

LAW OFFICES  
**SMITHYMAN & ZAKOURA**  
CHARTERED  
750 COMMERCE PLAZA II  
7400 WEST 110TH STREET  
OVERLAND PARK, KANSAS 66210-2362

LEE M. SMITHYMAN  
JAMES P. ZAKOURA

(913) 661-9800  
TELECOPIER (913) 661-9863  
PRACTICE IN KANSAS AND MISSOURI

DAVID J. ROBERTS  
WILLIAM A. WOLFF

April 27, 2000

VIA UPS OVERNIGHT DELIVERY

**FILED**

APR 28 2000

Mr. Dale Roberts  
Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
301 West High Street, Room 530  
Jefferson City, MO 65102-0360

Missouri Public  
Service Commission

Re: Phone Bank, Inc. d/b/a Phone Banc, Inc.  
Application for Certificate of Service Authority and for Competitive Classification TA-2000-701

Dear Mr. Roberts:

Enclosed please find an original and 15 copies of the Application of Phone Bank, Inc. d/b/a Phone Banc, Inc. for Certificate of Service Authority and for Competitive Classification. Please file the Application and return the extra copy file-stamped to me in the enclosed self-addressed, stamped envelope.

Thank you for your attention to this matter.

Very truly yours,



David J. Roberts  
For  
SMITHYMAN & ZAKOURA, CHARTERED

DJR:pae  
Enclosure

FILED

APR 28 2000

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the matter of the Application of )  
Phone Bank, Inc. d/b/a Phone Banc, Inc. )  
for a certificate of service authority to )  
provide Basic Local Telecommunications )  
Service In portions of the State of )  
Missouri and to classify said services and )  
the company as competitive. )

Missouri Public  
Service Commission

Case No. TA-2000-701

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY  
AND FOR COMPETITIVE CLASSIFICATION**

Comes now Phone Bank, Inc. d/b/a Phone Banc, Inc. ("Phone Banc"), by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.420, and 392.430 RSMo 1994, Sections 392.410, 392.450 RSMo Supp. 1999, 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 Phone Banc states as follows:

1. Applicant Phone Banc is a corporation duly organized and existing under and by virtue of the laws of the State of Kansas, and has obtained authority to transact business in the State of Missouri, using the d/b/a name of Phone Banc, Inc. Attached hereto, and incorporated by reference is Exhibit 1, which consists of a certified copy of the corporation's Articles of Incorporation and Certificate of Good Standing from the Kansas Secretary of State. Attached hereto, and incorporated by reference is Exhibit 2, which consists of a Certificate of Authority to transact business in Missouri and a Certificate of Good Standing - Foreign Corporation, both issued by the Missouri Secretary of State.

2. All Inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to the case should be addressed to:

David J. Roberts  
James P. Zakoura  
William A. Wolff  
Smithyman & Zakoura, Chartered  
7400 West 110<sup>th</sup> Street, Suite 750  
Overland Park, KS 66210

and

Kenneth E. Hoffman, Jr., President  
Phone Banc, Inc.  
3212 State Avenue  
Kansas City, KS 66102

3. Phone Banc proposes to provide basic local exchange telecommunications service on a resold basis, throughout all exchanges currently served by the incumbent local exchange telecommunication companies of: Southwestern Bell Telephone Company (SWBT), Sprint/United Telephone Company (United), and GTE Midwest, Inc. (GTE). The specific SWBT, United and GTE exchanges within which Phone Banc proposes to offer service are listed in the incumbent providers' respective local exchange tariffs.

4. Pursuant to this application Phone Banc seeks to offer and provide all forms of basic local telecommunications service, including but not limited to residential basic local exchange telecommunications service on a prepaid basis.

5. Phone Banc possesses the technical and managerial expertise and experience necessary to provide the services it proposes. Description of backgrounds of Phone Banc's management, which demonstrate their extensive experience and expertise, are attached hereto and incorporated herein by reference as Exhibit 3. Phone Banc also possesses the necessary financial resources as demonstrated by Exhibit 4, which is attached hereto and incorporated herein by reference.

6. Phone Banc seeks classification of itself and its services as competitive.

7. Phone Banc will offer basic local telecommunications service, including but not limited to residential basic local exchange telecommunications service on a prepaid basis, as a separate and distinct service in accordance with applicable law. Phone Banc will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in Phone Banc's proposed service areas in accordance with applicable law.

8. Phone Banc 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. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Phone Banc requests that the following statutes and regulations be waived for Phone Banc and its basic local exchange service offerings:

Statutes	Missouri Public Service Commission Rules
392.210.2	4 CSR 24G-10.020
392.270	4 CSR 240-30.040
392.280	4 CSR 240-3S
392.290.1	
392.300.2	
392.310	
392.320	
392.330	
392.340	

9. Phone Banc further requests a temporary waiver of 4 CSR 240-2.060(4)(H). This rule requires that an application for a certificate of service authority to provide interexchange, local exchange or basic local exchange service shall include a proposed tariff with a forty-five day effective date. Phone Banc finds it impossible at this time to develop tariffs to fully comply with this rule since has not yet executed or received Commission approval of any resale agreements with incumbent local exchange companies. At such time as all facts necessary for the development of such tariffs are

known to Phone Banc, it will promptly file said tariffs bearing no less than a 30 day effective date with the Commission in a manner consistent with recent Commission practice in similar cases.

10. Phone Banc is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards including, but not limited to, quality of service, billing, and tariff filing and maintenance.

11. Phone Banc submits that the public interest will be served by Commission approval of this application because Phone Banc's 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.

WHEREFORE, applicant, Phone Bank, Inc., d/b/a Phone Banc, Inc., respectfully requests that the Commission grant it a certificate of service authority to provide basic local telecommunications services as herein requested, classify Phone Banc, Inc. and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,

SMITHYMAN & ZAKOURA, CHARTERED

By David J. Roberts

David J. Roberts, KS Bar #14689, MO Bar #42272

James P. Zakoura, KS Bar #7644

William A. Wolff, KS Bar #16892, MO Bar #44336

750 Commerce Plaza II

7400 West 110<sup>th</sup> Street

Overland Park, KS 66210-2346

(913) 661-9800

(913) 661-9863 - FAX

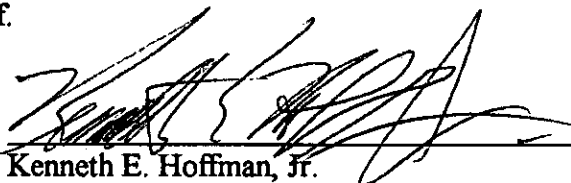
Attorneys for Applicant

**VERIFICATION**

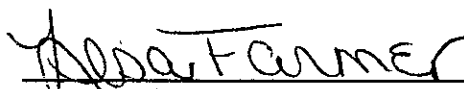
STATE OF KANSAS       )  
                                  ) ss.  
COUNTY OF JOHNSON    )

I, Kenneth E. Hoffman, Jr., under penalty of perjury, certify as follows:

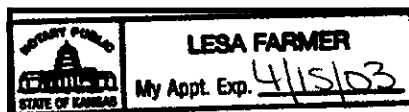
I am President of Phone Bank, Inc. d/b/a Phone Banc, Inc. and I am authorized to make this Verification on behalf of Phone Bank, Inc. d/b/a Phone Banc, Inc. I have read the foregoing Application and know the contents thereof, and the facts stated therein are true and correct to the best of my knowledge, information and belief.

  
Kenneth E. Hoffman, Jr.

Subscribed and sworn to before me this 24<sup>th</sup> day of April, 2000.

  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**PHONE BANK, INC.**

**CERTIFIED COPY OF ARTICLES OF INCORPORATION**

**and**

**CERTIFICATE OF GOOD STANDING**

RON THORNBURGH  
Secretary of State



First Floor, Memorial Hall  
120 SW 10th Ave.  
Topeka, KS 66612-1594  
(785) 296-4564

April 04, 2000

STATE OF KANSAS

SMITHYMAN & ZAKOURA  
PHONE BANK, INC.  
750 COMMERCE PLAZA II  
7400 WEST 110TH ST.  
OVERLAND PARK, KS 66210

RE: PHONE BANK, INC.

ID. # 2863074 (USE IN ALL CORRESPONDENCE WITH OUR OFFICE)

Enclosed is a certified copy of your for profit articles of incorporation. Your corporation's identification number is at the top of this page. The identification number should be used in all correspondence with this office.

Every corporation must file an annual report with this office. However, a report is not required if a corporation has not been incorporated for six months prior to its first tax year end. If your corporation operates on a tax period other than the calendar year, you must notify our office in writing prior to December 31.

If an annual report is required, it must be filed when your corporation files its Kansas income tax return. If your corporation applies to the Internal Revenue Service for an extension of its deadline for filing an income tax return, an extension for the annual report will be granted by our office provided that a copy of the IRS extension form is filed with this office within 90 days after the due date of the annual report.

srw



2863074

**ARTICLES OF INCORPORATION  
OF  
PHONE BANK, INC.**

**ARTICLE ONE**

**Name**

The name of this corporation is Phone Bank, Inc.

**ARTICLE TWO**

**Registered Office and Resident Agent**

The registered office of the Corporation in the State of Kansas is 911-E. Elizabeth, in the City of Olathe, County of Johnson, State of Kansas, 66061. The resident agent at that address is Kenneth E. Hoffman, Jr.

**ARTICLE THREE**

**Nature of Business**

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the Kansas Corporation Code, including, without limitation, the reselling local telephone service.

**ARTICLE FOUR**

**Capital Stock**

The Corporation is authorized to issue Three Thousand (3,000) shares of Common stock at the par value of One (\$1.00) Dollar per share.

**ARTICLE FIVE**

**Incorporators**

The name and mailing address of the incorporator is:

Kenneth E. Hoffman, Jr.  
911 E. Elizabeth  
Olathe, KS 66061

**ARTICLE SIX**

**Directors**

The powers of the incorporator are to terminate upon the filing of these Articles of Incorporation, and the name and mailing address of each person who is to serve as a director

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SECRETARY OF STATE  
KANSAS

until the first annual meeting of the stockholders or until a successor is elected and qualified is as follows:

Kenneth E. Hoffman, Jr.  
911 E. Elizabeth  
Olathe, KS 66061

Jaime B. Black  
333 West 46<sup>th</sup> Terrace, #507  
Kansas City, MO 64112

Jeff Black  
3212 State Avenue  
Kansas City, KS 66102

Voting for directors shall not be by written ballot, unless requested by any shareholder.

#### **ARTICLE SEVEN**

##### **Property of Stockholders**

The private property or assets of the stockholders of the Corporation shall not to any extent whatsoever be subject to the payment of the debts of the Corporation.

#### **ARTICLE EIGHT**

##### **Limitation of Director Liability**

No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such directors as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (i) for breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under the provisions of K.S.A. 17-6424 and any amendments thereto, or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to the date when such provision becomes effective.

#### **ARTICLE NINE**

##### **Bylaws**

The power to adopt, repeal and amend the bylaws of this Corporation shall reside in the Board of Directors of this Corporation.

## **ARTICLE TEN**

### **Preemptive Stock Purchase Rights**

When the outstanding capital is increased, the additional shares of stock (including instruments convertible into or carrying rights to purchase shares) shall be offered to the existing shareholders proportionately to their holdings, as described below:

Each holder of any of the shares of the capital stock of the Corporation shall be entitled to a preemptive right to purchase or subscribe for any unissued stock of the Corporation or any additional shares of any class to be issued by reason of any increase of the authorized capital stock of the Corporation of any class, or bonds, certificates of indebtedness, debentures or other securities convertible into stock of the Corporation, or carrying any rights to purchase stock of any class, whether said unissued stock shall be issued for cash, property, or any other lawful consideration, and, without limitation of the foregoing, shall have such a preemptive right with respect to shares or other securities offered for sale if they (a) are issued or optioned by the Board of directors to effect a merger or consolidation or for a consideration other than cash; (b) are shares or other securities theretofore reacquired by the Corporation after having been duly issued and not restored to the status of authorized but unissued shares; or (c) are part of the shares or other securities of the Corporation originally authorized in its certificate of incorporation in excess of the initial shares which are issued, and are issued, sole or optioned; provided, however, that there shall be no preemptive right with respect to incentive stock options as defined in the Internal Revenue Code, and shares of capital stock issued pursuant to such stock options, provided that such stock options or the plan pursuant to which the stock option was issued has received the unanimous consent of the entire Board of Directors of the Corporation.

## **ARTICLE ELEVEN**

### **No Cumulative Voting**

At all elections of directors of this Corporation and for the purposes of all other matters upon which stockholders are entitled to vote, each stockholder shall be entitled to as many votes as shall equal the number of shares of stock held by that stockholder. No cumulative voting shall be permitted.

## **ARTICLE TWELVE**

### **Term of Corporation**

The term for which this Corporation is to exist is perpetual.


4th IN TESTIMONY WHEREOF, we have hereunto set our names this  
day of April, 2000.

  
Kenneth E. Hoffman, Jr. Incorporator

STATE OF KANSAS           )  
                                  ) SS.  
COUNTY OF JOHNSON       )

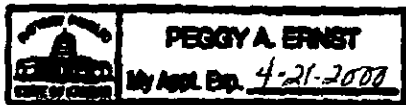
Personally appeared before me, a Notary Public, in and for  
said County and said State, the above named, who is personally  
known to me to be the same person who executed the foregoing  
instrument in writing, and duly acknowledged the execution of the  
same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal  
this 4th day of April, 2000.

  
Notary Public

My Appointment Expires:

April 21, 2000



I hereby certify this to be a true and  
correct copy of the original on file.  
Certified on this date: April 14, 2000  
Ron Thornburgh, Secretary of State

# STATE OF KANSAS

OFFICE OF  
SECRETARY OF STATE  
RON THORNBURGH



To all to whom these presents shall come, Greetings:

I, RON THORNBURGH, Secretary of State of the state of Kansas, do hereby certify that I am the custodian of records of the State of Kansas relating to corporations and that I am the proper official to execute this certificate.

I FURTHER CERTIFY THAT

PHONE BANK, INC.

is a regularly and properly organized corporation under the laws of the state of KANSAS, having been incorporated in Kansas on the 4th day of April, A.D. 2000 and has paid all fees and franchise taxes due this office and is in good standing according to the records now on file in the office of Secretary of State.

In testimony whereof:  
I hereto set my hand and cause  
to be affixed my official seal.  
Done at the City of Topeka, this  
11th day of April, A.D. 2000



RON THORNBURGH  
SECRETARY OF STATE

**PHONE BANK, INC.**

**d/b/a**

**PHONE BANC, INC.**

**CERTIFICATE OF AUTHORITY TO  
DO BUSINESS IN MISSOURI**

**and**

**CERTIFICATE OF GOOD STANDING  
IN MISSOURI**

No. F00482727

# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

## CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,  
PHONE BANK, INC.

using in Missouri the name  
PHONE BANC, INC.

has complied with the General and Business Corporation Law which governs Foreign Corporations; by filing in the office of the Secretary of State of Missouri authenticated evidence of its incorporation and good standing under the Laws of the State of KANSAS.

NOW, THEREFORE, I, REBECCA McDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that said corporation is from this date duly authorized to transact business in this State, and is entitled to all rights and privileges granted to Foreign Corporations under the General and Business Corporation Law of Missouri.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 21st day of APRIL, 2000.



*Rebecca McDowell Cook*  
Secretary of State

\$155.00

No. F00482727

# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

## CORPORATION DIVISION

### CERTIFICATE OF CORPORATE GOOD STANDING - FOREIGN CORPORATION

I, REBECCA McDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

PHONE BANK, INC.

using in Missouri the name

PHONE BANC, INC.

a KANSAS corporation filed its Evidence of Incorporation with this State on the 21st day of APRIL, 2000, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 21st day of APRIL, 2000.

*Rebecca McDowell Cook*  
Secretary of State





**TECHNICAL AND MANAGERIAL EXPERIENCE AND EXPERTISE**

Phone Bank, Inc., d/b/a Phone Banc, Inc. ("Phone Banc") will utilize the services of an experienced technical and management team which currently successfully operates two other separate corporate entities, Black Paging, Inc. and US Check Cashing, Inc. This management team consists of three of the four shareholders of Phone Banc, Inc., Jeff Black, Jaime Black, and Kenneth E. Hoffman, Jr. The fourth shareholder, Juanita Jo Hoffman, will assist in the day-to-day operation of Phone Banc, Inc. under the direction of the management team.

Black Paging, Inc. sells and repairs pagers, provides the resale of paging services to consumers dealing with such companies as Page Net, Mobile Comm, and Motorola, and sells prepaid long distance phone cards. Black Paging, Inc. operates out of three locations in the Kansas City Metropolitan area, two in Kansas and one in Missouri located at 700 E. Linwood Blvd., Kansas City, MO 64109.<sup>1</sup> Black Paging currently has 2200 paging customers, many of whom are expected to also become customers of Phone Banc, Inc. Black Paging, Inc. is owned and managed by Jeff Black and Jaime Black, and has successfully been in business for approximately eight years.

Jeff Black, Jaime Black and Kenneth E. Hoffman, Jr., have also owned and managed US Check Cashing for ten years.<sup>2</sup> US Check Cashing has three locations in the Kansas City area, two in Kansas and one in Missouri at 700 E. Linwood Blvd., Kansas City, MO 64109. US Check Cashing, Inc. is currently a payment agent for Southwestern Bell. Attached hereto and incorporated by reference are the Summary of Qualifications of Jeff Black, Jaime Black and Kenneth E. Hoffman, Jr., which demonstrate their experience and abilities.

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<sup>1</sup> A second Missouri location is planned and expected to be open within six months at 4035 Broadway, Kansas City, MO 64111.

<sup>2</sup> Jeff Black and Jaime Black are each 50% Shareholders in US Check Cashing, Inc., and Kenneth E. Hoffman, Jr. is a key management employee.

Phone Banc's management team, Jeff Black, Jaime Black and Kenneth E. Hoffman, Jr., will provide the same strong focus on customer relations and the provision of quality service as they have provided to Black Paging, Inc. in the 7 years since its inception and to US Check Cashing, Inc. for in the 9 years since its inception. Through their experience in reselling paging service and as a payment agent for Southwestern Bell, the management team of Phone Banc, Inc. has obtained the necessary technical and managerial experience and expertise. While operating as separate entities, Phone Banc, Inc. will share the facilities, as well as the managerial, technical, and sales teams of Black Paging and US Check Cashing, which will result in substantial savings for each entity through the economies of scale of operating three businesses out of the same locations with the same personnel.

In addition to the above experience, the principals of Phone Banc, Inc. sent a representative to the Telecom Business '99 Conference and Exposition located in Anaheim, California. The Telecom Business '99 Conference and Exposition is one of the largest conventions of the telecom industry, combining fourteen conferences in one event, including CLEC '99, the Conference For Local Access Competition. This conference provided numerous informational sessions dealing with forming and operating a CLEC, including such topics as:

1. Becoming a CLEC, including evaluating local entry and the certification process;
2. Strategy for entering the local market;
3. Interconnection negotiation issues; and
4. OSS implementation.

# **Jeff Bernard Black**

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## **Summary of Qualifications**

### **1994 - Present**

**Black Paging, Inc.**  
**Kansas City, KS**

#### **Vice-President**

- Co-founded reseller of paging service and pager sales and repair business.
- Developed repair department.
- Responsible for company planning and budgeting.
- Sales and Marketing.
  - Responsible for outside sales and corporate accounts.
  - Develop and implement marketing plan.
  - Conduct regular sales meetings with account representatives.

### **1991 - Present**

**US Check Cashing, Inc.**  
**a Kansas Corporation**  
**Kansas City, KS**

#### **Vice-President**

- Co-founded with brother Jaime Black.
- Responsible for accounting and auditing.

### **1994 - Present**

**US Check Cashing, Inc.**  
**a Missouri Corporation**  
**Kansas City, MO**

#### **President**

Founded; Responsible for marketing, customer service, management and accounting.

### **1988 - 1990**

**J. Black Contracting**  
**Overland Park, KS**

#### **Owner**

Founded and operated contracting company specializing in remodeling.

## **Education**

**1982 - 1986, Arizona State University**  
**B.S. in Business Administration**

# **Jaime Brian Black**

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## **Summary of Qualifications**

### **1994 - Present**

**Black Paging, Inc.**  
**Kansas City, KS**

#### **President**

- Co-founded reseller of paging service and pager sales and repair business.
- Responsible for dealing with vendors, including Page Net, Mobile Comm, and Motorola.
- Developed computer program to track sales, customer base, profitability, and accounting.
- Responsible for customer service.
- Maintain pager sales territory.

### **1991 - Present**

**US Check Cashing, Inc.**  
**a Kansas Corporation**  
**Kansas City, KS**

#### **President**

- Co-founded with brother, Jeff Black.
- Responsible for sales and marketing.
- Responsible for planning and budgeting.
- 1991 to 1994 (prior to co-founding Black Paging, Inc.) developed and oversaw dealer relationship with Mobile Comm Pager.

# **Kenneth E. Hoffman, Jr.**

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## **Summary of Qualifications**

### **1996 - Present**

#### **BNSF Railroad Kansas City, Kansas**

##### **Foreman**

- Supervise 3-man crew.
- Responsible for compliance with FRA rules and regulations.
- Responsible to maintain safe work environment.

### **1995 - Present**

#### **US Check Cashing, Inc. a Kansas Corporation**

##### **Manager**

- Responsible for store operations, including in-store sales.
- Manage 4 employees.
- Coordinate agency relationship with Black Paging, Inc., in the resale of pager services.
- Oversee payment agent transactions for local phone service with Southwestern Bell.

### **1987 - 1996**

#### **Arrowhead Container Kansas City, MO**

##### **Senior Press Operator (final position)**

- Responsible for training of Press Helper.
- Responsible for completion and quality of orders.

##### **Press Department Helper (initial position)**

### **1985 - 1987**

#### **Hartz Mountain Corporation Kansas City, MO**

##### **Sales Representative**

- Responsible for maintaining inventory for and stocking or 40+ stores.
- Develop and implement monthly sales promotions.
- Recruit new customers.

PHONE BANK, INC.  
d/b/a PHONE BANC, INC.  
PROJECTED PROFIT & LOSS STATEMENT

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total First Year
Sales	\$ 3,000.00	\$ 4,500.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$67,500.00
C/O/S	<u>2,250.00</u>	<u>3,375.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>50,625.00</u>
Gross Profits	\$ 750.00	\$ 1,125.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$16,875.00
Expenses:													
Payroll	\$ 0.00*	\$ 0.00*	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 4,000.00
Rent/Utilities	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
Office Supplies	50.00	50.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	850.00
Postage	50.00	75.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,125.00
Phone	<u>100.00</u>	<u>100.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>1,700.00</u>
Total Expenses	\$ 500.00	\$ 525.00	\$ 1,025.00	\$ 1,025.00	\$ 1,025.00	\$ 1,025.00	\$ 1,025.00	\$ 1,025.00	\$ 1,025.00	\$ 1,025.00	\$ 1,025.00	\$ 1,025.00	\$11,275.00
Net Income	<u>\$ 250.00</u>	<u>\$ 600.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 475.00</u>	<u>\$ 5,600.00</u>

Total Net Income for first year = \$5,600.00

\*Initially, the four shareholders will be the only employees and will work without pay.

PHONE BANK, INC.  
d/b/a PHONE BANC, INC.  
BALANCE SHEET

	CURRENT <u>4/18/2000</u>	PROJECTED AFTER <u>ONE YEAR</u>
ASSETS:		
Checking	<u>\$10,000.00</u>	<u>\$15,600.00</u>
LIABILITIES:		
	<u>\$ 0.00</u>	<u>\$ 0.00</u>
EQUITY:		
Retained Earnings	\$ 0.00	\$ 5,600.00
Capital Contributions	<u>10,000.00</u>	<u>10,000.00</u>
TOTAL EQUITY	<u>\$10,000.00</u>	<u>\$15,600.00</u>