.00
Total 6200 · Bonuses	357,299.40
6300 · Legal fees	
7732 · Corporate	50,072.68
7733 · KK Litigation	-139.68
7734 · MM Litigation	29,733.29
7737 · JF Litigation	34,227.70
6300 · Legal fees - Other	7,139.34
Total 6300 · Legal fees	121,033.33
6400 · Consulting	
5154 · Web Site Consulting	46,527.50
5354 · Local Service Consulting	8,687.50
6570 · SubContract - Marketing	1,350.00
7170 · Subcontract - A/F	14,458.37
7715 · Consulting Fees	135,009.67
6400 · Consulting - Other	403.84
Total 6400 · Consulting	206,436.88

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Accrual Basis

CloseCall America Profit & Loss January through December 2004

Jan - Dec 04

6500 · Advertising	
6502 · Direct Mail	
6503 · Printing & Mail Shop Services	107,085.86
6504 · Postage	74,101.23
6505 · Fees	6.00
6506 · Printing	57,003.50
6507 · Bulk Mail Postage	167,099.37
6502 · Direct Mail - Other	18,395.63
Total 6502 · Direct Mail	423,691.59
6510 · Newspaper	52,386.33
6512 · Radio Expense	389,173.00
6513 · Internet Advertising	0.00
6514 · Television	253,234.00
6518 · Classified - Yellow Pages	7,843.12
6520 · Baseball	285,691.00
6525 · Brochures	399.95
6530 · Bill Inserts	8,520.00
6546 · Stationary	50,612.83
6555 · Special Events	281,002.67
6560 · Promotional Merchandise	15,332.16
6500 · Advertising - Other	-58,057.00
Total 6500 · Advertising	1,709,829.65
6600 · Agent Expense	
6631 · Agent Commissions	103,966.69
6632 · Other Agent Expenses	31,316.80
6600 · Agent Expense - Other	220.20
Total 6600 · Agent Expense	135,503.69
6700 · Promotional Exp	
6601 · CloseCall Product Promotions	
6602 · Free Month Internet	2,421.36
6603 · DSL Instant Rebate	5,490.00
6604 · Local Welcome Back Coupon	7,007.00
6605 · Wireless Rebates	114,300.00
6606 · CloseKnit Coupon	21,633.05
6609 · Local Voicemail Promo	2,140.00
6610 · Referral Rewards	48,860.00
6615 · Local CloseCall Dollars	147,220.00
6620 · Wireless CloseCall Dollars	30,026.58
6625 · Long Distance CloseCall Dollars	5,329.49
6626 · Wireless Contract Discount	108,083.19
6627 · Welcome Back Coupons	1,396.08
6628 · Local Internet Sign up	580.00
6629 · VOIP Coupon/Promos	1,275.00
Total 6601 · CloseCall Product Promotions	495,761.75
6810 · Marketing Research	3,212.04
6830 · Signs	1,787.43
6840 · Public Relations	2,515.00
Total 6700 · Promotional Exp	503,276.22
6900 · Other Discretionary Expenses	
7905 · Education expense	13,514.66
7910 · A/R Collection Service	90,351.56
7911 · Credit Information Fee	1,839.84
7915 · Charity Exp	2,600.00
7930 · Classified Ads	1,438.20
7931 · Watercooler exp	2,722.57
7932 · Beverage Expense	1,278.73
7975 · Prizes	106,980.02
7976 · Gifts	264.25
Total 6900 · Other Discretionary Expenses	220,789.83

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Accrual Basis

CloseCall America
Profit & Loss
January through December 2004

	Jan - Dec 04
7001 - Business Development	
7002 - Travel	3,808.78
7005 - Auto	163.96
7006 - Consulting	76,652.74
7008 - M&A Closing Costs	1,050,000.00
7009 - Expense reimbursements	2,302.18
7001 - Business Development - Other	12,894.23
Total 7001 - Business Development	1,145,821.89 ①
9999 - Void	0.00
Total Other Expense	4,399,990.89
Net Other Income	-4,377,850.70
Net Income	<u>-466,081.23</u>

ADD BACK 1-TIME COSTS:

① BUSINESS DEVELOPMENT RELATED TO SALE OF
COMPANY TO MOBILEPRO CORP

1,145,822

ADJUSTED NET INCOME

679,742

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Accrual Basis

CloseCall America Balance Sheet As of December 31, 2005

Dec 31, 05

ASSETS**Current Assets****Checking/Savings**

1000 · Checking I Centreville 01	46,681.29
1001 · Payroll Checking Centreville 02	593.00
1002 · Savings Centreville	
1002.10 · Savings 26	5,652.57
1002.20 · Savings 27	13,161.27
1002.40 · MoneyGram Express 20	6,899.69
Total 1002 · Savings Centreville	25,713.53
1003 · V/MC Checking Centreville 03	44,222.73
1004 · CK By Phone - Checking CNB 04	4,524.26
1030 · Petty Cash Account	300.00
1100 · Centreville Crt. of Deposit	
1101 · CD for Verizon WL LOC 50	260,234.83
1102 · CD for VZ LOC's 51	100,000.00
Total 1100 · Centreville Crt. of Deposit	360,234.83

Total Checking/Savings 482,269.64

Accounts Receivable

1200 · Accounts Receivable	4,587,950.64
1202 · Allowance for Doubtful Accounts	-791,355.41

Total Accounts Receivable 3,796,595.23

Other Current Assets

1021 · Other Current Assets	
1032 · Investment Acct	-41,071.00
1112 · Balance transfer account	726.77
1120 · Inventory Asset	-870.37
1150 · Wireless Inventory	20,413.04
1170 · Due from SSI-Affinity	3,237.74
1400 · Payroll Advance	42.72
1410 · Prepaid Expense	
1415 · Prepaid Internet Costs	7,568.64
1425 · Prepaid Marketing	
1426 · Less - Long Term Portion	-554,118.00
1425 · Prepaid Marketing - Other	882,182.00
Total 1425 · Prepaid Marketing	328,064.00
1450 · COGS prepaid	310,674.00
1410 · Prepaid Expense - Other	216,449.65
Total 1410 · Prepaid Expense	862,756.29
1475 · UNE-P Conversion Costs	
1476 · Less - LT portion	-661.12
1475 · UNE-P Conversion Costs - Other	19,426.26
Total 1475 · UNE-P Conversion Costs	18,765.14
1630 · Wireless Commissions	
1635 · Less - L/T Portion	-75.01
1630 · Wireless Commissions - Other	5,860.15
Total 1630 · Wireless Commissions	5,785.14
1640 · Wireless Phone Cost - Contracts	
1645 · Accum. Amortization - Phones	-23,877.04
1640 · Wireless Phone Cost - Contracts - Other	116,406.06
Total 1640 · Wireless Phone Cost - Contracts	92,529.02
1650 · Agent prizes	
1655 · Less - L/T Portion	-3,136.00
1650 · Agent prizes - Other	21,824.00
Total 1650 · Agent prizes	18,688.00

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Accrual Basis

CloseCall America Balance Sheet As of December 31, 2005

	Dec 31, 05
1750 · Payroll Exchange	-347.93
Total 1021 · Other Current Assets	980,654.56
Total Other Current Assets	980,654.56
Total Current Assets	5,259,519.43
Fixed Assets	
1500 · Property and Equipment	
1505 · Leasehold Improvements	4,291.21
1510 · Billing Software & Equipment	25,036.74
1515 · Local UNE Software	3,119.00
1525 · Furniture & Fixtures	61,503.63
1530 · Office Equipment	75,836.01
1540 · Computer Equipment	170,482.69
1545 · Software	728.99
1546 · Automobile	57,500.00
Total 1500 · Property and Equipment	398,498.27
1550 · Accumulated Depreciation	-466,363.54
1560 · New Office Space	
1561 · Office Equipment	4,460.55
1562 · Leasehold Improvements	97,329.29
1563 · Furniture & Fixtures	148,695.04
1564 · Billing Software	16,012.50
1565 · Software	34,891.03
1566 · Computer Equipment	178,282.29
Total 1560 · New Office Space	479,670.70
Total Fixed Assets	411,805.43
Other Assets	
1603 · Intangible Assets	
1600 · Customer Base	
1602 · Accumulated Amortization	-50,000.00
1600 · Customer Base - Other	50,000.00
Total 1600 · Customer Base	0.00
1610 · Software Development Costs	
1615 · Accum. Amortization	-143,939.00
1610 · Software Development Costs - Other	392,058.45
Total 1610 · Software Development Costs	248,119.45
1620 · Website Development Costs	
1625 · Accum. Amortization	-27,336.00
1620 · Website Development Costs - Other	40,840.68
Total 1620 · Website Development Costs	13,504.68
Total 1603 · Intangible Assets	261,624.13
1721 · Due To/From Corp	
1720 · Due to/from Corporate	1,142,600.29
Total 1721 · Due To/From Corp	1,142,600.29
1761 · Goodwill - Affinity	
1760 · Goodwill - AFF	671,303.39
Total 1761 · Goodwill - Affinity	671,303.39

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Accrual Basis

CloseCall America
Balance Sheet
As of December 31, 2005

	Dec 31, 05
1900 · Long-Term Investments	
1605 · Security Deposit	8,000.00
1606 · Equipment Deposits	3,512.58
1626 · LT Portion of Prepaid Mktg	554,118.00
1636 · Wireless commissions - LT	75.01
1656 · Agent prizes - LT	3,136.00
1676 · LT Portion of UNEP Costs	661.12
Total 1900 · Long-Term Investments	569,502.71
Total Other Assets	2,645,030.52
TOTAL ASSETS	8,316,355.38
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	1,712,829.52
Total Accounts Payable	1,712,829.52
Other Current Liabilities	
2009 · Current Portion of L/T Debt	
2006 · Auto loan - current	10,595.23
2370 · Capital Lease Current	34,393.04
Total 2009 · Current Portion of L/T Debt	44,988.27
2016 · Accrued Expenses	
2008 · Accrued Tax Liability	
2008-1 · Accrued Federal Universal Fund	19,000.00
2008-2 · Accrued Federal Excise Tax	144,381.40
2008-3 · Accrued State Taxes	158,986.69
Total 2008 · Accrued Tax Liability	322,368.09
2010 · Accrued Payroll	58,981.07
2011 · Accrued Expenses	309,579.99
2021 · Accounts Payable - AFF QBooks	58,231.76
2120 · Accrued Payroll Taxes	4,381.82
2121 · Payroll Liabilities - AFF QBook	76,854.73
2125 · 401K payable	39,049.26
2126 · Employee benefits payable	1,990.41
2130 · Garnishments	121.37
2450 · Contract payable	
2451 · Baltimore Ravens	54,300.00
2452 · Aberdeen Ironbirds	242,812.50
2453 · Ripken Baseball	165,000.00
2454 · Frederick Keys	146,610.02
2455 · Bowie Baysox	119,380.02
2456 · Delmarva Shorebirds	134,999.98
2457 · Less - Long Term Portion	-517,430.15
2450 · Contract payable - Other	64,145.62
Total 2450 · Contract payable	409,817.99
Total 2016 · Accrued Expenses	1,281,376.49
2391 · Deferred Revenue	
2390 · Deferred Income	918,572.00
Total 2391 · Deferred Revenue	918,572.00
2472 · Other Current Liabilities	
2200 · Customer Deposits	
2210 · Wireless customer deposits	11,684.95
2200 · Customer Deposits - Other	97,420.43
Total 2200 · Customer Deposits	109,105.38

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Accrual Basis

CloseCall America
Balance Sheet
As of December 31, 2005

	Dec 31, 05
2211 · Customer Deposits - AFF	40,000.00
Total 2472 · Other Current Liabilities	149,105.38
Total Other Current Liabilities	2,394,042.14
Total Current Liabilities	4,106,871.66
Long Term Liabilities	
2470 · Due To/From Corp - Aff Acq	
2471 · Due To/From Corp - Affinity Acq	2,150,000.00
Total 2470 · Due To/From Corp - Aff Acq	2,150,000.00
2473 · Long-Term Debt	
2400 · Capital Leases - L/T	47,123.23
2460 · Centreville Auto Loan	19,771.90
Total 2473 · Long-Term Debt	66,895.13
2474 · Other Long-Term Liabilities	
2459 · Long Term Portion of Contracts	517,430.15
Total 2474 · Other Long-Term Liabilities	517,430.15
2475 · Due To/From US-1	
1730 · Due to/from subsidiary	62,261.89
Total 2475 · Due To/From US-1	62,261.89
Total Long Term Liabilities	2,796,587.17
Total Liabilities	6,903,458.83
Equity	
2600 · Owner Equity	
2610 · Series A Preferred	550,000.00
2620 · Series B Preferred	50,000.00
2630 · Series C Preferred	134,386.82
2650 · Common Stock	432.65
2670 · Due from Shareholders	-100.00
Total 2600 · Owner Equity	734,719.47
2801 · APIC	
2800 · Additional paid in Capital	8,171,337.65
Total 2801 · APIC	8,171,337.65
2900 · Retained Earnings	1,058,618.37
2901 · Accumulated R/E Deficit	
2850 · R/E - Pre-Acquisition	-7,383,224.00
2851 · Retained Earnings - AFF Qbooks	-2,348,734.35
Total 2901 · Accumulated R/E Deficit	-9,731,958.35
Net Income	1,180,179.41
Total Equity	1,412,896.55
TOTAL LIABILITIES & EQUITY	8,316,355.38

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Accrual Basis

CloseCall America
Profit & Loss
January through December 2005

Jan - Dec 05

Ordinary Income/Expense

Income

3100 · Long Distance Revenue	
3110 · Long Distance Telephone Service	6,327,384.80
3111 · Long Distance Usage Credit	-206,306.94
3112 · USF Revenue	604,389.90
3113 · Fed State Local Surcharge	959.94
3114 · PCCC Revenue	167,852.85
3116 · Minimum Charge	322,995.14
3117 · Monthly charge	3,868,056.33
3120 · 1800Closecall	2,879.51
3121 · USF credit	-2,977.60
3125 · State surcharges	387,592.81
3130 · Tommy Wireless Income	1,787.24
3100 · Long Distance Revenue - Other	213,685.00
Total 3100 · Long Distance Revenue	11,688,298.98
3200 · Local Service Revenue	
3210 · Local Activation and Recurring	9,693,552.14
3220 · Local Fed Sub Line Charge	2,089,587.77
3230 · Local Credit Adjustments	-13,314.35
3240 · Local Carrier Access Billing	1,064,967.94
3260 · Local Usage Credit	-251,141.31
3280 · Carrier Access Billing	-15,006.97
3200 · Local Service Revenue - Other	55,047.26
Total 3200 · Local Service Revenue	12,623,692.48
3300 · Wireless Revenue	
3301 · Wireless Usage	598,234.64
3303 · Wireless - Recurring Revenue	1,467,030.67
3370 · Wireless Misc. Revenue	79,744.54
3375 · Wireless - Misc Credits	-104,633.38
3378 · Wireless - Free Minutes	-176,015.44
3390 · Wireless Telephone Sales	360,317.65
3399 · Other Wireless Product Sales	7,350.83
3300 · Wireless Revenue - Other	24,850.00
Total 3300 · Wireless Revenue	2,256,879.51
3400 · Internet Revenue	
3420 · Internet Revenue	432,886.47
3421 · DSL Set Up Fee	13,400.00
3422 · DSL Installation Kits	18,550.00
3423 · DSL Professional Installations	4,275.00
3430 · Internet credits	-8,613.99
3431 · DSL Debits	2,415.28
3440 · VOIP Equipment	2,485.53
3441 · VOIP Debits	-285.92
3400 · Internet Revenue - Other	126.00
Total 3400 · Internet Revenue	465,238.37
3600 · Intercompany Wholesale Revenue	259,054.02
9210 · Late Fees	131,691.62
9220 · Closed for Non-payment Fee	533,724.54
9250 · Other Account Fees	179,065.21
Total Income	28,137,544.73
Cost of Goods Sold	
4000 · Cost of Goods Sold	0.00

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Accrual Basis

CloseCall America
Profit & Loss
 January through December 2005

Jan - Dec 05

4100 · Long Distance COS	
4110 · Long Distance Cost of Sales	3,512,721.14
4112 · Cost of USF	269,278.63
4120 · 1800Closecall Costs	142,757.93
4130 · Tommy Wireless Costs	-19,875.00
4190 · Excise tax discounts	-44,401.96
4195 · State tax discounts	113,731.14
4100 · Long Distance COS - Other	339,407.00
Total 4100 · Long Distance COS	4,313,618.88
4200 · Local Cost of Sales	
4210 · CABS	450,579.19
4220 · Business	1,050,693.03
4230 · Residential	7,199,009.18
4235 · UNE-P Platform	94,843.43
4240 · Wiring Installation Costs	110,243.11
4245 · VoiceMail	87,515.36
4200 · Local Cost of Sales - Other	-850,531.03
Total 4200 · Local Cost of Sales	8,142,352.27
4300 · Wireless Cost of Sales	
4302 · Wireless Airtime Cost	1,192,786.50
4310 · Wireless LD	2,896.86
4320 · Wireless Phones	113,637.65
4325 · Weblink -Pagers Usage	3,034.48
4300 · Wireless Cost of Sales - Other	6,401.00
Total 4300 · Wireless Cost of Sales	1,318,756.49
4400 · Internet Cost of Sales	
4410 · Internet Service Providers	225,451.21
4420 · Internet Email Hosting	31,755.00
4440 · DSL Installation Cost	4,044.32
4450 · DSL Credit	2,235.22
4400 · Internet Cost of Sales - Other	-4,518.00
Total 4400 · Internet Cost of Sales	258,967.75
4500 · State Tax Discounts	-123,938.99
Total COGS	13,909,756.40
Gross Profit	14,227,888.33
Expense	
5001 · Salaries & Wages	
5002 · Payroll Expense - Cust Service	
5010 · Salaries & Wages - Cust Service	757,351.79
5021 · 401(k) - Cust. Service	14,499.60
5030 · Expense Allowance - Cust Serv	386.31
5040 · Payroll taxes - Cust Serv	67,256.59
5090 · Other payroll exp - Cust Serv	122,883.48
Total 5002 · Payroll Expense - Cust Service	962,377.77
5003 · Payroll Expenses - Wireless	
6210 · Salaries and Wages - Wireless	212,538.19
6221 · 401(k) - Wireless	4,904.76
6240 · Payroll Taxes - Wireless	17,549.43
6290 · Other Payroll Expense - Wireles	1,508.86
Total 5003 · Payroll Expenses - Wireless	236,501.24
5004 · Payroll Expenses - IT	
5035 · Expense Allowance - IT	124.40
5095 · Other Payroll Exp. - IT	-3,011.24
Total 5004 · Payroll Expenses - IT	-2,886.84

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Accrual Basis

CloseCall America
Profit & Loss
 January through December 2005

	Jan - Dec 05
6100 · Payroll Expenses - Local	
6110 · Salaries and Wages Local	540,522.06
6121 · 401(k) - Local	13,215.36
6140 · Payroll Taxes - Local	43,222.60
6190 · Other Payroll Expense - Local	2,299.13
Total 6100 · Payroll Expenses - Local	599,259.15
6301 · Payroll Expense - Internet	
6310 · Salaries and Wages - Internet	338,982.79
6321 · 401(k) - Internet	5,393.64
6340 · Payroll Taxes - Internet	27,812.55
6390 · Other Payroll Exp - Internet	243.25
Total 6301 · Payroll Expense - Internet	372,432.23
7100 · Payroll Expenses - Admin/Finan	
7110 · Salaries and Wages - A/F	370,305.49
7121 · 401(k) - A/F	41,162.87
7140 · Payroll Taxes - A/F	30,253.10
7190 · Other Payroll Exp. - A/F	31,253.82
Total 7100 · Payroll Expenses - Admin/Finan	472,975.28
7300 · Payroll Expenses - New Products	
7301 · Salaries & Wages - New Products	148,552.52
7321 · 401(k) - New Products	2,915.41
7325 · Payroll Taxes - New Products	12,034.46
7395 · Other payroll expense	-747.58
Total 7300 · Payroll Expenses - New Products	162,754.81
7400 · Payroll Expenses - Corporate	
7401 · Salaries & Wages - Corporate	420,246.18
7422 · Expense Allowance - Corp Group	91,772.13
7425 · Payroll Taxes - Corporate	27,092.67
7495 · Other payroll expense	-1,686.31
Total 7400 · Payroll Expenses - Corporate	537,424.67
7500 · Payroll Expenses - Billing	
7501 · Salaries & Wages - Billing	238,844.93
7525 · Payroll Taxes - Billing	19,451.25
7595 · Other payroll expense	3,905.36
Total 7500 · Payroll Expenses - Billing	262,201.54
Total 5001 · Salaries & Wages	3,603,039.85
5100 · Back Office	
5111 · Profitec Customer Service	82,188.70
5112 · Data Base & Business Billing	
5120 · Postage - Profitec	12,648.00
5150 · Web Site Exp	
5152 · XML to OSG	9,750.00
5156 · T1 Port Charge	21,924.32
5162 · Programming	10,231.25
5164 · Server rent	27,200.00
Total 5150 · Web Site Exp	69,105.57
5112 · Data Base & Business Billing - Other	98,161.86
Total 5112 · Data Base & Business Billing	179,915.43
5113 · Record Processing - OSG	292,066.21
5114 · Postage - OSG	203,325.41
Total 5100 · Back Office	757,495.75

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5300 · Residential Billing - Profitec	
5310 · Account Processing - Profitec	632,846.18
5340 · Electronic File Transfer	25,200.00
5345 · Inserts	19,693.56
5350 · Local Billing	8,373.00
5358 · Color Print Fee	1,707.73
5362 · Programming Fee	1,505.70
5368 · Software fee	20,560.02
Total 5300 · Residential Billing - Profitec	709,886.19
5500 · Travel Expense	
7305 · Auto expenses	3,661.06
7310 · Food	7,206.41
7330 · Reimbursement Exp.	6,327.60
5500 · Travel Expense - Other	634.41
Total 5500 · Travel Expense	17,829.48
5550 · Insurance Expense	
7352 · Directors & Officers Liability	10,074.62
7353 · Group Health Insurance	201,630.37
7354 · Life	1,669.10
7355 · 401K Admin fees	4,750.00
7356 · Property & Liab	13,915.91
7358 · Umbrella	7,837.89
7359 · Auto Insurance	871.50
7360 · Unemployment Ins	1,076.69
7364 · Workmans Comp	16,894.72
5550 · Insurance Expense - Other	17,869.31
Total 5550 · Insurance Expense	276,590.11
5600 · Rent Expense	
7810 · Rent	225,302.83
7815 · CAM	16,626.48
7820 · Utilities Exp	19,671.24
7830 · Office Cleaning	16,600.00
7840 · Bldg Maintenance & Repair	743.43
7850 · Security	1,100.95
5600 · Rent Expense - Other	30,624.03
Total 5600 · Rent Expense	310,668.96
5650 · Office Supplies and Equipment	
7432 · Equipment	3,467.57
7433 · Equipment Lease	159,726.13
7435 · Equipment repairs	203.25
7436 · Office setup	214.27
7442 · Computer supplies and equipment	30,973.08
7531 · Office Supplies Expense	10,210.25
5650 · Office Supplies and Equipment - Other	10,998.02
Total 5650 · Office Supplies and Equipment	215,792.57
5700 · Postage and Shipping	
7552 · Postage Meter and Stamps	163,576.62
7554 · Permit fee	5,134.14
7555 · Shipping	34,198.68
7560 · Shipping Materials	1,823.79
7570 · Express Mail	1,101.21
5700 · Postage and Shipping - Other	181,228.03
Total 5700 · Postage and Shipping	387,062.47

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5750 · Telephone	
7615 · Employee Internet Access	1,308.59
7620 · Telephone System Lease Pymt	123,675.80
7660 · Telephone system service fees	1,275.85
7674 · T-1 Curcuit	48,473.30
7678 · Long Distance ETel. Exp	149,583.63
7680 · Wireless Company Phone Expense	0.00
7685 · Telephone Employee Discounts	105,122.31
Total 5750 · Telephone	429,439.48
5800 · Professional Services	
7705 · Payroll Services	5,984.72
Total 5800 · Professional Services	5,984.72
5850 · Other Administrative Expenses	
7920 · Taxes-Filing Fee	4,961.67
7925 · Business Taxes	15,332.85
7945 · Sales Tax	15,732.37
7950 · Subscription Expense	748.50
7955 · License & Permits	11,203.16
7970 · Property Tax	8,695.16
7980 · Misc. Exp	4,007.77
Total 5850 · Other Administrative Expenses	60,681.48
5900 · Membership fees	710.00
9410 · Amortization	79,027.13
9420 · Depreciation	121,464.52
9600 · Bad Debts	1,840,294.57
9710 · Interest Expense	21,900.61
9715 · Penalties	1,431.32
9730 · Banking SC and expenses	48,919.27
9740 · Credit Card Processing	185,603.35
9990 · Other Expense	6,760.31
Total Expense	9,080,582.14
Net Ordinary Income	5,147,306.19
Other Income/Expense	
Other Income	
9030 · Interest Income	-33,472.56
9300 · Miscellaneous Income	13,400.14
Total Other Income	-20,072.42
Other Expense	
6300 · Legal fees	
7732 · Corporate	24,000.29
6300 · Legal fees - Other	180,888.49
Total 6300 · Legal fees	204,888.78
6400 · Consulting	
5070 · Subcontract - Cust Service	0.00
5154 · Web Site Consulting	71,108.75
5354 · Local Service Consulting	18,625.00
6170 · Sub contract - Local	1,360.00
6570 · SubContract - Marketing	300.00
7170 · Subcontract - A/F	5,430.86
7715 · Consulting Fees	179,808.00
6400 · Consulting - Other	17,288.75
Total 6400 · Consulting	293,921.36

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6500 - Advertising	
6502 - Direct Mail	
6503 - Printing & Mail Shop Services	114,750.06
6504 - Postage	4.30
6506 - Printing	45,730.70
6502 - Direct Mail - Other	116,395.30
Total 6502 - Direct Mail	276,880.36
6510 - Newspaper	3,255.00
6512 - Radio Expense	438,860.75
6513 - Internet Advertising	62,499.75
6514 - Television	392,657.75
6518 - Classified - Yellow Pages	7,093.90
6520 - Baseball	255,632.03
6546 - Stationary	17,989.26
6555 - Special Events	232,439.50
6560 - Promotional Merchandise	15,681.11
6500 - Advertising - Other	30,282.71
Total 6500 - Advertising	1,733,272.12
6600 - Agent Expense	
6631 - Agent Commissions	164,197.21
6632 - Other Agent Expenses	27,303.00
6600 - Agent Expense - Other	23,241.07
Total 6600 - Agent Expense	214,741.28
6700 - Promotional Exp	
6601 - CloseCall Product Promotions	
6602 - Free Month Internet	3,870.14
6603 - DSL Instant Rebate	9,275.00
6604 - Local Welcome Back Coupon	19,080.87
6605 - Wireless Rebates	54,502.93
6606 - CloseKnit Coupon	13,389.82
6609 - Local Voicemail Promo	325.00
6610 - Referral Rewards	31,661.79
6615 - Local CloseCall Dollars	143,666.00
6620 - Wireless CloseCall Dollars	242,704.64
6625 - Long Distance CloseCall Dollars	6,445.94
6626 - Wireless Contract Discount	47,802.17
6627 - Welcome Back Coupons	601.93
6628 - Local Internet Sign up	640.00
6629 - VOIP Coupon/Promos	3,710.96
6630 - High Value Coupons	20,750.00
6633 - Local Guardian Maint. Promo	600.00
6601 - CloseCall Product Promotions - Other	8,500.00
Total 6601 - CloseCall Product Promotions	607,527.19
6810 - Marketing Research	7,878.41
6840 - Public Relations	180.00
6999 - Misc Promotional	4,840.00
Total 6700 - Promotional Exp	620,425.60
6900 - Other Discretionary Expenses	
7905 - Education expense	11,337.43
7910 - A/R Collection Service	54,512.61
7911 - Credit Information Fee	2,691.42
7915 - Charity Exp	6,500.00
7931 - Watercooler exp	2,669.20
7932 - Beverage Expense	2,363.41
7975 - Prizes	56,491.96
7976 - Gifts	933.76
Total 6900 - Other Discretionary Expenses	137,499.79

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7001 - Business Development	
7002 - Travel	12,529.93
7006 - Consulting	66,783.48
7001 - Business Development - Other	16,820.74
Total 7001 - Business Development	96,134.15
9999 - Void	0.00
Total Other Expense	3,300,883.08
Net Other Income	-3,320,955.50
Net Income	<u>1,826,350.69</u>

Exhibit E

[Reserved for future use]