

EXHIBIT D

Balance Sheet
As of February 28, 2011

ASSETS

	February 28, 2011	December 31, 2010
<u>Current Assets</u>		
Cash & Equivalents	\$ 369,122.48	\$ 427,891.84
Accounts receivable - net of allowance of \$100,408.83 and \$130,382.70, respectively	2,704,378.74	2,503,063.17
Inventory	43,228.00	32,546.00
Prepaid expenses	283,191.81	211,154.55
Total Current Assets	3,399,921.03	3,174,655.56
Property & equipment - net	40,435.85	43,464.69
Billing System - net	509,608.49	535,216.64
Security deposits	33,485.87	33,485.87
Total Assets	<u>\$ 3,983,451.24</u>	<u>\$ 3,786,822.76</u>

LIABILITIES AND OWNERS EQUITY

<u>Current Liabilities</u>		
Accounts Payable - net of disputes of \$123,090.16 and \$118,029.03, respectively	\$ 2,327,300.23	\$ 1,999,587.17
Accrued expenses	52,876.21	211,400.00
Accrued Interest - Series A	119,832.60	119,832.60
Taxes payable	99,149.37	102,217.68
Universal Service Charge Payable	201,080.04	184,559.29
Line of Credit	732,148.57	748,124.15
Customer prepayments	22,902.30	21,402.30
Loan Payable - Insurance	46,826.37	-
Note Payable, related party	-	125,000.00
Total Operating Liabilities	3,602,115.69	3,512,123.19
Accounts Payable - Reorg Cost	28,513.77	46,736.77
Prepetition Liabilities	282,142.15	284,905.17
Total Reorg Liabilities	310,655.92	331,641.94
Total Liabilities	<u>3,912,771.61</u>	<u>3,843,765.13</u>
Paid in capital	(149,430.34)	(149,430.34)
Cost of raising capital	(42,768.71)	(42,768.71)
Members Capital	135,256.68	(518,446.21)
Net Income (loss)	127,622.00	653,702.89
Total Liabilities & Owners Equity	<u>\$ 3,983,451.24</u>	<u>\$ 3,786,822.76</u>

Management Income Statement Summary
CY 2011

	Actual Feb-11	Actual Feb-10	Prior Yr. Variance
Total Revenue	1,804,261	1,541,235	263,026
Total COGS	1,131,617	1,003,636	(127,981)
Gross Margin	672,644	537,599	135,045
% Of Rev	37.3%	34.9%	
Operating Expenses			
Payroll Expenses:			
Salary	267,589	246,358	(21,231)
Bonus	2,233	55,500	(53,267)
Commissions	15,000	20,000	(5,000)
Vacation	-	-	-
Auto/Cell/Internet Reimb.	6,490	6,308	(182)
Employer FICA/MC	26,241	15,678	(10,563)
SUTA	6,649	5,701	(948)
FUTA	849	673	(176)
Health Ins.	28,469	23,935	(4,534)
Dental Ins.	1,265	1,434	169
Vision Care Ins.	179	158	(21)
LTD Ins.	1,330	1,115	(215)
Workers Comp Ins	1,135	927	(208)
Equity Comp	-	-	-
Severance	2,500	-	(2,500)
Sales New Hire	-	-	-
Total Payroll Exp.	359,929	377,787	(17,858)
% Of Rev	19.9%	24.5%	
Other Expenses:			
Accounting Fees	4,219	-	(4,219)
Agency Commissions	57,140	48,926	(8,214)
Amortization Expense	11,078	-	(11,078)
Bad Debt	14,925	15,000	75
Billing expenses	39,061	-	(39,061)
Charitable Contributions	-	-	-
Consulting	26,314	28,938	2,624
Contract Labor	10,044	7,830	(2,214)
Depreciation	1,514	3,247	1,733
Gifts & Employee Promo	115	-	(115)
Insurance - D&O/EPLI	714	686	(28)
Insurance - General	3,251	3,948	697
Insurance - Life (Keyman)	90	96	6
Leases	8,784	9,384	600
Legal Fees	9,128	926	(8,202)
License & Fees	7,096	4,563	(2,533)
Loss on Disposal of Assets	-	-	-
Maint & Repair	2,565	1,348	(1,217)
Marketing	4,842	378	(4,464)
Meals & Entertainment	5,698	8,792	3,094
Miscellaneous Exp	162	156	(6)
Postage - Overnight	4,051	2,840	(1,211)
Postage - US Mail	-	1,500	1,500
Printing	3,890	3,555	(335)
Recruitment	1,287	75	(1,212)
Relocation	-	-	-
Research and Development	-	-	-

Management Income Statement Summary
CY 2011

	Actual Feb-11	Actual Feb-10	Prior Yr. Variance
Service Fees - Banking	4,314	3,975	(339)
Service Fees - Late/Penalties	1,488	1,562	74
Service Fees - Other	747	603	(144)
Supplies & Equipment	2,975	3,601	626
Taxes - FCC	7,429	-	-
Tax - Sales & Use	-	5,000	5,000
Telcom - Cell	498	384	(114)
Telcom - Datalines	299	-	(299)
Telcom - Phone	5,856	4,531	(1,325)
Travel	13,006	19,945	6,939
Utilities	2,472	1,621	(851)
Web Hosting	1,488	1,349	(139)
Total Other Expenses	256,540	184,759	(71,781)
% Of Rev	14.2%	12.0%	
Total Operating Exp.	616,469	562,546	(53,923)
% Of Rev	34.2%	36.5%	
Income/(Loss) before Other (Inc)/Exp & Taxes	56,175	(24,947)	81,122
% Of Rev	3.1%	-1.6%	
Depreciation	1,514	3,247	1,733
Amortization	11,078	-	(11,078)
EBITDA	68,767	(21,700)	90,467
Other (Income)/Expense			
Interest Exp.-Preferred Series A	-	-	-
Interest (Income)/Exp.	5,679	6,517	838
Settlement Income	(10,000)	-	10,000
Other (Income)/Exp	(114)	-	114
Reorganization Cost	-	1,042	1,042
Other (Inc.)/Exp.	(4,435)	7,559	11,994
Income/(Loss) Before Income Taxes	60,610	(32,506)	93,116
Provision for Income Taxes	10,142	-	(10,142)
Net Income/(Loss)	50,468	(32,506)	82,974

**Management Cash Flows Summary
CY 2011**

	Actual Feb-11	Actual Feb-10	Act vs Bdg Variance
Cash Flows from Operations			
Net Income (Loss)	50,468	(32,506)	82,974
Adjustments for Non-cash Items			
Amort., Dep. & Bad Debt	27,517	18,246	9,271
Changes in Operating Assets			
Purchased Inventory	(22,372)	(10,620)	(11,752)
Amortized Prepaid COGS	12,884	7,980	4,904
Deposits (Carriers)/Customer	-	-	-
A/R Adjustments	-	-	-
A/P & Accruals	-	-	-
A/P & Accruals (Reorg)	(13,723)	(890)	(12,833)
Net Cash Provided (Used) from Operations(Adj.)	54,774	(17,790)	72,564
Cash Flows from Investing			
Pre Petition Debt	(1,103)	(50,585)	49,482
Executory	↑	↑	
Taxes			
Other Admin			
Secured Debt			
Convenience Class			
Unsecured(USAC)			
Unsecured(All Other)			
New billing system	-	-	-
Purchase of Property & Equip.	-	-	-
Net Cash Provided (Used) from Investing(Adj.)	(1,103)	(50,585)	49,482
Net Cash Provided (Used)	53,671	(68,375)	122,046
Cash Flows from Financing			
Proceeds Equity from Financing	-	-	-
Financing Cost Paid	-	-	-
Stock redemption	-	-	-
Loan repayment to investors	-	-	-
Net Impact of Timing on B.S.	222,721	551,474	(328,753)
Bank Borrowing (L.O.C.)	63,191	(496,143)	559,334
Net Cash Provided (Used) from Financing	285,912	55,331	230,581
Net Inc./(Dec.) in Cash	339,583	(13,044.00)	352,627.00