

EXHIBIT 5

Financial Statements

FreedomVOICE Systems

169 Saxony Road, Suite 206
Encinitas, CA 92024

Profit & Loss Statement

January 2009 through December 2009

6/16/201
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Income	
RECURRING Sales & Misc. Income	
Credit Card Rentals/Call Chrg	\$8,538,380.48
Checks Rentals/Call Charges	\$925,564.11
Total RECURRING Sales & Misc. Income	\$9,463,944.59
Miscellaneous Income	\$7,800.00
	<hr/>
Credit Card NEW SALES	\$126,218.03
Checks for NEW SALES	\$618.20
Revenue from Phone Sales	\$534,013.92
Total	\$660,850.15
Total Income	<u>\$10,132,594.74</u>
Cost of Sales	
General Cost of Sales	
System Recordings	\$24,475.00
Credit Reports	\$2,135.77
Name Address Lookup Charges	\$20,475.93
Message Transcription	\$16,520.08
Royalties and License Fees	\$42,000.00
T1 Rental Charges	\$130,980.73
T1 Call Charges	\$1,358,178.59
Castle Access Charges	\$299,480.76
SMS/8MS Charges	\$42,974.88
Licensing Fees	\$3,997.73
VoIP Connectivity	\$20,000.00
Telco Servr/Softwr Maintenance	\$58,686.92
Maxmind	\$135.00
Directory Assistance	\$14,367.34
Avaya	\$4,571.93
Map Communications	\$1,116.82
Sales Tax Paid, Not Collected	\$6,313.29
E911 Tax Pd, Not Collected	\$2,994.78
Telco Tax Pd, Not Collected	\$7,307.90
BillSoft/Intrado	\$51,341.00
Misc Cost of Goods	\$1,678.28
Total General Cost of Sales	<u>\$2,109,732.73</u>
Hardware Cost of Goods	
Netxusa	\$494,176.86
VoIP Supply	\$4,426.98
Total Hardware Cost of Goods	\$498,603.84
Total Cost of Sales	<u>\$2,608,336.57</u>
Gross Profit	<u>\$7,524,258.17</u>
Expenses	
Sales	
Sales Air Travel	\$38,963.35
Sales Mileage Re-imbusement	\$250.65
Sales Meals & Entertainment	\$15,892.62
Sales Rewards for IQ Partners	\$1,337.24
Sales GoTo Mtg & Web Tools	\$2,579.53
Sales Lodging	\$138.65
Total Sales	<u>\$59,162.04</u>
Marketing	
Advertising	\$13,452.00
Advertising Web Charges	\$637,440.11
Commission Junction	\$21,002.38
Literature Printing	\$4,467.78

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Marketing Consulting/PR	\$51,258.00
Marketing Travel	\$6,806.78
Mktg GoTo Mtg & Web Tools	\$3,042.00
Company Meetings	\$30,527.17
Commission on Distrib. Sales	\$1,696,714.40
Tara's Expenses	\$200.00
Marketing Expense	\$13,815.44
Exact Target	\$4,216.62
Marketing Meals & Entertain	\$872.61
Domains	\$295.00
Total Marketing	<u>\$2,484,110.29</u>
Trade Shows Grand Total	
General Trade Show Expenses	\$13,929.95
CES - Las Vegas 2009	
CES - Harrah's - LV- 2009	\$10,493.31
CES - Travel	\$5,040.11
CES - Booth Expense	\$14,813.05
CES - Meals & Entertainment	\$9,073.80
Total CES - Las Vegas 2009	<u>\$39,420.27</u>
CES- NY - 2008	
CES - NY Travel	\$614.24
CES NY- Booth Expense	\$286.36
CES - NY Meals and Enter	\$62.00
Total CES- NY - 2008	<u>\$962.60</u>
Channel Partners - LV 2009	
Channel Partners - LV - Hotel	\$3,380.38
Channel Partners - LV - Travel	\$965.57
Channel Partners - LV - Booth	\$10,228.15
Channel Partners - LV - Meals	\$1,060.26
TAG - SD - 2009	
TAG - Hotel expense	\$3,880.70
TAG - Travel expense	\$20.00
TAG - Booth expense	\$13,760.41
TAG - Meals & Entertainment	\$216.78
MAC World - SF - 2009	
MAC - Hotel	\$1,979.77
MAC - Travel	\$196.10
MAC - Booth Expense	\$150.57
MAC - Meals & Entertainment	\$570.75
CES - LV - 2010	
CES - LV - 2010 - Booth	\$11,056.25
Total Trade Shows Grand Total	<u>\$101,778.51</u>
Finance Charges	
Bank Charges	\$300,497.67
Total Finance Charges	<u>\$300,497.67</u>
Establishment	
Rent	\$201,358.10
Maintenance	\$2,310.30
Computer Maintenance & Expense	\$60,950.29
Property Tax	\$17,585.91
Insurance	\$38,417.20
Gas & Electric	\$21,369.15
Total Establishment	<u>\$341,990.95</u>
Administration	
Office Supplies	\$7,158.62
IP connection fees	\$183.11
Office Expense	\$33,286.89
Telephone	\$32,773.80
Test Accounts	\$1,857.34
Legal & Accounting	\$56,284.00
Taxes and Filing Fees	\$1,552.39

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Miscellaneous	\$3,201.21	
Late Fees Paid	\$760.22	
Education Conferences/Classes	\$18,253.21	
Depreciation Expense	\$787,738.00	
Charitable Donations	\$1,250.00	
Customer Refunds	\$125,875.35	
Returned Checks	\$25,970.67	
Chargebacks	\$18,870.24	
Amortization Expense	\$47,058.00	
Postage & Shipping	\$14,379.69	
Admin Meals & Entertainment	\$2,587.75	
C/S GoTo Mtg & Web Tools	\$1,084.00	
C/S Meals	\$531.74	
C/S Travel	\$3,041.62	
Programming Travel	\$40.66	
Amin GoTo Mtg & Web Tools	\$197.00	
Total Administration	<u>\$1,183,935.51</u>	
Staff		
Payroll Expense	\$2,777,994.41	
Bonuses	\$80,312.62	
Board of Directors Expenses	\$10,000.00	
Health Insurance	\$208,212.92	
Total Staff	<u>\$3,076,519.95</u>	
Hawaii 2009		
Waikoloa Hotel	\$23,336.45	
Hawaii Travel	\$40,717.36	
Hawaii Meals & Entertainment	\$14,787.80	
Unreconcilable Items		
Unreconcilable items	\$32,621.42	
Total Unreconcilable Items	<u>\$32,621.42</u>	
Total Expenses	<u>\$7,659,457.95</u>	
Operating Profit		<u>(\$135,199.78)</u>
Other Income		
Interest Income	\$5,369.10	
Total Other Income		<u>\$5,369.10</u>
Other Expenses		
CA State Taxes	\$13,157.00	
Federal Taxes	(\$140,700.00)	
County Tax	(\$7,168.25)	
Outsource Programming Expense	\$21,187.50	
Total Other Expenses		<u>(\$113,523.75)</u>
Net Profit / (Loss)		<u>(\$16,306.93)</u>

FreedomVOICE Systems

169 Saxony Road, Suite 206
Encinitas, CA 92024

Balance Sheet

As of December 2009

6/16/201
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Assets

Current Assets

Cash On Hand

First Republic Bank Checking	\$61,036.24
First Republic Bank Savings	\$101,039.86
First Republic CD Account	\$133,837.51
5/3 Checking Account	\$144,955.16
5/3 CD Account	\$116,260.03

Total Cash On Hand	<u>\$557,128.80</u>
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Accounts Receivable	\$2,038.01
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Total Current Assets	<u>\$559,166.81</u>
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Fixed Assets

Accumulated Depreciation	(\$2,458,708.00)
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Accumulated Amortization	(\$211,948.00)
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Intangible	\$12,999.99
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Furniture and Fixtures

Furniture & Fixtures Org Cost	\$14,767.63
Office Furniture Original Cost	\$93,417.42
Improvements Original Cost	\$50,397.99

Office Equipment

Workstation&parts Original Cst	\$100,356.69
Faxes and Printers, Telephones	\$10,325.82
PBX Phone System	\$31,090.11
Networking Equipment	\$539,421.86

Operating Equipment and LH Exp

VoiceSys/Servers Original Cost	\$1,827,107.75
Backup Battery Supplies	\$24,591.07
DS3 Mux Equipment	\$12,966.79
software	\$501,316.03
Conference Equipment	\$152,195.13
Rental Phones	\$120,910.09

Total Fixed Assets	<u>\$821,208.37</u>
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Other Assets

Deposits Paid Header

Deposits Paid	\$17,835.85
Deposit Paid for Suite 212	\$7,108.96
Deposit Paid for Suite 211	\$1,522.54

Sansay, Inc Investment	\$50,000.00
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Vallejo's Debt	\$46,657.69
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Total Other Assets	<u>\$123,125.04</u>
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Total Assets	<u>\$1,503,500.22</u>
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Liabilities

Current Liabilities

Old Account for sales tax	(\$1,297.22)
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Sales Tax Payable

Alabama Sales Tax Collected	\$28.00
Arizona Sales Tax Collected	\$398.86
California Sales Tax Collected	\$3,129.80
Colorado Sales Tax Collected	(\$121.60)
Conn. Sales Tax Collected	\$493.82
Florida Sales Tax Collected	\$933.03
Georgia Sales Tax Collected	\$265.62
Hawaii Sales Tax Collected	\$135.10
Illinois Sales Tax Collected	\$1,103.11
Indiana Sales Tax Collected	\$123.94
Iowa Sales Tax Collected	(\$197.20)
Kentucky Sales Tax Collected	\$16.80

FreedomVOICE Systems

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Louisiana Sales Tax Collected	\$12.44	
Maine Sales Tax Collected	\$59.20	
Maryland Sales Tax Collected	\$576.01	
Mass Sales Tax Collected	\$689.01	
Michigan Sales Tax Collected	\$241.58	
Minn Sales Tax Collected	\$37.76	
Miss Sales Tax Collected	\$11.64	
Missouri Sales Tax Collected	\$979.24	
Nebraska Sales Tax Collected	\$15.11	
Nevada Sales Tax Collected	\$123.35	
New Jersey Sales Tax Collected	\$219.65	
New York Sales Tax Collected	\$995.97	
NC Sales Tax Collected	\$655.90	
Ohio Sales Tax Collected	\$99.33	
Penn Sales Tax Collected	\$180.42	
SC Sales Tax Collected	\$23.55	
SD Sales Tax Collected	\$6.60	
Tenn Sales Tax Collected	\$230.65	
Texas Sales Tax Collected	\$661.24	
Wash Sales Tax Collected	\$146.91	
Wisconsin Sales Tax Collected	\$1,449.39	
DC Sales Tax Collected	\$167.99	
Total Current Liabilities		\$12,595.00
Long-Term Liabilities		
Deferred Payments	\$29,561.83	
Dell Lease 001-008694827-002	\$124,455.96	
Due on spectel equipment	\$14,954.77	
Total Long-Term Liabilities		\$168,972.56
Total Liabilities		\$181,567.56
Equity		
Capital Stock	\$159,497.00	
Dividends Paid	(\$1,394,711.98)	
Deferred Payments	(\$29,561.83)	
Retained Earnings	\$2,484,185.51	
Current Year Earnings	(\$16,306.93)	
Historical Balancing	\$118,830.89	
Total Equity		\$1,321,932.66
Total Liability & Equity		\$1,503,500.22

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Balance Sheet

As of December 2008

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Assets

Current Assets	
Cash On Hand	
First Republic Bank Checking	\$173,636.28
First Republic Bank Savings	\$12,477.50
First Republic CD Account	\$230,320.86
5/3 Checking Account	\$118,928.77
5/3 CD Account	\$116,086.94
Total Cash On Hand	\$651,450.35
Accounts Receivable	\$2,843.95
Total Current Assets	\$654,294.30
Fixed Assets	
Accumulated Depreciation	(\$1,670,970.00)
Accumulated Amortization	(\$164,890.00)
Furniture and Fixtures	
Furniture & Fixtures Org Cost	\$1,048.41
Office Furniture Original Cost	\$80,503.59
Office Equipment	
Workstation&parts Original Cst	\$43,887.00
Faxes and Printers, Telephones	\$3,484.00
PBX Phone System	\$31,090.11
Networking Equipment	\$456,237.22
Operating Equipment and LH Exp	
VoiceSys/Servers Original Cost	\$1,346,105.08
Backup Battery Supplies	\$22,892.80
DS3 Mux Equipment	\$12,966.79
software	\$301,432.00
Conference Equipment	\$147,146.00
Total Fixed Assets	\$610,933.00
Other Assets	
Deposits Paid	\$19,178.52
Sansay, inc Investment	\$50,000.00
Vallejo's Debt	\$47,053.15
Total Other Assets	\$116,231.67
Total Assets	\$1,381,458.97

Liabilities

Current Liabilities	
Sales Tax Payable	(\$1,297.22)
Total Current Liabilities	(\$1,297.22)
Long-Term Liabilities	
Due on spectel equipment	\$14,954.77
Total Long-Term Liabilities	\$14,954.77
Total Liabilities	\$13,657.55

Equity

Capital Stock	\$159,497.00
Dividends Paid	(\$1,394,711.98)
Retained Earnings	\$2,549,936.09
Current Year Earnings	(\$65,750.58)
Historical Balancing	\$118,830.89
Total Equity	\$1,367,801.42

FreedomVOICE Systems

Balance Sheet

As of December 2008

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Total Liability & Equity

\$1,381,458.97

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Profit & Loss Statement

January 2008 through December 2008

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Income	
RECURRING Sales & Misc. Income	
Credit Card Rentals/Call Chrg	\$8,491,899.32
Checks Rentals/Call Charges	\$632,164.96
Total RECURRING Sales & Misc. Income	<u>\$9,124,064.28</u>
Credit Card NEW SALES	\$297,523.94
Total	<u>\$297,523.94</u>
Total Income	<u>\$9,421,588.22</u>
Cost of Sales	
System Recordings	\$33,475.00
Name Address Lookup Charges	\$34,237.83
Message Transcription	\$2,062.50
T1 Rental Charges	\$222,812.45
T1 Call Charges	\$1,082,736.06
E911	\$32,746.51
Castle Access Charges	\$198,473.20
SMS/8MS Charges	\$50,951.60
Licensing Fees	\$1,403.83
Netxusa	\$211,865.41
Tax for Telco Services	\$25,298.08
VoIP Connectivity	\$16,000.00
C21 Sign Rider Promotion	\$924.67
Misc Cost of Goods	\$32,635.18
Total Cost of Sales	<u>\$1,945,622.32</u>
Gross Profit	<u>\$7,475,965.90</u>
Expenses	
Marketing	
Advertising	\$203,904.48
Advertising Web Charges	\$933,222.49
Distributor Meeting Expenses	\$42,736.69
Literature Printing	\$10,016.14
Postage & Shipping	\$7,671.74
Meals and Entertainment	\$6,196.38
Travel	\$5,544.79
Marketing Consulting/PR	\$97,940.42
Business Development	\$57,642.70
Company Meetings	\$30,968.30
Commission on Distrib. Sales	\$1,588,332.58
Tara's Expenses	\$1,569.92
Marketing Expense	\$56,907.68
Total Marketing	<u>\$3,042,654.31</u>
Trade Shows Grand Total	
General Trade Show Expenses	\$134,942.28
CES - Las Vegas 2009	
CES - Harrah's - LV- 2009	\$2,279.45
CES - Travel	\$848.00
CES - Booth Expense	\$19,850.92
CES - Meals & Entertainment	\$292.64
Total CES - Las Vegas 2009	<u>\$23,271.01</u>
BICSI - Las Vegas - 2008	

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BICSI - MGM Grand - LV - 2008	\$2,469.15
BICSCI - Travel	\$1,152.23
BICSI - Booth Expense	\$3,864.22
BICSI - Meals & Entertainment	\$1,150.73
Total BICSI - Las Vegas - 2008	<u>\$8,636.33</u>
CTIA - SF - 2008	
CTIA - Marriott - SF - 2008	\$514.47
CTIA - Travel	\$564.01
CTIA - Booth Expense	\$1,298.87
CTIA - Meals & Entertainment	\$170.67
Total CTIA - SF - 2008	<u>\$2,548.02</u>
ITEXPO West - Los Ang - 2008	
IT EXpo - Hotel - LA - 2008	\$2,683.97
IT EXpo - Travel	\$541.24
IT EXpo - Booth Expense	\$17,910.50
IT EXpo -Meals & Entertainment	\$477.63
Total ITEXPO West - Los Ang - 2008	<u>\$21,613.34</u>
CES- NY - 2008	
CES - NY Hotel	\$2,144.50
CES - NY Travel	\$4,602.12
CES NY- Booth Expense	\$6,739.00
CES - NY Meals and Enter	\$2,616.11
Total CES- NY - 2008	<u>\$16,101.73</u>
Channel Partners - Boston 2008	
Chan Part - Hotel	\$5,347.56
Chan Part- Travel	\$922.25
Chan Part - Booth Exp	\$10,455.92
Chan Part - Meals and Entert	\$2,844.47
Total Channel Partners - Boston 2008	<u>\$19,570.20</u>
TAG - SD - 2009	
TAG - Booth expense	\$10,000.00
MAC World - SF - 2009	
MAC - Travel	\$1,388.92
MAC - Booth Expense	\$75.00
Total Trade Shows Grand Total	<u>\$238,146.83</u>
Finance Charges	
Bank Charges	\$287,178.64
Total Finance Charges	<u>\$287,178.64</u>
Establishment	
Rent	\$184,355.21
Maintenance	\$2,020.87
Computer Maintenance & Expense	\$31,218.46
Property Tax	\$13,474.22
Insurance	\$23,306.06
Gas & Electric	\$19,503.72
Total Establishment	<u>\$273,878.54</u>
Administration	
Office Supplies	\$12,117.73
IP connection fees	\$1,037.42
Office Expense	\$33,897.80
Telephone	\$21,143.11
Legal & Accounting	\$45,435.12
Taxes and Filling Fees	\$6,288.95
Miscellaneous	(\$1,925.99)
Late Fees Paid	\$49.06
Education Conferences/Classes	\$11,516.63

FreedomVOICE Systems

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Depreciation Expense	\$663,763.00
Charitable Donations	\$20,410.95
Customer Refunds	\$59,868.50
Returned Checks	\$8,159.17
Chargebacks	\$13,310.86
Unreconcilable items	\$35,273.01
Amortization Expense	\$85,122.00
Bad Debts	\$415.27
Total Administration	<u>\$1,015,882.59</u>
Staff	
Payroll Expense	\$2,154,719.30
Bonuses	\$149,530.10
Network Consulting	\$500.00
Health Insurance	\$143,997.23
Total Staff	<u>\$2,448,746.63</u>
Total Expenses	<u>\$7,306,487.54</u>
Operating Profit	<u>\$169,478.36</u>
Other Income	
Interest Income	\$11,259.55
Total Other Income	<u>\$11,259.55</u>
Other Expenses	
Loss on Disposition of Equipmt	\$24,579.49
State Taxes	\$48,334.00
Federal Taxes	\$173,575.00
Total Other Expenses	<u>\$246,488.49</u>
Net Profit / (Loss)	<u>(\$65,750.58)</u>