

Washington Utilities and Transportation Commission
PO BOX 47250
Olympia , WA 98504-7250

June 10, 2014

RECEIVED

JUN 16 2014

WASH. UT. & TP. COMM

Gregory J. Kopta
Administrative Law Judge

Dr. Mr. Kopta,

Telemanagement Systems, Inc. sent a letter on August 8, 2013, (attached) stating we would not be renewing our license as we no longer have customers / business in the state of Washington. In October 2013 we submitted Corporate Dissolution application (attached) and received Department of Revenue Clearance Certificate (attached). We completed and submitted the Washington Business Activities Questionnaire 2013 (attached). We submitted the Retailing and Other Activities return with payment of \$10 (attached).

Telemanagement believed we were solvent, complete and fulfilled all obligations related to the closing of business in Washington. We thought the closure paperwork just had not caught up with the annual report requirement notices, which we believed was not necessary due to closure acceptance.

We have completed the Telecommunication Companies Annual Report for 2013 (attached).

We would appreciate your consideration on waiving the penalty \$1,000 as we honestly did not feel it was a requirement as we had closed business last year. Now we see it makes sense that the Annual Report would be needed for 2013, but we thought we were finished.

Please accept our sincere apologies for not contacting you sooner.

Sincerely,



Christy Bodaness
VP
303-369-2552

2014 JUN 16 AM 9:11
COMMUNICATIONS SECTION
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT UT-140920

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

[] 1. Payment of penalty. I admit that the violations occurred. I have:

[] Enclosed \$ _____ in payment of the penalty

[] Submitted my payment of \$ _____ online at www.utc.wa.gov. My confirmation number is _____.

2. Request for a hearing. I believe that one or more of the alleged violations did not occur, for the reasons I describe below, and I request a hearing based on those reasons for a decision by an administrative law judge:

Close Business in 2013. (See Attached) Cleaners Certificate 11/5/13

[] 3. Application for mitigation. I admit the violations, but I believe that the penalty should be reduced for the reasons set out below:

[] a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision

OR [] b) I ask for a Commission decision based solely on the information I provide above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: 6-9-14 [month/day/year], at Centennial CO [city, state]

Telemangement Systems, Inc.
Name of Respondent (company) - please print

Chay Br...
Signature of Applicant

Thought we were complete in WA.

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”

Chay Br...

303-369-2552

2014 JUN 15 11:09:12

SERVICE DATE

JUN 02 2014

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**NOTICE OF PENALTIES INCURRED AND DUE
FOR VIOLATIONS OF LAWS AND RULES**

PENALTY ASSESSMENT: UT-140920

PENALTY AMOUNT: \$1,000

Telemanagement Systems, Inc.
12150 East Briarwood Ave. #146
Centennial, CO 80112

According to Washington Utilities and Transportation Commission (Commission) records, you have violated Washington Administrative Code (WAC) 480-120-382, which requires telecommunications companies to file their annual reports and pay regulatory fees each year by May 1. You did not file an annual report or pay regulatory fees by May 1, 2014.

Revised Code of Washington (RCW) 80.04.080 authorizes the Commission to assess penalties of \$100 for violations of Commission rules. Each violation is a separate and distinct offense and, in the case of a continuing violation, every day's continuance is a separate and distinct violation. The Commission interprets noncompliance with WAC 480-120-382 beyond May 1 as a continuing violation, and assesses penalties of \$100 for each day a company fails to file its report or pay its regulatory fees after that date.

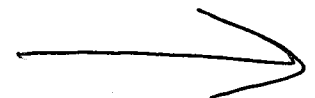
As a result, the Commission has assessed penalties against you in the amount of \$1,000 on the following basis:

On February 28, 2014, the Commission mailed the 2013 annual report forms and the 2014 regulatory fee packets to all telecommunications companies registered in Washington. The instructions page for the annual report form instructed these companies to file annual reports and pay regulatory fees by May 1, 2014. The instructions page also stated that failure to file the annual report by May 1 would result in penalties. The deadline for requesting an extension to file your annual report was April 17. You did not request an extension.

As of May 15, 2014, Telemanagement Systems, Inc. has not filed its 2013 annual report or paid its 2014 regulatory fee. May 15 is 10 business days from May 1, resulting in a total penalty of \$1,000.

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. The Commission will grant that request only if material issues of law or fact require consideration of evidence and resolution in a hearing. A request for a hearing must include a written statement of the reasons supporting that request.

See explanation



August 20, 2013

Telemanagement Systems, Inc. will not be renewing license as we have no business in Washington State and have not since 2012.

Thank you,
Christy Bodaness
VP
303-369-2552



Washington State
 Department of Revenue
 Audit Division
 PO Box 47474
 Olympia WA 98504-7474
 Fax number (360) 586-7603
 DORCD@dor.wa.gov

Revenue Clearance Certificate Application

(Withdrawal or Dissolution of a Corporation and Guaranty)

FEIN Number 84-1280974

1. Name of Corporation Telemanagement Systems, Inc Tax Registration UBI Number: 601953833
12150 E. Briarwood Ave. #112 Centennial CO 80112
 Street Address City State Zip

2. What is the address of the business in Washington? No business

3. What did the company do in Washington? Resell long distance

4. Last date corporation had business activity in Washington State: 12-2012

5. Have all tax returns been filed and paid through the date entered on Question 4 above? Yes No

12150 E. Briarwood Ave. #112 Centennial CO 80112 601953833 processed

6. If the business is to be continued by someone else (successor), please provide the following information.

Name of Successor _____ Tax Registration UBI Number _____

 Street Address City State Zip

7. Name and phone number of the person to contact if there are questions regarding this application.
 Name Christy Bodaness Phone 303-369-2552 Email/DOR Logon ID _____

8. Name and address where you would like the Department of Revenue Clearance Certificate mailed.
 Name Christy Bodaness Phone 303-369-2552 Email/DOR Logon ID _____
12150 E. Briarwood Ave. #112 Centennial CO 80112
 Mailing Address City State Zip

I certify that the above information is true and correct. In consideration of the issuance by the Department of Revenue of its certificate certifying that every license fee, tax increase or penalty imposed under Chapter 180, Laws of 1935 has been paid or provided for by said corporation, the undersigned hereby agrees to pay to Department of Revenue, upon its demand, any and all such fee, tax increase or penalty as may hereafter be determined to be unpaid and payable by this corporation.

Corporate Officer Signature Christy Bodaness Date 10-1-13
 Print Name Christy Bodaness Title VP



State of Washington
 Department of Revenue
 (360) 725-7526
 (360) 586-7603
 Attention: Pam Richards
 (Pamr@dor.wa.gov)
 DOR.WA.GOV

Washington Business Activities Questionnaire

EXC/WBA

Company Name: <u>Telemangement Systems, Inc.</u>	Washington Tax Registration Number: <u>001 953 833</u>
Address: <u>12150 E. Briarwood Ave #112</u> <u>Centennial, CO 80111</u>	Federal Employer Identification Number (FEIN): <u>14-1280974</u>
	Phone Number: <u>303-369-2552</u>
	Internet Address: <u>Christy.podaness@telesys.com</u>

Please answer the following questions based on your company's activity from 01/01/09 to 09/30/13:

- Did your company make sales, provide services, or have customers in Washington State? Yes No
- Did your company provide financial services to customers in Washington State? Yes* No

*If yes, describe services provided: _____

- Does your company make sales or provide services via the internet? Yes No
 Can the goods be picked up and/or returned in Washington State? Yes No

4. What was your total:
 Gross sales/revenue: Worldwide \$ 2,014,777 Washington State \$ 22,100

Payroll: Worldwide \$ 300,000 Washington State \$ 0

*Property: Worldwide \$ 0 Washington State \$ 0

*Property includes real property, personal property, loan and credit card receivables, rented property, intangible property, and receivables.

5. Describe the type of business activities your company performed or services provided in or to customers in Washington State.
Resell long distance.

6. Sales/Services have been provided to:
- | | |
|--|--|
| <input type="checkbox"/> Consumers | <input type="checkbox"/> Retailers or Distributors for Resale |
| <input checked="" type="checkbox"/> Washington State, its Counties or Cities | <input type="checkbox"/> U.S. Government or its Agencies |
| <input type="checkbox"/> Manufacturers | <input type="checkbox"/> Institutions (religious, non-profit, educational, etc.) |
| <input type="checkbox"/> Loan/Credit Card Holders | <input type="checkbox"/> Other: _____ |

7. Sales/Services are performed by:
- | | |
|--|--|
| <input type="checkbox"/> Resident Employees | <input checked="" type="checkbox"/> Nonresident Employees* |
| <input type="checkbox"/> Resident Independent Representatives | <input type="checkbox"/> Nonresident Independent Representatives* |
| <input type="checkbox"/> Resident Manufacturer's Representatives | <input type="checkbox"/> Nonresident Manufacturer's Representatives* |
| <input type="checkbox"/> In-state Trade Shows | <input type="checkbox"/> Affiliated Companies |
| <input type="checkbox"/> Corporate Directors/Board Members | <input type="checkbox"/> Other (describe): _____ |
- * If you checked Nonresident, how many visits per year? 0 For what length of time? _____

8. Describe the nature of visits into Washington State (i.e., present new and/or existing products to customers, stock shelves, monitor inventories, demonstrate the use of products, install and/or instruct your customers in the use of products and/or equipment).

9. If sales have been solicited and/or products promoted to Washington customers on your behalf from independent representatives (not employees) or other representatives (brokers, jobbers, manufacturers representatives, subcontractors, distributors), please supply the following:
- A copy of the written agreements with your representative(s)
 - Name(s) of your representative(s) and the physical address(es) of their business facility:

10. Has your company or a third party hired by you:
- Performed maintenance and/or repair services in Washington?
 - Provided training services in Washington?
 - Erected or installed products in Washington?
 - Contracted, constructed, or built structures in Washington?
 - Performed other services in relation to establishing or maintaining sales in Washington?
 - Leased equipment to customers for use in Washington State?
 - Received royalty income, licensing income from patents, trademarks, trade names, franchise fees, or copyrights?

Please describe:

Resold long distance to companies with
 offices in Washington - No longer

11. Has your company warranted its products or services? Yes No

If yes, who is contracted to perform the warranty service in Washington? _____

12. Has your company maintained an office or other facility in Washington? Yes * No
 Have you leased equipment for your own use in Washington? Yes * No
 Has your company maintained a stock of goods in Washington? Yes * No
 Is your stock: Consigned Warehoused

* If yes, please supply the addresses for all locations.

13. How were your products/services delivered to Washington customers?

long distance service through carrier

14. Does your company have corporate directors/board members in Washington? Yes No

15. Has your company provided Form 1099 to any Washington individual or business entity? Yes No

16. Has your company received Form 1099 for any activities conducted in Washington? Yes No

17. Does your company have a separate corporate entity, affiliate, or subsidiary that has customers, makes sales, or has activity in the state of Washington? Yes* No

*If yes, provide the name and tax registration number below. Complete a separate questionnaire for each entity. The Washington Business Activities Questionnaire can be found on our web site at dor.wa.gov.

Name: _____ Tax Registration Number _____

Name: _____ Tax Registration Number _____

Name: _____ Tax Registration Number _____

Name: _____ Tax Registration Number _____

Signature: [Signature] Date: 10-31-13

Name (Print or Type): Christy Bodaness Position/Title: VP

Direct Phone Number/Extension: 303-369-2552 Fax Number: _____

Email Address: christy.bodaness@telecom.com



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

October 7, 2013

Telemangement Systems, Inc
Attn: Corporate Officer
12150 E. Briarwood Avenue #112
Centennial, CO 80112

RE: Corporate Dissolution for **Telemangement Systems, Inc**
UBI/Tax Registration Number: **601 953 833**

Dear Corporate Officer:

Why we are sending this letter

This is a written notification of an examination of your books and records for excise taxes, including sales and use tax. We have recently received your request to dissolve the above referenced corporation. Before doing so, we must confirm your business activities in Washington.

What we need from you

Please complete and return the enclosed Washington Business Activities Questionnaire so that we can continue the dissolution process.

When this information is needed

Please complete, sign and return this form to me in the enclosed envelope by October 25, 2013. I appreciate your prompt attention to this request.

Where to call if you have questions

If you have any questions, please call me at (360) 725-7526.

Sincerely,

Pam Richards
Corporate Dissolution Unit

Enclosure



Washington State
Department of Revenue
Corporate Dissolutions Unit
PO Box 47474
Olympia, WA 98504-7474

TO THE HONORABLE SECRETARY OF STATE OF THE STATE OF WASHINGTON

Tax
Registration No: 601 953 833

In Re Petition for Dissolution or Withdrawal of:

TELEMANAGEMENT SYSTEMS, INC.

Name of Taxpayer

DEPARTMENT OF REVENUE CLEARANCE CERTIFICATE

This is to certify that every license fee, tax, increase or penalty imposed under Chapter 180, Laws Of Washington, 1935, upon the above-mentioned corporation has been paid or provided for.

Dated November 5, 2013

DEPARTMENT OF REVENUE
STATE OF WASHINGTON

By Corporate Dissolutions Unit

For tax assistance, visit <http://dor.wa.gov> or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

COPY of Check,

TELEMANAGEMENT SYSTEMS INC

2431

3/11/14

9/10

Working for Dept of Revenue

Signature
plus postmark
plus check number

LMP100 M/P CHECK

II. State and Local Retail Sales Tax

State Retail Sales Tax [01] (Also complete Local Retail Sales Tax section below.)

6. Gross Amount	Deductions*	= Taxable Amount	Rate X .065	Tax Due

* Deductions taken but not itemized on pages 3 and 4 will be disallowed.

Local Retail Sales Tax [45] (Enter applicable tax rate.)

7. Location Code	Taxable Amount	X	Local Rate	=	Tax Due City or County
8. Location Code	Taxable Amount	X	Local Rate	=	Tax Due City or County
9. Total Taxable Amount	Total Taxable Amount **				

▶ Note: If more than two locations please report all information on the Local Sales & Use Tax Addendum, page 1. If you need an Addendum, go to our web site at dor.wa.gov.

** This amount must be the same as State Retail Sales Taxable Amount, line 6.

III. State and Local Use Tax

State Use Tax/Deferred Sales Tax [05] (Also complete Local Use Tax/Deferred Sales Tax section below.)

10. Gross Amount ***	*** Value of articles used or consumed on which no Washington sales tax has been paid.	Rate X .065	=	Tax Due

Local Use Tax/Deferred Sales Tax [46] (Enter applicable tax rate.)

11. Location Code	Value of Articles	X	Local Rate	=	Tax Due City or County
12. Location Code	Value of Articles	X	Local Rate	=	Tax Due City or County
13. Total Value of Articles	Total Value of Articles ****				

▶ Note: If more than two locations please report all information on the Local Sales & Use Tax Addendum, page 2. If you need an Addendum, go to our web site at dor.wa.gov.

**** This amount must be the same as State Use Tax/Deferred Sales Tax Gross Amount, line 10.

IV. Motor Vehicle Sales/Leases & Litter Taxes

14. Motor Vehicle Sales/Leases Tax [120]	Taxable Amount	X	Rate .003	=	Tax Due
15. Litter Tax [36]	Taxable Amount	X	Rate .00015	=	Tax Due

16. Total Tax Due from Sections II, III, & IV (Transfer total to page 1, line 24.)

--

Additional Information

The easiest way to file your return is to use our free **E-file service at dor.wa.gov**. For assistance, call 1-877-345-3353.

Penalties, Interest, & Waivers

- Any unpaid tax (including partial payments) is subject to delinquent return penalty at the rate on the front of the return. (RCW 82.32.090)
- A 5% assessment penalty may be assessed if the return is substantially underpaid. (RCW 82.32.090)
- Interest will accrue from the first day of the month following the due date, until paid. (RCW 82.32.050)

For Internet Assistance - Go to the Department of Revenue's web site at **dor.wa.gov**.

For Telephone Assistance, or if this return does not include your reporting classifications, please call the Telephone Information Center at 1-800-647-7706.

V. Credits

17. Small Business B&O Tax Credit [815] (Go to dor.wa.gov.)	[815]	Amount of Credit
18. International Services Credit	[855]	Amount of Credit
19. B&O Credit for Syrup Tax Paid	[945]	Amount of Credit
20. Destination Sourcing Tax Credit	[602]	Amount of Credit
21. Other Credits (Examples: Multiple Activities, Bad Debt) Attach appropriate documents.	[810]	Amount of Credit
22. Total Credit (Transfer total to page 1, line 27.)		Amount of Credit

Local Sales & Use Tax Addendum
(Use this form if space on your tax return is not sufficient.)

Period

--	--

Year

2	0	1	3
---	---	---	---

▶ Use Black Ink and Attach This Original Addendum to Your Return.

Name: Telemangement Systems, Inc. Tax Registration Number 601953833

If you have business activity in more than one location, use the space below to show breakdown of income by city or county. Group sales tax and use tax separately.

Report Local Use Tax/Deferred Sales Tax on page 2.

Local Retail Sales Tax [45]

Location Code	Taxable Amount	Local Rate	Tax Due City or County
1. 3111	105	X _____ =	2
2. 3210	7	X 1022 =	1
3.		X _____ =	
4.		X _____ =	
5.		X _____ =	
6.		X _____ =	
7.		X _____ =	
8.		X _____ =	
9.		X _____ =	
10.		X _____ =	
11.		X _____ =	
12.		X _____ =	
13.		X _____ =	
14.		X _____ =	
15.		X _____ =	
16.		X _____ =	
17.		X _____ =	
18.		X _____ =	
Total Taxable	112	Total Tax Due (Add totals from lines 1-18)	3

(The sum of taxable amounts from all location codes must equal the total taxable amount from State Retail Sales Tax on your return.)

Add all Addendum totals and transfer the amount to the Total All Addendums line on your tax return.

RECEIVED

TELECOMMUNICATIONS COMPANIES
2013

JUN 16 2014

ANNUAL REPORT

WASH. UT. & TP. COMM

FOR

Telemangement Systems Inc

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

12150 E. Briarwood Ave. # 112

(OFFICIAL MAILING ADDRESS)

Centennial

(CITY)

CO

(STATE)

80112

(ZIP)

Please check if address listed above is an updated address

Report Year Ended: December 31, 2013

Inquiries concerning this Annual Report should be addressed to:

Name/Title: Christy Bodaness / VP
Address: Same as above
City:
State/Zip:
Telephone: 303-369-2552
Email: christy.bodaness@telesysinc.com

SUBMIT TO:

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
PO Box 47250
Olympia, WA 98504-7250

File online: www.utc.wa.gov

WASHINGTON

UTC

UTILITIES AND TRANSPORTATION
COMMISSION

NO MONIES
ENCLOSED

REPORT MUST BE RECEIVED NO LATER THAN MAY 1, 2014

Please refer to the Instructions for Completing the Annual Report on Page 2

ANNUAL REPORT CERTIFICATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Christy Bodaness
Responsible Account Officer (Please Print)
of Telemangement Systems, Inc.
Name of Company

have examined the foregoing report; that, to the best of my knowledge and belief, all statement of fact contained in said report are true and said report is a correct statement of the business and affairs of the above-names respondent in respect to each and every matter set forth therein during the period from January 1, 2013, to December 31, 2013, inclusive.

VP
Title
(please print)
303-369-2552
Telephone Number

Christy Bodaness
Signature
(please type if filing electronically)
6-10-14
Date

GENERAL INFORMATION

Washington Unified Business Identifier (UBI) No.: 601 953 833
(If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or BL.S@dor.wa.gov)

Business Structure (please check the appropriate designation):

Individual / Sole Proprietor Partnership Other (LLP, LLP, LLC) Corporation Nonprofit Corporation

SCHEDULE 1

Telecommunications Company Financial & Operational Data

Part A. Financial: Please include the following information (as applicable below) along with this report.

Required Information	ILECs (under 40,000 lines)	All Other Companies:
<input checked="" type="checkbox"/> Balance Sheet	RCW 80.04.530(2)	WAC 480-120-382
<input checked="" type="checkbox"/> Income Statement	RCW 80.04.530(2)	Attach copies <or> provide URL to 2013 - S.E.C. Form 10-k: R :
<input type="checkbox"/> Regulatory Fee Schedule	See attached Schedule	See attached Schedule

Washington State Data

(All companies must provide)

Part B. Services

Does your company provide local exchange services in WA? YES NO

Part C. Access Lines in service as of December 31, 2013

- 1 The total number of voice grade equivalent lines
This should be the same as the FFC Form 477 Part II. A. 1. 0
- 2 How many of the lines listed in C.1. above, have access to E-911 0

Part D. Revenue Confirmation

	Total Company	Total WA	WA Intrastate
Annual Revenue for the twelve months ended December 31, 2013	384,687	89	89

REGULATORY FEE CALCULATION SCHEDULE

Due May 1, 2014

Company Name Telemangement Systems, Inc. Annual Report Year 2013

In accordance with RCW 80.24.010 "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate revenue for the preceding year and pay to the Commission a fee as instructed below.

Regulatory Fee Calculations

1 Total Gross Intrastate Operating Revenue**	_____	_____	<u>89</u>
2 Less Non Fee-Paying Revenue (Include details on separate page for non-paying revenue)	_____	_____	_____
3 Balance-Adjusted Gross Intrastate Operating Revenue (Line 1 minus Line 2)	_____	_____	<u>89</u>
4a If Line 3 is UNDER \$20,000 , enter ZERO (skip to Line 5)	_____	_____	<u>0</u>
4b If Line 3 is BETWEEN \$20,000 and \$50,000 enter amount from Line 3 x 0.1% (skip to Line 5)	_____	x 0.001	_____
4c If Line 3 is OVER \$50,000 enter amount from Line 3	_____	_____	_____
4d First \$50,000 is subject to .1% regulatory fee	50,000	x 0.001	_____
4e Remainder of gross intrastate revenue subject to .2% (Line 4d minus Line 4c)	_____	x 0.002	_____
5 Total Regulatory Fees owed (enter Line 4b, or add 4d and 4e)	_____	_____	<u>0</u>

Agency Use Only 001-111-0268-170-01

Penalty & Interest Calculations

6 Penalties on Regulatory Fees being paid after May 1			
6a Total Penalties on Regulatory Fees owed (enter amount from Line 5 x 2%)	_____	x 0.02	_____
7 Interest on Regulatory Fees being paid after May 31			
7a Amount from Line 5 x Number of months past May 31 x 1%	_____	x _____	x 0.01 _____
8 Total Penalties and Interest owed (Line 6a plus Line 7a)	_____	_____	_____
g Total Regulatory, Penalties and Interest Fees Due (Line 5 plus Line 8)			
_____	_____	_____	<u>0</u>

Agency Use Only 001-111-0268-170-11

****Note:** The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

COMMISSION USE ONLY

Reception #: _____	001-111-0268-170-01 _____
Reference: <u>AR2013</u>	001-111-0268-170-11 _____
Payment ID: _____	001-111-0268-032-20 _____
	Total Paid: _____

Telemanagement Systems, Inc.
Profit & Loss
 December 2012 through November 2013

Dec '12 - Nov 13

Ordinary Income/Expense	
Income	
4050 · Sales	
4060 · QuickLink-Net	
4060.1 · QuickLink-Net Recurring	322.45
Total 4060 · QuickLink-Net	322.45
4999 · Uncategorized Income	1,258.53
4076 · Management Fees	1,123.71
4075 · CUSTOMER BILLS	
Welch · Welch	55,943.10
4075 · CUSTOMER BILLS - Other	334.27
Total 4075 · CUSTOMER BILLS	56,277.37
4051 · Long Distance Charges	
4052 · Long Distance-Genl	82,611.22
Total 4051 · Long Distance Charges	82,611.22
4069 · Voice Mail	1,202.27
4073 · Commission - Other	29,964.45
4074 · USF Surcharges	13,354.32
4077 · Pagers	683.93
4080 · INTERNET SALES	1,446.11
4081 · PICC Surcharge	25,750.95
4085 · Data Services	9,431.74
4091 · Conference Calling	161,260.04
Total 4050 · Sales	384,687.09
Total Income	384,687.09
Cost of Goods Sold	
5000 · Cost of Goods Sold	
6074 · USF Surcharges	13,939.08
5038 · PICC	39.57
5075 · INTERNET RESELL EXPENSE	
5076 · INTERNET MONTHLY	1,017.00
Total 5075 · INTERNET RESELL EXPENSE	1,017.00
5037 · LD Other	42,647.12
5155 · Services Resell	
5156 · Pagers	455.13
5178 · CONFERENCE CALLING	86,603.74
5153 · Voice Mail Resell	706.21
Total 5155 · Services Resell	87,765.08
5190 · Long Haul Network	
5190-02 · CSI - Resell Long Distance	44.22
Total 5190 · Long Haul Network	44.22
5000 · Cost of Goods Sold - Other	1,184.29
Total 5000 · Cost of Goods Sold	146,636.36
Total COGS	146,636.36
Gross Profit	238,050.73
Expense	
6820 · Taxes (Property/Franchise)	
6860 · State (Income or Franchise Tax)	1,590.22
6845 · Property Taxes	978.12
6840 · Local	751.20
6830 · Federal	1,418.25
6820 · Taxes (Property/Franchise) - Other	5,470.60
Total 6820 · Taxes (Property/Franchise)	10,208.39
5025 · CUSTOMERS INV	

12:26 PM
06/10/14
Cash Basis

Telemangement Systems, Inc.
Profit & Loss
December 2012 through November 2013

	Dec '12 - Nov 13
Welch	56,083.98
5025 · CUSTOMERS INV - Other	356.15
Total 5025 · CUSTOMERS INV	56,440.13
6060 · Bank Service Charges	156.00
6240 · Equipment Rental	672.00
6381 · Worker's Compensation Insurance	-342.94
6415 · Health Insurance	3,750.00
6500 · Licenses and Permits	806.75
6530 · Miscellaneous	1,320.76
6540 · Billing Materials	18,699.84
6550 · Office Supplies - Non Billing	409.32
6560 · Payroll Expenses	
6565 · Customer Service	
6563 · CS Salary	0.00
Total 6565 · Customer Service	0.00
6566 · Acct/Billing	1,494.43
6570 · Sales Department	0.00
6575 · Executive	75,677.12
6560 · Payroll Expenses - Other	1,050.75
Total 6560 · Payroll Expenses	78,222.30
6580 · Payroll Taxes	7,499.66
6610 · Postage and Delivery - nonbill	449.92
6640 · Professional and Independ Fees	399.10
6690 · Rent	10,600.00
6870 · Telephone Expenses	9,142.43
6999 · Uncategorized Expenses	2,564.70
Total Expense	200,998.36
Net Ordinary Income	37,052.37
Net Income	37,052.37

6/10/2014

2006 Allocation + Summary Taxes Report Itemize By Each State For The Period Of (Dec 05 - Nov 06)
State Of Washington

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2010 Allocation + Summary Report + Taxes Distribution

	Allocation-Report		
	GROSS	SALES	
	Interstate	IntraState	
	State	Sales	Sales
Dec-12	WA	\$ -	\$ 47.25
Jan-13	WA	\$ -	\$ 42.00
Feb-13	WA		
Mar-13	WA		
Apr-13	WA		
May-13	WA		
Jun-13	WA		
Jul-13	WA		
Aug-13	WA		
Sep-13	WA		
Oct-13	WA		
Nov-13	WA		
		\$ -	\$ 89.25
		\$	\$ 89.25

Telemanagement Systems, Inc.
Balance Sheet
 As of November 30, 2013

	Nov 30, 13
ASSETS	
Current Assets	
Checking/Savings	
1100 · Bank Accounts	
1120 · Checking	43,737.63
Total 1100 · Bank Accounts	43,737.63
Total Checking/Savings	43,737.63
Accounts Receivable	
1200 · Accounts Receivable	-6,312.48
Total Accounts Receivable	-6,312.48
Other Current Assets	
1121 · Inventory Asset	134.54
1201 · A/R - Contra for Sales Taxes	-22,913.71
1225 · Due from Employees	1,291.79
1451 · Service Deposits	6,350.94
Total Other Current Assets	-15,136.44
Total Current Assets	22,288.71
Fixed Assets	
1400 · Fixed Assets	
1405 · Switch Equipment	8,718.16
1410 · Computer Hardware/Software	
1410.2 · QuickLink-Net Customer PC	35,990.57
1410.1 · QuickLink-NET Test Computers	33,191.06
1410 · Computer Hardware/Software - Other	77,892.32
Total 1410 · Computer Hardware/Software	147,073.95
1412 · Computer Software	6,560.42
1415 · Office Equipment\Furntiure	9,170.47
1418 · Capitalized Leased Furniture	16,270.48
1420 · Accumulated Depreciation	-125,259.18
1425 · Leasehold Improvements	2,479.73
1400 · Fixed Assets - Other	1,460.00
Total 1400 · Fixed Assets	66,474.03
Total Fixed Assets	66,474.03
Other Assets	
1220 · Loans To Officers	
1222 · C Bodanness	43,046.81
1220 · Loans To Officers - Other	4,324.71
Total 1220 · Loans To Officers	47,371.52
1800 · Organization Costs	3,021.87
1805 · Start Up Costs	2,500.00
1810 · Accumulated Amortization	-3,744.90
Total Other Assets	49,148.49
TOTAL ASSETS	137,911.23
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	-368.93
Total Accounts Payable	-368.93
Credit Cards	
CREDIT CARD	
CHRISTY BODANESS	-252.01
CREDIT CARD - Other	252.01

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06/10/14
Cash Basis

Telemanagement Systems, Inc.
Balance Sheet
As of November 30, 2013

	Nov 30, 13
Total CREDIT CARD	0.00
Total Credit Cards	0.00
Other Current Liabilities	
2201 · *Sales Tax Payable	654.72
2200 · Sales Tax Payable	114,330.90
2350 · Lease Payable -	-4,263.29
2100 · Payroll Liabilities	-57.10
2907 · SIMPLE IRA DEPOSITS	-4,026.21
Total Other Current Liabilities	106,639.02
Total Current Liabilities	106,270.09
Total Liabilities	106,270.09
Equity	
3000 · Opening Bal Equity	-1,305.60
3100 · Equity Investment	105,957.11
3850 · Disbursements	-621,436.39
3900 · Retained Earnings	509,332.65
Net Income	39,093.37
Total Equity	31,641.14
TOTAL LIABILITIES & EQUITY	137,911.23