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FAX (573) 634-8224

February 27, 2003

Missouri Public Service Commission
Attn: Secretary of the Commission
200 Madison Street, Suite 100
P. O. Box 360
Jefferson City, MO 65102-0360

FILED⁴

FEB 27 2003

Missouri Public
Service Commission

RE: Case No. _____

Alticomm, Inc.

Application for Authority to Provide Basic Local Exchange and
Interexchange Telecommunications Services

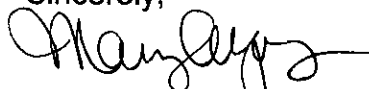
Dear Secretary:

Enclosed please find an original and ^{five} ~~eight~~ copies of the Application for Certificate of Service Authority and For Competitive Classification for filing with the Commission on behalf of Alticomm, Inc. This is an Application to provide basic local telecommunications services and interexchange telecommunications services.

Also enclosed is an original and five copies of **Alticomm's initial interexchange services tariff** for filing with the Commission. The application requests a waiver of the tariff filing requirement for the basic local services tariff.

Thank you for assistance in the processing this filing. Copies are being served on the Commission's General Counsel and Office of the Public Counsel. Please contact me at 634-8109 if there are any questions.

Sincerely,


Mary Ann (Garr) Young

Enclosure

cc: General Counsel
Office of the Public Counsel
Monica Borne Haab

FILED⁴

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

~~FEB 27~~ 2003

In the matter of the Application of)
Alticomm, Inc.)
for Certificate of Service)
Authority to Provide Basic Local Exchange)
and Interexchange Telecommunications)
Services within the State of Missouri)
and for Competitive Classification)

Missouri Public
Service Commission

Case No. _____

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

Comes now Alticomm, Inc. ("Alticomm" or "Applicant"), by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.410, 392.420 and 392.430, and 392.450 RSMo., the federal Telecommunications Act of 1996 and 4 CSR 240-2.060, for authority to provide basic local exchange and interexchange telecommunications services within the State of Missouri and for competitive classification. In support of its application, Alticomm states as follows:

1. Applicant Alticomm, Inc. is a corporation duly organized and existing under and by virtue of the laws of the State of Massachusetts with its principal place of business at 115 Shawmut Road, Canton, Massachusetts 02021. The character of business performed by Applicant is telecommunications services. Alticomm is authorized to operate in Missouri as a foreign corporation. A copy of the Alticomm's Certificate of Authority to conduct business in Missouri is attached hereto as Exhibit A.

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

Mary Ann (Garr) Young
WILLIAM D. STEINMEIER, P.C.
2031 Tower Drive
P.O. Box 104595

Jefferson City MO 65110-4595
Phone: 573-634-8109
Fax: 573-634-8224
Email: myoung0654@aol.com

With a copy to:

Monica Borne Haab
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd., Suite 1442
Metairie, LA 70002
Phone: (504) 832-1984
Fax: (504) 831-0892
E-Mail: mhaab@nbglaw.com

Applicant's contact person for regulatory matters after approval of this application is:

James Cornblatt, Director of Regulatory Affairs
Alticomm, Inc.
115 Shawmut Road
Canton, MA 02021
Phone: (781) 989-4500; Ext. 165
Fax: (781) 989-4512
E-Mail: jim.cornblatt@east-tel.com

3. Alticomm proposes to provide resold basic local exchange telecommunications service throughout all exchanges currently served by Southwestern Bell Telephone Company (SWBT). The Company does not intend to provide service in any "small" incumbent local exchange carrier (ILEC) areas. The specific SWBT exchanges within which Alticomm proposes to offer service are listed in the incumbent provider's local exchange tariff and will be listed in Alticomm's basic local service tariff. Alticomm may seek authority to provide basic local service in other areas of the state in a subsequent proceeding. Alticomm proposes to provide interexchange service on a statewide basis throughout Missouri.

4. Pursuant to this application, Alticomm seeks to provide all forms of basic local exchange telecommunications service, including residential and business basic line

service, package services, and individual optional features. The Applicant will also offer and provide interexchange telecommunications service to residential customers and business customers. Interexchange services will include MTS, Inbound 8XX and travel card services. Both interexchange and basic local exchange telecommunications services will be provided on a pure resale basis. The Company will not provide operator assisted services, and all such calls will be handled by the underlying service provider.

5. Alticomm possesses the technical and managerial expertise to provide the services it proposes. A description of the backgrounds of Alticomm's management team, which demonstrates its extensive experience and expertise, is attached hereto and incorporated herein by reference as Exhibit B.

6. Alticomm also possesses the necessary financial resources to provide the services it proposes. In support of its basic local service certificate application, Alticomm submits its most current twelve-month financial statements, and Missouri specific twelve-month pro forma statements which are attached hereto and incorporated herein by reference as Exhibit C.

7. Alticomm seeks classification of itself and its services as competitive pursuant to Sec. 392.361 RSMo. and 4 CSR 240-2.060(6)(A). Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation and that granting this request will allow greater price and service options for telephone users.

8. Alticomm will offer basic local telecommunications service as a separate and distinct service in accordance with applicable law. Alticomm will give consideration to equitable access for all Missourians, regardless of where they might reside or their income,

to affordable telecommunications services in Alticomm's proposed service areas in accordance with applicable law.

9. Alticomm 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 basic local exchange telecommunications companies, Alticomm requests that the following statutes and regulations be waived for Alticomm and its basic local exchange service offerings:

Statutory Provisions:

- Section 392.210.2
- Section 392.240(I)
- Section 392.270
- Section 392.280
- Section 392.290
- Section 392.300.2
- Section 392.310
- Section 392.320
- Section 392.330
- Section 392.340

Missouri Public Service Commission Rules

- 4 CSR 240-10.020
- 4 CSR 240-30.010(2)(C)
- 4 CSR 240-30.040
- 4 CSR 240-32.030(4)(C)
- 4 CSR 240-33.030
- 4 CSR 240-35

With regard to its interexchange services, Alticomm requests that the following statutes and regulations be waived, consistent with the Commission's treatment of other certificated competitive local exchange and interexchange telecommunications companies:

Statutory Provisions:

Section 392.210.2
Section 392.240(I)
Section 392.270
Section 392.280
Section 392.290
Section 392.300.2
Section 392.310
Section 392.320
Section 392.330
Section 392.340

Missouri Public Service Commission Rules

4 CSR 240-10.020
4 CSR 240-30.010(2)(C)
4 CSR 240-30.040
4 CSR 240-33.030
4 CSR 240-35

10. Pursuant to 4 CSR 240-2.060(6)(C), which 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, Alticomm is separately filing its proposed interexchange (IXC) tariff. Alticomm's proposed IXC tariff contains the rules, conditions and description of services and rates, and bears a forty-five (45) day effective date. Alticomm respectfully requests approval of its IXC tariff.

11. Alticomm requests a temporary waiver of 4 CSR 240-2.060(6)(C) as applicable to its basic local service tariff. Alticomm finds it impossible at this time to develop basic local service tariffs to fully comply with this rule since Alticomm has not yet executed or received Commission approval of any resale or interconnection agreements with ILECs. At such time as all facts necessary for the development of such tariffs are known to Alticomm, it will promptly file said tariffs bearing no less than a forty-five day effective date

with the Commission in a manner consistent with recent Commission practice in similar cases.

11. Furthermore, Applicant agrees that its proposed basic local service tariff will specifically identify the geographic service area in which it proposes to offer basic local service and that such area will follow the exchange boundaries of the ILECs in the same area and be no smaller than an exchange. 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.

12. Notwithstanding the provisions of Section 392.500 RSMo., as a condition of certification and competitive classification, Applicant agrees that, unless otherwise ordered by the Commission, Applicant's 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 whose service area(s) Applicant seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Applicant agrees that if the ILEC in whose service area Applicant is operating decreases its originating and/or terminating access service rates, 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. Applicant herein states, in accordance with 4 CSR 240-2.060(1)(K), that there are no pending actions or final unsatisfied judgments or decisions against Applicant in any state, federal agency, or court which involve customer service or rates for which action, judgment, or decision has occurred within three (3) years of the date of this Application.

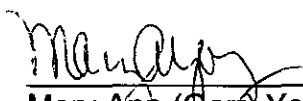
14. Pursuant to 4 CSR 240-2.060(1)(L), Applicant hereby states that the Company

does not have any overdue annual reports or fees owed to the Missouri Public Service Commission.

15. Alticomm submits that the public interest will be served by Commission approval of this application because Alticomm's proposed services will create and enhance competition and expand customer service options consistent with 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 Alticomm, Inc., respectfully requests that the Commission grant it certificate of service authority to provide basic local exchange and interexchange telecommunications services as herein requested, grant Alticomm competitive classification, grant waiver of the aforesaid statutes and regulations, and approve Alticomm's separately filed interexchange service tariff.

Respectfully submitted,

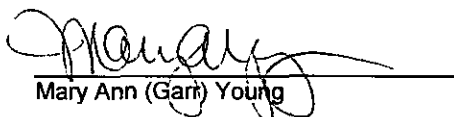


Mary Ann (Garf) Young Mo. Bar #27951
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Phone: 573-634-8109
Fax: 573-634-8224
Email: myoung0654@aol.com

ATTORNEY FOR ALTICOMM, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid to the Office of Public Counsel and the General Counsel of the Missouri Public Service Commission on this 27th day of February 2003.



Mary Ann (Garf) Young

VERIFICATION OF APPLICANT

STATE OF Louisiana)
COUNTY OF Jefferson)

ss:

I, James Cornblatt, being first duly sworn, state that I am Director of Regulatory Affairs of Alticomm, Inc., the Applicant herein; that I have reviewed the matters set forth in the Application and Exhibits and the statements contained therein are true to the best of my knowledge, except as to those matters which are stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Alticomm, Inc.

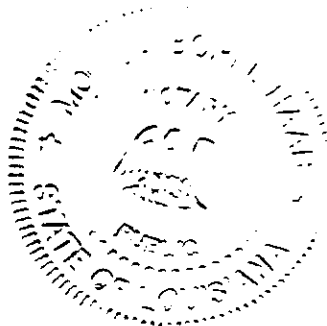
By: 

James Cornblatt, Director of Regulatory Affairs

Sworn to and subscribed before me this 8th day of January, 2003.


Notary Public

MONICA BORNE HAAB
Notary Public, State of Louisiana
My Commission is for Life.



Alticomm Inc.

Exhibit A

Missouri Secretary of State Certificate

No. F00513776

STATE OF MISSOURI



Matt Blunt
Secretary of State

CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,
ALTICOMM, INC.

using in Missouri the name
ALTICOMM, 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 MASSACHUSETTS.

NOW, THEREFORE, I, MATT BLUNT, 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 8th day of OCTOBER, 2002.

A handwritten signature of Matt Blunt in cursive script, written over a horizontal line.

Secretary of State

\$155.00



Alticomm Inc.

Exhibit B

MANAGEMENT PROFILES

and

TECHNICAL CAPABILITY

The Company will provide service on a resale basis. Therefore, its technical capability is equivalent to that of its underlying local exchange company, whose technical capability has been proven to this Commission. The Company will utilize the services of only Commission certificated carriers.

The Company has been operating in Massachusetts and Rhode Island since 1998. The Company is authorized in Arkansas (IXC), Colorado (IXC), Florida (IXC), Georgia (IXC), Idaho (IXC), Iowa (CLEC and IXC), Kentucky (CLEC and IXC), Michigan (IXC), Montana (CLEC and IXC), New Jersey (IXC), North Dakota (CLEC And IXC), Texas (IXC), Wisconsin (CLEC and IXC) and Wyoming (IXC), and is in the process of initiating operations in these states. Applications are pending in Alabama, Arkansas (CLEC), Colorado (CLEC), California (IXC and CLEC), Connecticut (IXC and CLEC), Florida (ALEC), Georgia (CLEC), Idaho (CLEC), Indiana (IXC and CLEC), Kansas (IXC and CLEC), Maine (IXC and CLEC), Minnesota (IXC), New Hampshire (IXC and CLEC), New Mexico (IXC), New York (IXC and CLEC), North Carolina (IXC), Ohio (IXC), Oklahoma (IXC), Oregon (IXC and CLEC), Pennsylvania (IXC and CLEC), Texas (CLEC), Utah (CLEC), Washington (IXC and CLEC), West Virginia (IXC and CLEC), and Wyoming (CLEC). The Company is seeking interexchange and local exchange authority on a nationwide basis.

ALTICOMM, INC.

EXHIBIT C

**FINANCIAL STATEMENTS
AND 12-MONTH MISSOURI PROJECTIONS**

AltComm, Inc.
Balance Sheet
Revised December 16, 2002
(US Dollars)
(Unaudited: For Management Purposes Only)

	<u>Full Year</u> <u>1998</u>	<u>Full Year</u> <u>1999</u>	<u>Full Year</u> <u>2000</u>	<u>Full Year</u> <u>2001</u>	<u>September YTD</u> <u>2002</u>
Assets:					
Current Assets:					
Cash:					
Warren Bank	0	0	0	43,282	443,577
Century Bank	0	0	0	0	131,934
Citizens Bank	0	0	30,168	3,392	-1,332
US Trust Bank (Account Moved To Citizens On 2/18/00)	0	-4,217	0	0	0
Telecom Bank (Account Closed 12/6/02)	0	0	10,160	449	465
Sovereign Bank (Account Closed 7/31/01)	0	0	1,159	0	0
Fleet Bank (Account Moved To Sovereign On 6/17/00)	12,975	1,582	0	0	0
Petty Cash	0	0	0	0	1
Subtotal	12,975	-2,635	41,486	47,123	574,645
Billed Accounts Receivable	0	1,225	67,250	202,538	805,276
Unbilled Accrued Accounts Receivable	0	6,811	206,238	309,981	349,121
Allowance For Doubtful Accounts Receivable	0	0	0	0	-31,209
Subtotal	0	8,036	273,488	512,519	923,188
Prepaid Expenses	0	24,494	69,614	49,354	412,385
Employee Advances & Receivables	0	0	0	150	0
Total Current Assets	12,975	29,896	384,588	609,147	1,910,218
Property & Equipment:					
Equipment	0	24,547	50,629	71,767	390,813
Software	0	68,500	68,500	68,500	266,783
Furniture & Fixtures	0	2,089	10,105	32,666	103,951
Leasehold Improvements	0	0	0	14,181	55,285
Accumulated Depreciation: Equipment (Straight Line Over 3 Years)	0	-4,091	-16,620	-37,020	-91,774
Accumulated Amortization: Software (Straight Line Over 3 Years)	0	-11,417	-34,250	-57,083	-90,431
Accumulated Depreciation: Furniture & Fixtures (Straight Line Over 7 Years)	0	-149	-1,020	-4,075	-11,394
Accum. Deprec.: Leasehold Improvements (Straight Line Over 60 Months)	0	0	0	-2,167	-9,591
Total Net Property & Equipment	0	79,479	77,343	86,768	613,641
Other Assets:					
Stock Subscriptions	0	750	150,000	0	0
Deposits	0	7,264	7,464	16,334	40,030
Goodwill (Related To Acquisition of ServiSense)	0	0	0	0	421,671
Total Other Assets	0	8,014	157,464	16,334	461,701
Total Assets	12,975	117,389	619,396	712,249	2,985,560
Total Assets Per Peachtree @ 12/16/02 12:40 pm	12,975	117,389	619,396	712,249	2,985,560
Difference	0	0	0	0	0

AltComm, Inc.
Balance Sheet
Revised December 16, 2002
(US Dollars)

Page 2.

(Unaudited: For Management Purposes Only)

	Full Year 1998	Full Year 1999	Full Year 2000	Full Year 2001	September YTD 2002
Liabilities & Equity:					
Liabilities:					
Current Liabilities:					
Accounts Payables	30,010	88,552	417,401	725,174	2,886,930
Sitel Commission Payables	0	0	0	0	2,177
Warren Bank Loan & Drawn Line Of Credit	0	0	0	449,373	510,974
Citizen's Bank Loan & Accrued Interest	0	199,063	300,089	11,819	0
Unearned Phone Service Revenue	0	0	0	0	85,009
Sales & Excise Taxes Payable:					
Federal Excise Tax	0	244	16,336	57,879	215,953
Massachusetts Sales Tax	0	64	9,486	26,048	11,520
Pennsylvania Sales Tax	0	0	0	0	81,160
New York State Sales Tax	0	0	13	51	26,117
Colorado Sales Tax	0	0	0	0	19,029
Other States Sales Tax	0	0	37	2,046	32,916
Interest Payable On Sales Taxes	0	0	0	0	4,853
Estimated Penalties On Sales Taxes	0	0	0	0	8,189
Subtotal	0	309	25,872	86,024	398,735
Owed To Debtor In Possession For ServiSense	0	0	0	0	73,517
Convertible Note Payable to J. Doran @ 8.0%	0	0	102,267	110,378	117,269
Convertible Note Payable to T. Martin @ 10.0%	0	0	0	26,493	28,502
Note Payable: Conexus @ 0.0%	0	0	0	0	22,000
Accrued Expenses	0	38,593	25,604	88,122	269,893
Current Portion of Capital Lease Notes Payables	0	48,130	45,913	21,591	110,366
Loan From Allen Stern	0	10,000	8,000	8,000	0
Customer Deposits	0	0	283	946	1,414
Total Current Liabilities	30,010	384,648	925,429	1,527,921	4,507,787
Long Term Liabilities:					
Non Current Notes Payable For Capital Leases	0	47,840	18,905	25,612	43,202
Total Liabilities	30,010	432,488	944,334	1,553,533	4,550,989
Stockowners' Equity:					
Common Stock: \$0.01 Par Value Per Share, 3,783,333 Shares Authorized, 1,000,000 Issued and Outstanding at Yearend 2000, and 3,486,624 Authorized, 1,000,000 Issued and Outstanding at Yearend 2001 and June 30, 2002.	7	10	10,000	10,000	10,000
Convertible Preferred Series A: \$0.10 Par Value Per Share, 105,556 Shares Authorized, issued and Outstanding. With Aggregate Liquidation Preference Of \$475,002.00 Over Common Stock At Yearend 2000, 2001 and June 30, 2002.	0	0	10,556	10,556	10,556
Convertible Preferred Series B: \$0.10 Par Value Per Share, 111,111 Shares Authorized, issued and Outstanding. With Aggregate Liquidation Preference Of \$450,003.60 Over Common Stock & Convertible Preferred Series A Stock At Yearend 2000, 2001 and June 30, 2002.	0	0	11,111	11,111	11,111
Convertible Preferred Series C: \$0.10 Par Value Per Share, 296,709 Shares Authorized, and 107,078 Issued and Outstanding With Aggregate Liquidation Preference of \$685,007.90 at Yearend 2001, and 296,709 Issued and Outstanding, with Liquidation Preference Of \$1,755,007.90 Over Common Stock and Convertible Preferred Series A & B Stock At June 30, 2002.	0	0	0	10,708	29,671
Common Stock: Additional Paid In Capital	17,493	24,291	14,301	14,301	14,301
Convertible Preferred Series A: Additional Paid In Capital	0	0	464,446	464,446	464,446
Convertible Preferred Series B: Additional Paid In Capital	0	0	438,893	438,893	438,893
Convertible Preferred Series C: Additional Paid In Capital	0	0	0	654,300	1,725,337
Treasury Stock @ Cost	0	0	0	0	-766
Subtotal	17,500	24,301	949,306	1,614,314	2,703,549
Net Loss From Operations	-34,535	-304,865	-934,845	-1,181,353	-1,813,380
Retained Earnings	0	-34,535	-339,400	-1,274,245	-2,455,598
Subtotal	-34,535	-339,400	-1,274,245	-2,455,598	-4,268,978
Total Capital	-17,035	-315,099	-324,938	-841,284	-1,565,429
Total Liabilities & Stockowners' Equity	12,975	117,389	619,396	712,249	2,985,560
Total Liabilities & Equity Per Peachtree @ 12/16/02 12:40 pm	12,975	117,389	619,396	712,249	2,985,560
Difference	0	0	0	0	0

AldiComm, Inc.
Income Statement
Revised December 16, 2002
(U. S. Dollars)
(Unaudited: For Management Purposes Only)

	<u>Full Year</u> <u>1998</u>	<u>Full Year</u> <u>1999</u>	<u>Full Year</u> <u>2000</u>	<u>Full Year</u> <u>2001</u>	<u>September</u> <u>2002</u> <u>YTD</u>	<u>Sept. 2002</u> <u>% Of Revenue</u> <u>YTD</u>	<u>Cumulative</u> <u>Total</u>
Revenues:							
Eastern Telephone:							
Eastern Telephone Service Revenue	0	7,735	504,487	1,179,848	967,287	21.2%	2,659,158
Eastern Telephone Consulting Revenue	0	0	0	38,000	0	0.0%	38,000
Subtotal	0	7,735	504,487	1,217,848	967,287	21.2%	2,697,158
ServSense:							
ServSense Telephone Service Revenue	0	0	0	0	3,595,424	78.8%	3,595,424
ServSense Other Income	0	0	0	0	380	0.0%	380
Subtotal	0	0	0	0	3,595,804	78.8%	3,595,804
Cellular LD Phone Revenue	0	0	0	0	2,241	0.0%	2,241
Total Revenue	0	7,735	504,487	1,217,848	4,565,333	100.0%	6,295,203
Cost Of Services & Goods Provided:							
Eastern Telephone:							
Eastern Telephone Phone Services	0	7,521	388,892	854,861	770,368	16.9%	2,021,842
Eastern Telephone Phone Revenue Sharing	0	8,000	17,965	62,601	34,624	0.8%	121,190
Eastern Telephone COGS Tech Services	0	0	0	7,525	0	0.0%	7,525
Eastern Telephone COGS Phone Order Verify	0	0	422	914	210	0.0%	1,548
Subtotal	0	13,521	407,279	925,901	805,202	17.6%	2,161,903
ServSense:							
ServSense Telephone Service	0	0	0	0	2,811,420	61.6%	2,811,420
ServSense COGS Tech Services	0	0	0	0	38,345	0.8%	38,345
Site! Commission COGS	0	0	0	0	2,177	0.0%	2,177
Subtotal	0	0	0	0	2,851,943	62.5%	2,851,943
Cellular LD	0	0	0	0	8,316	0.2%	8,316
Total Cost Of Services & Goods Provided	0	13,521	407,279	925,901	3,665,460	80.3%	5,012,161
Gross Margin Profit or (Loss):							
Eastern Telephone	0	-5,785	97,208	291,747	162,085	3.6%	545,255
ServSense	0	0	0	0	743,862	16.3%	743,862
Cellular LD	0	0	0	0	-6,074	-0.1%	-6,074
Total Gross Margin or (Loss)	0	-5,785	97,208	291,747	899,873	19.7%	1,283,042
Gross Margin Percentage of Total Revenue:							
Eastern Telephone	N/A	-74.8%	19.3%	24.0%	16.8%		20.2%
ServSense	N/A	N/A	N/A	N/A	20.7%		20.7%
Cellular LD	N/A	N/A	N/A	N/A	-271.0%		-271.0%
Total Gross Margin or (Loss)	N/A	-74.8%	19.3%	24.0%	19.7%		20.4%

AltComm, Inc.
Income Statement
Revised December 16, 2002
(U. S. Dollars)
(Unaudited: For Management Purposes Only)

Page 2.

Expenses (Sorted By Cumulative Totals):	Full Year 1998	Full Year 1999	Full Year 2000	Full Year 2001	September YTD 2002	Sept. 2002 YTD % Of Revenue	Cumulative Total
Staff Compensation:							
Salaries	0	68,635	256,178	607,934	1,117,195	24.5%	2,049,942
Payroll Taxes	0	5,989	22,570	49,398	100,229	2.2%	178,186
Health & Dental Insurance	0	5,384	16,675	36,891	47,078	1.0%	106,028
Subtotal	0	80,008	295,423	694,223	1,264,502	27.7%	2,334,156
ServSense Bad Debt Writeoffs	0	0	0	0	370,973	8.1%	370,973
Advertising, PR & Design	18,000	37,895	164,991	111,455	20,436	0.4%	352,777
Direct Mail	0	43,573	208,501	72,326	10,886	0.2%	335,067
Legal Fees	0	12,282	28,051	120,068	133,605	2.9%	294,006
Phone Services	0	17,829	59,277	76,117	89,189	2.0%	242,412
Interest Expense (Net of Interest Income)	0	10,756	43,841	71,243	115,715	2.5%	241,656
Consultants	0	24,031	44,271	17,801	131,562	2.9%	217,664
Rent	9,900	17,520	25,517	76,113	79,013	1.7%	208,084
Office Supplies	1,017	17,046	47,799	39,869	14,086	0.3%	119,816
ServSense Bill Process Services	0	0	0	0	109,243	2.4%	109,243
Depreciation Expenses	0	4,240	13,400	23,454	62,073	1.4%	103,168
Amortization Expenses	0	11,417	22,833	24,976	40,772	0.9%	99,999
Software Repairs & Maintenance	0	0	4,097	31,220	63,217	1.4%	98,534
Eastern Telephone Bad Debt Writeoffs	0	0	0	47,368	17,303	0.4%	64,671
Dues & Subscriptions	0	6,894	33,005	2,066	12,191	0.3%	54,156
Travel	1,014	5,086	6,970	5,727	17,707	0.4%	36,484
Accounting / Audit Fees	0	0	0	16,851	18,764	0.4%	35,615
Postage	87	1,398	7,968	7,996	14,229	0.3%	31,678
Meals & Entertainment	938	4,794	6,145	3,319	16,407	0.4%	31,604
Bank Fees	25	295	1,467	5,219	24,569	0.5%	31,604
Other Repairs & Maintenance	0	0	3,874	8,113	10,909	0.2%	22,896
Email / Network & Utilities	0	376	2,876	3,363	15,158	0.3%	21,773
ServSense Collection Fees	0	0	0	0	13,737	0.3%	13,737
Tax Penalty Expenses	0	0	0	0	13,016	0.3%	13,016
Office Printing	0	294	3,408	2,474	6,708	0.1%	12,885
Business Insurance	0	1,387	4,206	3,107	3,135	0.1%	11,834
Eastern Telephone Bill Process Services	0	0	0	0	5,676	0.1%	5,676
Training & Recruiting	0	0	544	2,194	1,520	0.0%	4,258
Donations	0	35	2,060	40	600	0.0%	2,735
State Income / Excise Taxes & Fees (Excludes Sales)	0	85	541	1,189	937	0.0%	2,733
Payroll Service	0	280	645	750	853	0.0%	2,528
Other Expenses	3,552	1,577	242	4,478	14,754	0.3%	24,803
Total Expenses	34,535	299,080	1,032,053	1,473,100	2,713,262	59.4%	5,552,020
Net Operating Loss	-34,535	-304,865	-934,845	-1,181,353	-1,813,380	-39.7%	-4,268,978
Total Net Loss Per Paschtree @ 12/16/02 12:40 pm	-34,535	-304,865	-934,845	-1,181,353	-1,813,380	-39.7%	-4,268,978
Difference	0	0	0	0	0	0.0%	0
Net Operating Loss Per Common Share:							
Net Operating Loss Before Extraordinary Items	-0.03	-0.30	-0.93	-1.18	-1.81		-4.27
Extraordinary Items	0.00	0.00	0.00	0.00	0.00		0.00
Total Net Loss	-0.03	-0.30	-0.93	-1.18	-1.81		-4.27

ABComm, Inc.
Statement Of Changes To Stockowners' Equity
Prepared December 18, 2002
(U. S. Dollars)
(Unaudited: For Management Purposes Only)

	Common Stock:			Preferred Series A:			Preferred Series B:			Preferred Series C:			Total	Total	Treasury	Cumulative	Total
	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC	Stock		
Common Stock Sold @ 3/28/96, 750 Shares At \$0.01 Par For \$25.00	7	17,483	17,500										7	17,483		17,500	17,500
Net Loss in 1996			0			0			0			0		0		0	-34,833
Subtotal @ 12/31/1996	7	17,483	17,500			0			0			0	7	17,483		17,500	-17,333
Common Stock Awarded @ 3/28/98, 60 Shares At \$0.01 Par For \$25.00	1	1,488	1,500			0			0			0	1	1,488		1,500	1,500
Common Stock Awarded @ 10/31/98, 20 Shares At \$0.01 Par For \$25.00	6	800	500			0			0			0	0	800		500	800
Common Stock Sold @ 10/31/98, 20 Shares At \$0.01 Par For \$25.00	6	750	750			0			0			0	0	750		750	750
Common Stock Dividends @ 11/30/98, 140 Shares at \$0.01 Par For \$21.32	1	2,983	2,985			0			0			0	1	2,983		2,985	2,985
Common Stock Awarded @ 12/10/99, 50 Shares At \$0.01 Par For \$21.32	1	1,866	1,866			0			0			0	1	1,866		1,866	1,866
Net Loss in 1999			0			0			0			0	0	0		0	-304,865
Subtotal @ 12/31/1999	10	24,281	24,301			0			0			0	10	24,281		24,301	-339,400
Common Stock Dividends @ 1/24/00, 899,000 Shares at \$0.01 Par	9,990	-9,990	0			0			0			0	9,990	-9,990		0	0
Preferred Series A Sold @ 1/1/00, 5,555 96 Shares At \$0.10 Par For \$4.50	6	356	24,444	25,000			0		0			0	556	24,444		25,000	25,000
Preferred Series A Sold @ 1/21/00, 5,555 96 Shares At \$0.10 Par For \$4.50	6	356	24,444	25,000			0		0			0	556	24,444		25,000	25,000
Preferred Series A Sold @ 2/2/00, 16,966 67 Shares At \$0.10 Par For \$4.50	0	1,867	73,333	75,000			0		0			0	1,867	73,333		75,000	75,000
Preferred Series A Sold @ 2/6/00, 61,111 11 Shares At \$0.10 Par For \$4.50	0	6,111	268,889	275,000			0		0			0	6,111	268,889		275,000	275,000
Preferred Series A Sold @ 3/9/00, 5,355 96 Shares At \$0.10 Par For \$4.50	0	356	24,444	25,000			0		0			0	556	24,444		25,000	25,000
Preferred Series A Sold @ 7/6/00, 11,111 11 Shares At \$0.10 Par For \$4.50 (Includes \$2.00 For Bank Fees)	0	1,111	48,891	50,002			0		0			0	1,111	48,891		50,002	50,002
Preferred Series B Sold @ 8/7/00, 74,674.07 Shares At \$0.10 Par For \$4.25 (Includes \$3.00 For Bank Fees)	0			0		7,407	292,586	300,004				0	7,407	292,586		300,004	300,004
Preferred Series B Sold @ 9/30/00, 37,837.04 Shares At \$0.10 Par For \$4.06	0			0		3,784	148,298	150,000				0	3,784	148,298		150,000	150,000
Net Loss in 2000			0			0			0			0	0	0		0	-834,845
Subtotal @ 12/31/2000	10,000	14,281	24,301	10,556	484,444	478,002	11,111	436,183	450,004	0	0	0	31,667	817,940	0	949,306	-1,274,245

AIIComm, Inc.
Statement Of Changes To Stockowners' Equity
Prepared December 16, 2002
(U. S. Dollars)
(Unaudited: For Management Purposes Only)

Page 2.

	Common Stock:			Preferred Series A:			Preferred Series B:			Preferred Series C:			Total	Total	Treasury	Cumulative	Total	
	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC	Stock			Total
Preferred Series C1 Sold @ 6/25/01, 14,648,228 Shares At \$2.10 Per For \$6.23			0			0			0	1,448	88,886	90,000	1,448	88,886		90,000		90,000
Preferred Series C1 Sold @ 8/13/01, 1,805,1384 Shares At \$5.10 Per For \$6.23			0			0			0	181	9,839	10,000	181	9,839		10,000		10,000
Preferred Series C1 Sold @ 8/20/01, 4,012,8611 Shares At \$5.10 Per For \$6.23			0			0			0	491	24,589	25,000	491	24,589		25,000		25,000
Preferred Series C1 Sold @ 7/18/01, 3,210.27 Shares At \$5.10 Per For \$6.23			0			0			0	321	19,679	20,000	321	19,679		20,000		20,000
Preferred Series C1 Sold @ 7/24/01, 8,420.55 Shares At \$5.10 Per For \$6.23 (Includes \$2.83 Per Blank Page)			0			0			0	842	39,361	40,000	842	39,361		40,000		40,000
Preferred Series C1 Sold @ 7/25/01, 32,102.72 Shares At \$5.10 Per For \$6.23			0			0			0	3,210	196,790	200,000	3,210	196,790		200,000		200,000
Preferred Series C1 Sold @ 7/31/01, 4,012.8611 Shares At \$5.10 Per For \$6.23			0			0			0	401	24,589	25,000	401	24,589		25,000		25,000
Preferred Series C1 Sold @ 8/30/01, 8,025.88 Shares At \$5.10 Per For \$6.23			0			0			0	803	49,197	50,000	803	49,197		50,000		50,000
Preferred Series C1 Sold @ 8/30/01, 24,077.04 Shares At \$5.10 Per For \$6.23			0			0			0	2,408	147,582	150,000	2,408	147,582		150,000		150,000
Preferred Series C1 Sold @ 8/13/01, 4,012.8611 Shares At \$5.10 Per For \$6.23			0			0			0	401	24,589	25,000	401	24,589		25,000		25,000
Preferred Series C1 Sold @ 10/11/01, 802.87 Shares At \$5.10 Per For \$6.23 (Includes \$3.57 Per Blank Page)			0			0			0	80	4,925	5,005	80	4,925		5,005		5,005
Preferred Series C2 Sold @ 12/20/01, 4,349.34 Shares At \$5.10 Per For \$5.746			0			0			0	435	24,565	25,000	435	24,565		25,000		25,000
Net Loss in 2001			0			0			0			0		0		0	-1,181,263	-1,181,263
Subtotals @ 12/31/2001	10,000	14,301	24,301	10,550	494,449	475,002	11,111	430,853	450,004	15,708	854,300	865,008	42,374	1,671,340	0	1,614,314	-2,455,520	-841,204

AllCoram, Inc.
Statement Of Changes To Stockowners' Equity
Prepared December 18, 2002
(U. S. Dollars)
(Unaudited: For Management Purposes Only)

Page 3.

	Common Stock:			Preferred Series A:			Preferred Series B:			Preferred Series C:			Total		Treasury Stock	Cumulative		Total Equity
	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC	Subtotal	Par	APIC		Total	Loans	
Preferred Series C2 Sold @ 1/15/02, 6,009.07 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	609	34,391	35,000	609	34,391		35,000		35,000
Preferred Series C2 Sold @ 1/25/02, 34,796.72 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	3,479	186,521	190,000	3,479	186,521		190,000		190,000
Preferred Series C2 Sold @ 1/30/02, 4,349.34 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	435	24,565	25,000	435	24,565		25,000		25,000
Preferred Series C2 Sold @ 1/31/02, 22,816.56 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	2,282	127,738	130,000	2,282	127,738		130,000		130,000
Preferred Series C2 Sold @ 2/1/02, 60,680.74 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	6,068	343,911	350,000	6,068	343,911		350,000		350,000
Preferred Series C2 Sold @ 2/5/02, 4,349.34 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	435	24,565	25,000	435	24,565		25,000		25,000
Preferred Series C2 Sold @ 3/30/02, 17,397.36 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	1,740	98,260	100,000	1,740	98,260		100,000		100,000
Preferred Series C2 Sold @ 3/6/02, 8,636.88 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	870	49,130	50,000	870	49,130		50,000		50,000
Preferred Series C2 Sold @ 3/16/02, 13,949.02 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	1,395	73,695	75,000	1,395	73,695		75,000		75,000
Preferred Series C2 Sold @ 3/25/02, 17,397.36 Shares At \$0.10 Per For \$5,748	0		0	0		0	0		0	1,740	98,260	100,000	1,740	98,260		100,000		100,000
Net Loss in January Through June, 2002	0		0	0		0	0		0	0	0	0	0	0		0	-1,028,633	-1,028,633
Subtotal @ 6/28/2002	10,000	14,301	24,301	10,556	484,448	475,002	11,111	438,883	450,004	29,671	1,725,337	1,755,008	61,336	2,842,977	0	2,704,314	-3,484,287	-779,973
Common Stock Repurchased @ 8/12/02, 35,920 Shares at \$0.01 Per For \$0.02	0		0	0		0	0		0	0		0		-766		-766		-766
Net Loss in July Through September, 2002	0		0	0		0	0		0	0		0		0		0	-784,680	-784,680
Subtotal @ 8/30/2002	10,000	14,301	24,301	10,556	484,448	475,002	11,111	438,883	450,004	29,671	1,725,337	1,755,008	61,336	2,842,977	-766	2,703,548	-4,268,967	-1,565,420

AltComm, Inc.
Statement Of Changes To Cash Flow (Indirect Method)
Prepared December 16, 2002
(U. S. Dollars)
(Unaudited: For Management Purposes Only)

	<u>Full Year</u> <u>1998</u>	<u>Full Year</u> <u>1999</u>	<u>Full Year</u> <u>2000</u>	<u>Full Year</u> <u>2001</u>	<u>September YTD</u> <u>2002</u>	<u>Cumulative</u> <u>Total</u>
Cash Flows From Operating Activities:						
Net Operating Loss	-34,535	-304,865	-934,845	-1,181,353	-1,813,380	-4,268,978
Adjustments To Reconcile Net Operating Loss to Net Cash Provided By Operations:						
Plus Increase In Unearned Phone Service Revenue	0	0	0	0	85,009	85,009
Less Increase In Billed Accounts Receivable	0	-1,225	-66,025	-135,288	-402,737	-605,276
Less Increase In Unbilled Accrued Accounts Receivable	0	-6,811	-199,427	-103,743	-39,140	-349,121
Plus Increase In Allowance For Doubtful Accounts Receivables	0	0	0	0	31,209	31,209
Less Increase Or Plus Decrease In Prepaid Expenses	0	-24,494	-45,119	20,260	-363,031	-412,385
Less Increase Or Plus Decrease In Employee Receivables	0	0	0	-150	150	0
Less Increase Or Plus Decrease In Stock Subscriptions	0	-750	-149,250	150,000	0	0
Less Increase In Deposits	0	-7,264	-200	-8,870	-23,695	-40,030
Add Back Depreciation Of Equipment	0	4,091	12,529	20,399	54,754	91,774
Add Back Amortization Of Software	0	11,417	22,833	22,833	33,348	90,431
Add Back Depreciation Of Furniture & Fixtures	0	149	871	3,055	7,319	11,394
Add Back Depreciation Of Leasehold Improvements	0	0	0	2,167	7,424	9,591
Plus Increase In Accounts Payables	30,010	58,543	328,849	307,773	2,161,756	2,886,930
Plus Increase In Sitel Commission Payables	0	0	0	0	2,177	2,177
Plus Increase In Sales Taxes Payables	0	309	25,563	60,152	313,712	399,735
Plus Increase Or Less Decrease In Accrued Expenses	0	38,593	-12,989	62,518	181,771	269,893
Plus Increase In Customer Deposits	0	0	283	663	468	1,414
Total Adjustments	30,010	72,556	-82,081	401,768	2,050,493	2,472,747
Net Cash Used By Operations	-4,525	-232,309	-1,016,926	-779,585	237,113	-1,795,231
Cash Flows From Investing Activities:						
Proceeds From:						
Due To Debtor In Possession For ServiSense	0	0	0	0	73,517	73,517
Subtotal	0	0	0	0	73,517	73,517
Used For:						
Purchase Of Equipment	0	-24,547	-26,082	-21,138	-319,047	-390,813
Purchase Of Software	0	-68,500	0	0	-198,283	-266,783
Purchase Of Furniture & Fixtures	0	-2,089	-8,018	-22,560	-71,285	-103,951
Purchase Of Leasehold Improvements	0	0	0	-14,181	-41,104	-55,285
Purchase Of Goodwill Related To ServiSense Acquisition	0	0	0	0	-421,671	-421,671
Subtotal	0	-95,136	-34,098	-57,879	-1,051,389	-1,238,502
Net Cash Used For Investing Activities	0	-95,136	-34,098	-57,879	-977,872	-1,164,985

AltComm, Inc.
Statement Of Changes To Cash Flow (Indirect Method)
Prepared December 16, 2002
(U. S. Dollars)
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Page 2.

	<u>Full Year</u> <u>1998</u>	<u>Full Year</u> <u>1999</u>	<u>Full Year</u> <u>2000</u>	<u>Full Year</u> <u>2001</u>	<u>September YTD</u> <u>2002</u>	<u>Cumulative</u> <u>Total</u>
Cash Flows From Financing Activities:						
Proceeds From:						
Warren Bank Loan & Drawn Line Of Credit	0	0	0	449,373	61,601	510,974
Citizens Bank Loan & Accrued Interest	0	199,063	101,025	-288,270	-11,819	0
Convertible Note Payable To J. Doran @ 8.0%	0	0	102,267	8,111	6,891	117,269
Convertible Note Payable To T. Martin @ 10.0%	0	0	0	26,493	2,009	28,502
Convertible Note Payable To Conexus @ 0.0%	0	0	0	0	22,000	22,000
Loan From Allen Stern	0	10,000	-2,000	0	-8,000	0
Current Portion Of Capital Lease Notes Payables	0	48,130	-2,217	-24,322	88,775	110,366
Non Current Notes Payable For Capital Leases	0	47,840	-28,935	6,707	17,589	43,202
Sale Of Common Shares (Par & APIC)	17,500	6,801	0	0	0	24,301
Sale Of Preferred Series A Shares (Par & APIC)	0	0	475,002	0	0	475,002
Sale Of Preferred Series B Shares (Par & APIC)	0	0	450,004	0	0	450,004
Sale Of Preferred Series C Shares (Par & APIC)	0	0	0	665,008	1,090,000	1,755,008
Subtotal	17,500	311,835	1,095,145	843,101	1,269,046	3,536,627
Used For:						
Repurchase Of Common Stock @ Cost	0	0	0	0	-766	-766
Subtotal	0	0	0	0	-766	-766
Net Cash Proceeds From Financing Activities	17,500	311,835	1,095,145	843,101	1,268,281	3,535,861
Net Increase Or (Decrease) In Cash	12,975	-15,610	44,122	5,637	527,522	574,645
Summary:						
Ending Cash For Each Period	12,975	-2,635	41,486	47,123	574,645	574,645
Less Beginning Cash For Each Period	0	12,975	-2,635	41,486	47,123	0
Net Increase Or (Decrease) In Cash For Each Period	12,975	-15,610	44,122	5,637	527,522	574,645
Supplemental Disclosure:						
Cash Payments:						
Interest Expenses (Net of Interest Income)	0	10,756	41,670	61,639	42,267	156,332
Income Taxes (Includes Massachusetts Excise Tax)	0	0	456	1,004	0	1,460
Significant Non Cash Transactions:						
On 1/31/02, the Company issued 22,616.56 shares of Series C Convertible Preferred Stock at \$0.10 Par Value and a Purchase Price of \$5.748 Per Share in Return For Settling Some of Its Accounts Payable Owed To the Risky / Baerlein Group.						130,000
On 2/1/02, the Company issued 60,890.74 shares of Series C Convertible Preferred Stock at \$0.10 Par Value and a Purchase Price of \$5.748 Per Share As Part of its Acquisition of the Assets of ServiSense in bankruptcy proceedings.						350,000