Docket No. 12-0095

Q LINK Ex. 1.0

Rebuttal Testimony of Issa Asad

Q LINK Ex. 1.6 (2012 Audit Report)

Public Version

Q Link Wireless, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE A-ORGANIZATION AND DESCRIPTION OF BUSINESS

Description of Business

Q Link Wireless, LLC, a Delaware limited liability company, (the 'Company') was incorporated in 2011, a wholly owned subsidiary of Quadrant Holding, LLC.

The Company's primary activity is prepaid wireless telecommunications carrier designated as an Eligible Telecommunications Carrier ("ETC") solely for the purpose of participating in the Lifeline program.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash Equivalents

All highly liquid investments with maturity of three months or less when purchased are classified as cash equivalents.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over an estimated useful life years. Depreciation expenses totaled [redacted]

The Company capitalizes certain costs incurred in connection with developing or obtaining internal use software. These costs consist of payments made to third parties and the salaries of employees working on such software development.

Long-Lived Assets

The Company reviews its long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The analysis of the recoverability utilizes undiscounted cash flows. The measurement of the loss, if any, will be calculated as the amount by which the carrying amount of the asset exceeds the fair value.

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Q Link Wireless, LLC
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INDEPENDENT AUDITORS' REPORT

lopez levi
& associates, P.A., CPAs

To the Members of Q Link Wireless, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Q Link Wireless, LLC, which comprise the balance sheet as of December 31, 2012, and the related statement of operations, statement of members' equity(deficit) and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Q Link Wireless, LLC as of December 31, 2012, and the results of its operations, statement of members' equity(deficit) and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

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Lopez Levi & Associates, P.A., CPA's
Coral Gables, Florida
March 15, 2013

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