U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2
TO
FORM 10-KSB

(Mark one)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2002

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number: 0-24217

YP.NET, INC.
(Name of Small Business Issuer in its Charter)

NEVADA	85-0206668
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
4840 EAST JASMINE STREET, SUITE 105 MESA, ARIZONA	85205
(Address of principal executive offices)	(Zip Code)

(480) 654-9646
(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act: NONE Securities registered under Section 12(g) of the Exchange Act:
COMMON STOCK, $.001 PAR VALUE
(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X Yes No .

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB [X]

Registrant's revenues for its most recent fiscal year were $13,232,743

The aggregate market value of the common stock held by non-affiliates computed based on the closing price of such stock on January 7, 2003 was approximately $1,677,062.

The number of shares outstanding of the registrant's classes of common stock, as of January 7 , 2003 was 43,963,222.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

GENERAL

YP.Net, Inc., a Nevada corporation (the "Company," "we," "us," or "our"), is in the business of providing Internet-based yellow page advertising space on or through www.Yellow-Page.Net and www.YP.Net .

The Company's "yellow page" database lists approximately 18 million businesses throughout the United States. Our website enables internet users to search through these "yellow page" listings and is used by businesses and consumers attempting to locate a business and/or service provider in response to a user's specific search criteria.

As our primary source of revenue, we offer "preferred" listings to businesses for a monthly fee (currently $17.95). The "preferred" listing provides a business with a priority placement listing over non-paying listings and is displayed in a bigger and bolder font at the beginning of, or in the first section of the user's search results - thus featuring our paying customers more prominently to user's of our website. In addition, our paying customers get a Mini-Webpage(TM) which includes a 40-word description of their business, their hours of operation and other useful information, a direct link to the paying customers website, (if they have one and it is provided by the advertiser), map, driving directions to the paying customers location and more. As of September 30th, 2002 we have approximately 106,439 "preferred" listing advertisers who have subscribed for this enhanced advertising service. This represents less than six tenths of 1% of the estimated available market for preferred listings. We market for advertisers of our "preferred" listing service ,under the name "Yellow-Page.Net, exclusively to businesses through a direct mail solicitation program. The solicitation includes a promotional incentive (ie. generally a $3.50 check) which, if cashed by the business, automatically signs the business up for the Preferred Listing service for an initial twelve month period with

automatic renewals thereafter. This easy subscription process provides a written confirmation (ie. the check) of the subscription by the newly subscribing business, which is verified by an independent third party (i.e the paying customers depositing bank). To additionally insure the intention of sign-up, the Company then mails a written confirmation card to the newly subscribing business generally within 30 days from activation. The Company also provides a 120-day cancellation period whereby the subscribing business may cancel and receive a full refund of any amounts paid to the Company.

Recently, the Company has created an outbound calling department whose function is to proactively obtain the 40-word description to be used in the Mini-Webpage(TM), as well as other information from each newly subscribing customer. This effort is expected to provide more information for potential customers searching our website to help them choose to do business with one of our Preferred Listing advertisers.

Each paying customer is billed monthly for that month's service, the vast majority of such monthly billings appear on the subscribing business's local phone bill. Management believes this ability to bill the paying customer through the paying customers phone bill is a significant competitive advantage for the Company as few independent (not owned by a telephone company) yellow page companies are authorized to bill directly on the phone bill for services rendered.

The Company uses Dial Up Services Inc. (d/b/a Simple.Net, Inc. ("SN")), an internet service provider beneficially owned by a director (Deval Johnson) of the Company, to provide internet dial-up and other services to our customers (See Item 12. Certain Relationships and Related Transactions). SN charges the Company $2.50 per customer per month for such internet access. The Company's monthly charge to its customers includes this internet access service. The Company and SN share the same building address but are located in different suite numbers.

We were originally incorporated as a New Mexico company in 1969 and the Company was re-incorporated in Nevada in 1996 as Renaissance Center, Inc. Our Articles of Incorporation were restated in July 1997 and our name was changed to Renaissance International Group, Ltd. Effective July 1998, we changed our name to RIGL Corporation. In June 1999, we acquired Telco Billing, Inc. ("Telco") and commenced our current operations through this wholly-owned subsidiary. . In October 1999, we amended our Articles of Incorporation to change our corporate name to YP.Net, Inc. to better identify our company with our business focus.

From August through December 1999, we abandoned all subsidiaries previously involved in the multi-media software and medical billing and practice management areas. With the acquisition of Telco, our business focus shifted to the Internet yellow page services business and this business is currently our main source of revenue. Telco is operated as our wholly owned subsidiary.

GROWTH INITIATIVES

Primary Growth Strategies

PREFERRED LISTINGS-We currently derive almost all of our revenue from selling Preferred Listings for the search results on our website. A Preferred Listing is displayed at the beginning of search results in response to a user's specific questions. A Preferred Listing is enhanced on the display of search results and includes a "Mini-Webpage(TM)" listing where the paying customer can use up to 40 words to advertise; among other features. Our primary growth strategy is to obtain a significantly greater number of Preferred Listings given the large, estimated potential available market for such listings. As part of this strategy, the Company has re-instituted its marketing program and plans to regularly solicit its potential customer base of approximately 18 million businesses through its direct mail solicitation program. As a result of such program, the Company has increased its customer count from 91,348 at September 30, 2001 to 113,565 at September 30, 2002_

BRANDING-The Company also plans to further embark upon a substantial campaign to brand its product using the YP.Net and Yellow-Page.Net names. The Company seeks to become the "internet yellow pages of choice" to businesses and consumers performing searches.

In addition to its cross marketing and cross placement agreement(s) with other websites, the Company has signed a contract for advertising relating to Baca Racing and National Hot Rod Association ("NHRA") events which provides us with advertising on the Baca Racing vehicles as well as public relations and advertising as a sponsor of NHRA. The contract relating to Baca Racing and the National Hot Rod Association primarily involves the payment of approximately $20,000 as a one-time fee by the Company to gain additional exposure for the Company and its services through this mode of advertising for an 18 month period. In addition, we are members of both the Yellow Pages Integrated Media Association (YPIMA) and the Association of Directory Publishers (ADP). As further described under "Strategic Alliances", these organizations are trade associations for yellow page publishers that promote quality of published content and advertising methods. The Company plans to take an even more active role in the year ahead

In the future, the Company also plans to substantially increase its advertising through print, media and fixed placement advertising in select markets.

SECONDARY GROWTH STRATEGIES

Secondary growth strategies include the following:

- -We are developing banner advertisements and outside marketing efforts as an additional source of revenue. The Company has also recently added website design services and Internet access services for its customers.

- -As more fully described under "Technology and Infrastructure", the Company recently designed its own infrastructure to manage customer searches. The new site provides quicker, more accurate searches and will allow the Company to add new features and compete in new areas such as the new generation of hand held devices ("Personal Digital Assistants", "PDA's" and "3rd generation Cell Phones"). This site relies upon our internal development of our own Proprietary Search Engine software.

- -Resulting from our Proprietary Search Engine software, management believes this software now allows the Company to easily add enhancements to its own offerings, it could also be used to develop entirely new revenue streams that could consist of; 1. Selling custom designed data lists, 2. Syndicating other yellow page companies, 3. Licensing its use for other types of search engines. The Company is not currently pursuing these initiatives at this time, nor does the Company have any plans, arrangements or agreements to do so.

- -The Company has begun to offer free long-distance calling cards to certain of its direct billing customers as an inducement for such customers to pay their invoices. Management believes that this program will improve customer retention and cash receipts. This program does not and is not intended to generate revenue for the Company, but is used solely as a means to encourage prompt payment of invoices to the Company.

STRATEGIC ALLIANCES

In order to service users more effectively and to extend our Yellow-Page.Net brand to other Internet sources, we have entered into strategic relationships with business partners offering content, technology and distribution capabilities.

The Company has cross marketing and cross placement agreement(s) with other websites, including My Area Guides and Overture/Goto.com as well as others. These agreements allow the Company to increase the page views for its customers listings and also provides the customers of such cross placement websites the ability to also achieve additional page views by being listed on the YP.Net-related websites. Generally, the nature of these agreements relate to the reciprocal hosting of each others websites without any compensation to either party. However, The Company pays My Area Guides and Overture/Goto.com $6,000 per month and $24,000 per month respectively for such agreements.

Since the founding of our subsidiary Telco Billing, Inc. in 1998 and continued through its acquisition by the Company in June of 1999, we have been members of both the Yellow Pages Integrated Media Association (YPIMA) and the Association of Directory Publishers (ADP). These organizations are trade associations for yellow page publishers that promote quality of published content and advertising methods. One of the primary responsibilities of these organizations and of its members is to promote the growth of legitimate yellow page companies that provide real value to their advertisers and to the general public at large, while working to expose those companies that take advantage of consumers. The Company plans to take an even more active role in the year ahead.

In order to broaden YP.Net's user base, we have established cross-linking relationships with operators of commercial websites and Internet access providers. There are approximately 600 affiliated websites that link and direct 'traffic" to YP.Net. We believe these arrangements are important to the promotion of YP.Net, particularly among new Internet users who may access the Internet through these other websites. These co-promotional arrangements typically are terminable at will. We also utilize WebDialogs in a co-promotional effort to provide automatic dialing services to our website users to allow these users to place a call to one of our Preferred Listing customers by simply clicking a button.

We have also managed revenue sharing partnerships with Amazon.com, Buy.com, Stamps.com, and TheWallStreetJournal.com and others that allow YP.Net to generate revenue by purchases made through the link on our home page. To date,the amount of revenue generated from these partnerships is immaterial, less than 1%.

WEBSITES

We own the domain name www.YP.Net and license the www.Yellow-Page.Net domain
name under a 20 year lease expiring on September 21, 2018 from Matthew & Markson, a related party (See "Certain Relationships and Related Transactions" for a complete discussion of the terms of this agreement. We maintain one site under the name www.YP.Net and direct the "traffic" from the other domain name, www.Yellow-Page.Net to that site for Internet access. At this website, consumers can search our listing database containing approximately 18 million United States businesses. To draw user's to our websites, we offer a number of free

services including directories and maps to the business location, free e-mail accounts, nationwide 800 and 888 directory listings, white page searches, search engines for e-mail addresses of individual persons as well as stock quotes, job searches, travel services, news and weather information, movie reviews and listings, entertainment, restaurant and shopping information. In addition, currently there are approximately 600 other websites that direct traffic to our website. In order to provide extra value to our customers, the

Company expends money to various companies who provide "traffic" to our site by insuring that we will be easily found on the national search engines.

Our directory search service integrates yellow page information by utilizing yellow page category headings in combination with a natural word search feature to provide a user-friendly interface and navigation vehicle. We have enhanced accurate responses to user questions by utilizing category searches in the directory services. This allows users to search by specific city, state and business categories.

As previously mentioned, we currently derive almost all of our revenue from selling Preferred Listings for the search results on our website. We are developing banner advertisements and outside marketing efforts as additional sources of revenueThe Company has also recently added website design services and Internet access services to its customers.

MARKETING

Our primary marketing efforts are through direct mail solicitations that utilize a promotional incentive (ie. generally a $3.50 check) for listing. Once the potential customer cashes the check, they become a customer of the Company, subject to the confirmation process and cancellation period of 120 days. We market exclusively to businesses and focus on businesses that use traditional published yellow page services. We utilize our database as a source for our mailing list. We have also implemented a "customer satisfaction" program (outbound calling department). Through this program, we contact each of our customers to update the customer information regarding their business and links to their Web page. The outbound calling department's function is to proactively obtain the 40-word description to be used in the Mini-Webpage(TM), as well as other information from each newly subscribing customer. This effort is expected to provide more information for potential customers searching our website to help them choose to do business with one of our Preferred Listing advertisers.

We intend to develop marketing strategies to increase the credibility and visibility of our Web page service to targeted markets. We also intend to promote value-added services and product areas. Our future success will depend on our ability to continue to integrate and distribute information services of broad appeal. Our ability to maintain and build new relationships with content providers will be critical to our success. These relationships will, in addition to increasing revenue, lower dilution by creating a source for businesses to find the services they need. If successful, our Preferred Listing customers will be able to obtain select services at discounted prices as a consequence of their listing with us. Such services may include discounts on hotels, rental cars, office supplies; among others. We are not currently offering these discounts to our customers.

TECHNOLOGY AND INFRASTRUCTURE

One of our principal strengths is our internally developed technology that we have designed specifically for handling our Internet-based data. Our technology architecture features specially designed capabilities to enhance performance, reliability and scalability of our listing data. These features consist of multiple proprietary software modules and processes that support the core internal functions of operations. The technologies include Website Design and Maintenance, Proprietary Search Engine Software, Customer Service Applications, Billing Applications, LEC Filtering Processes, Database Management and Custom List Generation. Other than the URL's previously discussed under "Websites", the Company has not pursued any patent, trademark, license or other protections on its technology and infrastructure, nor does the Company own any other intellectual property.

WEBSITE DESIGN AND MAINTENANCE. Since the inception of Telco billing until November 1, 2002, we have relied upon outside vendors to design and maintain the infrastructure of our Website, while we retained the ability to direct how our website looked to end users. In the fourth quarter of 2002, we designed our own infrastructure to manage the customer searches, as well as the front-end look and feel that users see and use. The new site was launched on November 1, 2002

exactly four years to the day that Telco Billing launched its very first site. The new site provides quicker, more accurate searches and will allow the Company to add new features and compete in new areas such as the new generation of hand held devices ("Personal Digital Assistants", "PDA's" and "3rd generation Cell Phones"). This site relies upon our internal development of our own Proprietary Search Engine software.

PROPRIETARY SEARCH ENGINE SOFTWARE. The launch of our "in-house" Website required the development of our own Proprietary Search Engine software. This

software is based on a relational database system (RDBS) premise which uses algorithms that accurately speeds the users search to completion. Our software provides a fast, flexible, reliable system that will operate on almost any platform including Sun, Microsoft Windows, Linux and any other Unix based operating programs. The Company has not yet pursued any patent or other protection to date on its Proprietary Search Engine software. This software not only allows the Company to easily add enhancements to its own offerings, it could also be used to develop entirely new revenue streams that could consist of; 1. Selling custom designed data lists, 2. Syndicating other yellow page companies, 3. Licensing its use for other types of search engines. The Company is not currently pursuing these additional potential revenue streams. Prior to the development of our own Proprietary Search Engine software, the Company had a co-branded syndication agreement with Intelligenix Inc. d/b/a I411.com. This agreement was terminated in August 2002. Prior to the termination, I411.com hosted the Company's website and provided the search engine for the Company's website. The agreement involved monthly payments by the Company of $17,000.

CUSTOMER SERVICE APPLICATIONS. We have designed proprietary Customer Service Applications to enable rapid object-oriented development and management of information related to our Preferred Listing customers in a variety of formats. This application, which is currently available to our customers, provides detailed notes on each account, as well as credit card and paper check payment processing. Customer Service Representatives ("CSR's") can quickly view all contact information for the subscriber, as well as Service description, pricing, letter of authorization ("LOA"), and billing history. With these functions in place, CSR's have the ability to handle every aspect of the call. However, we are finding, as we continue to grow, that it might be advisable to purchase a third party software package from a reliable vendor that can be modified for our needs. Our own software to be potentially developed, or any that is purchased, would need to incorporate an automated retrieval system that integrates with our other technologies. This integration would enable real-time updates to our database as our customer service representatives interact with and obtain data from our Preferred Listing clientele.

BILLING APPLICATIONS. We bill primarily through local exchange carriers ("LECs") that are local telephone service providers (local phone companies). Our LEC billings are routed to the LEC's and appear on our Preferred Listing customers' telephone billing statements. To a lesser extent, we directly bill some of our Preferred Listing customers using invoices or directly bill them on the customers credit card (upon request) instead of directly on their phone bill. Our billing applications technology facilitates both our LEC and direct billing functions.

LEC FILTERING PROCESSES. The LEC Filtering Processes are core technologies developed to enhance the applications that support our systems. By using these processes, we are able to more accurately bill our Preferred Listings through the appropriate LEC. These processes are a vital component of our ability to aggregate content from multiple sources for our billing process. Information is sorted and updated with a method of maintaining and expanding a diverse database and allows different data sources to be combined and deployed through a single uniform interface, regardless of data structure or content. This allows a single database query to produce a single result set containing data extracted from multiple databases. Database clustering in this manner reduces the dependence on single data sources, facilitates data updates, and reduces non-conforming data submitted to the LECs.

DATABASE MANAGEMENT. We have also developed a proprietary database technology to address specific requirements of our business strategy and information infrastructure services. This technology enables us to provide our services with fewer service personnel. Our database is integrated with the applications modules and the LEC filtering processes. This database consists of our current and potential customers and is updated on a real-time basis as a customer's data is received from new listings or through our customer service representatives. We utilize this database to maintain customer service and monitor the quality of service provided by our customer service personnel. We also use the database to determine new products desired by our customers. Our technology has been specifically designed to function with a high degree of efficiency within the unique operating parameters of the Internet, as opposed to commonly used database systems.

CUSTOM LIST GENERATION. We license the database technology that consists of over 18 million business listings throughout the United States, updated quarterly. Under these licensing agreements, we are able to custom craft mailing lists that suit our customer's needs. Customers have the ability to filter their custom list against an array of attributes ranging from gross sales of the company listed, Standard Industry Classification ("SIC") code, whether or not the listing is a publicly traded company, or if the company listed is minority owned. These lists can be generated in various Open Data Base Connectivity ("ODBC") and text formats. Lists are priced by record and the criteria provided for the query. The Company licenses data bases from Acxiom Corporation and Info USA. The agreement with Acxiom Corporation involves payments of $30,000 per year for three years. The first two years payments totalling $60,000 were paid upon execution of the agreement. The agreement with Info USA involves a payment of $65,000 annually for three years as well as payments totaling $20,000 per year for quarterly updates. Effective February 1, 2003, the Company also entered into an agreement with Experian Information Solutions Inc. ("Experian") whereby the Company and Experian exchange data. Experian provides the Company with its current listings of businesses (names, addresses etc.) in the United States and the Company provides Experian with more updated current data (updated business names, addresses etc.) on such listings that the Company comes into the knowledge of as a result of its marketing and preferred customer listing solicitation efforts. There are no payments between the two companies regarding

the exchange of such data.

BILLING SERVICE AGREEMENTS

In order to bill our Preferred Listing customers through their LECs, we are required to use one or more billing service integrators. These integrators have been approved by various LECs to provide billing, collection, and related services through the LECs. We have entered into customer billing service agreements with Integretel, Inc. ("IGT",formally "eBillit" and currently "PaymentOne") and more recently with ACI Communications, Inc. (formally known as OAN Billing, Inc.) for these services. Under these agreements, our service providers bill and collect our charges to Preferred Listing customers through LEC billings. These amounts, net of reserves for bad debt, billing adjustments, telephone company fees (3-7% of billings, depending upon the number of records submitted) and billing company fees (approximately 3% of billings), are remitted to us on a monthly basis. On August 1, 2002, the Company signed a three year agreement with IGT. This agreement automatically renews for successive terms of one year each unless either party provides 90 days written notice of its desire not to renew. The Company's agreement with ACI is effective through September 1, 2004 and automatically renews for successive one year periods unless either party notifies the other party in writing at least 90 days prior to the expiration date. Presently, we are primarily billing though these integrators and credit card processing. The Company plans to contract with a third billing service integrator during the upcoming fiscal year to reduce its dependence upon IGT.

REGULATION

Existing laws and regulations or ones that may be enacted in the future could have a material adverse effect on our business. These effects could include substantial liability including fines and criminal penalties, preclusion from offering certain products or services and the prevention or limitation of certain marketing practices. As a result of such changes, our ability to increase our business through Internet usage could also be substantially limited.

Due to the rapid growth of Internet communications, laws and regulations relating to the Internet industry have been adopted. Such laws include regulations related to user privacy, pricing, content, taxation, copyrights, distribution, and product and services quality. Concern regarding Internet user privacy has led to the introduction of federal and state legislation to protect Internet user privacy. In addition, the FTC has initiated investigations and hearings regarding Internet user privacy that could result in rules or regulations that could adversely affect our business. As a result, the adoption of new laws or regulations could limit our ability to conduct targeted advertising, or distribute or to collect user information.

QUALITY ASSURANCE & INTERNAL SELF-REGULATION

The Company believes that the best customer care can be obtained for its customers through quality assurance initiatives. The Company believes that quality assurance should entail substantial steps to insure customer satisfaction.

Unlike several of our competitors that generally utilize larger marketing staffs than the Company, the Company has found that its direct mail marketing program, which generally utilizes a $3.50 check, is the most economical way to obtain new customers. (See MARKETING) This is important to the cost that we charge our customers for the product we deliver. Because we believe that our cost for obtaining new customers is lower than many of our competitors who sell yellow pages with personal visits and other more expensive methodologies, we believe we can offer our product to our customers at a cost that we believe is much lower than our competition. Our customer care and quality assurance begins well before a new customer is obtained. The Company goes to great lengths to insure that its direct mail marketing solicitations are the most effective, yet clear pieces we can create. The Company fully acknowledges that no one can write or prepare a solicitation that 100% of the people receiving it will fully understand. While the law only requires that your solicitation be understood by a majority of reasonable persons, the Company strives to have solicitations that everyone will

understand. Before a solicitation is printed for general distribution, it is reviewed by various employees (Team Members) before being sent to the Company's Legal Counsel. Once approved by the Company's Legal Counsel it is sent to attorney Charles M. Stern who is also general counsel to the Yellow Pages Integrated Media Association (YPIMA), YPIMA deals with the Federal Trade Commission and various State and Local Agencies in their fight against "Bogus" Yellow Pages. Next, the potential solicitation is forwarded to our Billing integrators. After their legal review it is forwarded to the legal departments of the Local Exchange Carrier's (local phone companies) for their approval, which insures that it follows all Federal Communication Commission (FCC) guidelines as well.

Being a Yellow Page Publisher, the Company only mails to businesses in the United States, not the general public at large.

Generally, our paying customers contract for their listings with us by depositing a check (i.e. generally a $3.50 check). This is an easy and effective way to be sure that the business you are soliciting is the one that is contracting for the services. The customers bank provides a third-party verification of the potential customer sign-up for our Preferred Listing service. Once we receive the information that the check has been cashed we

activate the new customer as a preferred listing on our website. We then attempt to contact that new advertiser via the phone to update their information and obtain the 40 -word description to be used in their Mini-Web Page. This follow-up allows the new customer to inform us about what is important about their business so that people searching our site would be able to find important information about the paying customers business.

While our settlement with the FTC (See "LEGAL PROCEEDINGS") provides that we send a confirmation card, which confirms with the new subscriber that they have indeed signed up for our service within 80 days of the check being cashed, the Company has elected to send the card in about 30 days or less from the date the check is cashed. We believe this process allows the new subscribers to evaluate the value of our offerings while still allowing those customers that are unhappy (for any reason) to cancel for a full refund within the 120 day cancellation period.

For ease of contact and at almost every point of contact with customers and prospective customers, we provide a toll free 800 number for our customers to have their questions answered and to cancel service if they are dissatisfied for any reason. The call center that answers that 800# is staffed Monday through Friday by the Company from 6 am to 5 pm M.S.T. Each Customer can receive a full refund of any monies paid to the Company within the first 120 days of signing up.

The Company has recently formed a Quality Assurance Department to monitor Team Members calls with our customers to further insure customer satisfaction. This new department is in addition to the monitoring done by the Team Members Supervisors. Recently, the Company has also created an outbound calling department ("customer satisfaction program") whose function is to proactively obtain the 40-word description to be used in the Mini-Webpage(TM). Management expects this initiative will provide more information for potential customers searching our website to help them choose to do business with one of our Preferred Listing advertisers.

COMPETITION

We operate in a highly competitive and rapidly expanding Internet services market, however our primary market sector is business-to-business services instead of a pure technology industry. We compete with online services, website operators, and advertising networks. We also compete with traditional offline media such as television, radio, and traditional yellow page directory publishers, and print share advertising. Our services also compete with numerous directory website production, and Internet information service providers. Our largest competitors are the Local Exchange Carriers (local phone companies" or "LEC's").

The principal competitive factors of these markets include personalization of service, ease and use of directories, quality and responsiveness of search results, availability of quality content, value-added products and services, and access to end-users. We compete with the suppliers of Internet navigational and informational services, high-traffic websites and Internet access providers, and with other media for advertising listings. This competition could result in significantly lower prices for advertising and reductions in advertising revenues. Increased competition could have a material adverse effect on our business.

Many of our competitors have greater capital resources than us. These capital resources could allow our competitors to engage in advertising and other promotional activities that will enhance their brand name recognition at levels we cannot match. The LECs have brand name recognition and access to potential customers since they have existing local access customers.

We believe that since most, if not all, of our debt is paid off , the Company is producing significant cash and our direct mail marketing program is proving to be effective that we can successfully compete in this market. Management believes that it can compete effectively by continuing to provide quality services at competitive prices and by actively developing new products for customers.

Management believes that our outbound calling department's ("customer satisfaction program") whereby we contact our customers to obtain information for their Mini Webpage(TM) and if partnered with other reputable companies, could be an additional source of revenue. Management is looking for products and services to sell as part of our outbound calling efforts

EMPLOYEES

As of January 7, 2002, we employed 23 full time personnel. Our employees are not covered by any collective bargaining agreements, and we believe our relations with our employees are good.

ITEM 2. DESCRIPTION OF PROPERTY

Our corporate offices are located in Mesa, Arizona. During Fiscal 2002, we leased a 16,772 square foot facility from Mr. Art Grandlich dba McKellips Corporate Square for approximately $120,000 annually on a long-term operating lease through June 2003. We recently negotiated a three year extension of that lease under the same terms and conditions with The Estate of Arthur G. Granlich dba McKellips Corporate Square. As part of the consideration related to our license of the Yellow-Page.Net URL, we sublease approximately 8,000 square feet of leased space to Business Executive Services, Inc. ("BESI"), for $1.00 annually. This agreement expires in June 2003. However, BESI has agreed to

provide 80% of its space during the period January 2003 to June 2003 at no cost to the Company in exchange for the same 20% to be retained by BESI during the lease extension at no cost to BESI. This will allow the Company to more rapidly expand its outbound calling department ("customer satisfaction program"). BESI was a related party through certain common management with the Company. See "Certain Relationships and Related Transactions," below.

ITEM 3. LEGAL PROCEEDINGS

We are party to certain legal proceedings and other various claims and lawsuits in the normal course of our business, which, in the opinion of management, are not individually or collectively material to our business or financial condition.

The Federal Trade Commission ("FTC") has aggressively pursued what it perceives as deceptive practices related to direct mailer and other promotions involving the Internet and/or LEC billing type practices. We had been involved in a significant FTC enforcement action regarding these matters. On or about June 26th, 2000 the FTC filed suit, in separate actions, against not less than 10 Internet companies of which the Company was one. Almost immediately the Company reached a preliminary settlement with the FTC (on July 13th, 2000), which essentially allowed the Company to continue "business as before", pending a final resolution. However, the Board of Directors of the Company determined that since the matter in question related to the Company's direct mail solicitations that the Company would voluntarily not mail any solicitations until a final agreement was reached with the FTC.

With no findings of wrongdoing or admissions by us, on July 30, 2001 a Final settlement was reached. The Stipulated Final Judgment and Order for Permanent Injunction and other Equitable Relief (the "Order") was filed with the United States District Court wherein the FTC and the Company agreed to this stipulation, which states a claim upon which relief may be granted against the Company, should it be violated. The Order called for the following minor changes to our business practices; We have been restrained from using the word "rebate" on our solicitations and must state that the mailer is a solicitation of goods and services, We have voluntarily agreed not to use the "walking fingers" logo on our solicitation (unless accompanied by the language "not affiliated with any local or long distance phone company") and further have extended our refund policy to our new customers from 90 days to 120 days.

Once the settlement was reached the Company tested its solicitations using all
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of the changes required under the agreement and upon determining that they had no material impact upon the results, resumed regular mailings in October 2001. As of this date the Company has complied with all ongoing requirements under the settlement, including the provision that all management personnel read and acknowledge the Final Order to ensure compliance.

Other than this one action, The Company and the United States Federal Trade Commission have had no other issues.

The Company is or was a Plaintiff in various legal actions:

The Company had initiated various legal actions to recover shares of stock that had been issued by former management to various consultants. In all of these cases, management has alleged that this stock was issued to these consultants for the promise of valuable services to be rendered that were never performed. The cases and their current status are summarized below;

- -YP.Net v. Elrod Maricopa County Superior Court CV2000-021154 (154,284 shares of common stock) On July 28, 1999, Elrod was hired as a consultant to the Company relating to financial and strategic matters. He was a consultant at the time the shares were transferred to him. The Company believes that Elrod did not perform in accordance with the consulting agreement. Subsequently, Elrod transferred the shares to a third party. Proceedings in this case began on November 27, 2000. All parties have agreed to enter into a tri-parte agreement on May 8, 2002 whereby the shares would be returned to the Company. The shares have not yet been returned to the Company as Elrod is disputing the terms of the settlement agreement.

- -YP.Net v. Eriksson Maricopa County Superior Court CV2000-021151 (132,500 shares of common stock) On or about July 8, 1999, Eriksson was hired as a consultant to the Company relating to financial and strategic matters. He was a consultant at the time the shares were transferred to him. The Company believes that Eriksson did not perform in accordance with the consulting agreement. Subsequently, Eriksson had transferred all of these shares to third parties. Proceedings in this case began on November 27, 2000. One of those third parties, Tiger Lewis, has returned the shares transferred to them (82,500 shares). McConkie, another third party recipient of 50,000 shares had sued the Company so that he can further transfer the shares. A tri-parte agreement has been reached whereby the shares would be returned to the Company upon payment of $6,187.50. That payment, final settlement and return of shares to the Company occurred on or about December 12, 2002.

- -YP.Net v. Wolfson Maricopa County Superior Court CV2000-021152 (385,716 shares of common stock) On July 28, 1999, Wolfson was hired as a consultant to the Company relating to financial and strategic matters. He was a consultant at the time the shares were transferred to him. The Company believes that Wolfson did not perform in accordance with the consulting agreement. After agreeing to return the shares and filing a settlement agreement in court, Wolfson

transferred these shares to an undisclosed third party. Proceedings in this case began on November 27, 2000. Presently,in settlement negotiations, Wolfson has agreed to provide the name of the third party and to negotiate the return of the shares to the Company. The shares have not yet been returned.

- -YP.Net v. Anderson Maricopa County Superior Court CV2000-021153 (250,000 shares of common stock) On July 28, 1999, Anderson was hired as a consultant to the Company relating to financial and strategic matters. She was a consultant at the time the shares were transferred to her. The Company believes that Anderson did not perform in accordance with the consulting agreement. Proceedings in this case began on November 27, 2000. On June 10, 2002, the Company obtained judgment in its favor rescinding the original contract and all of the shares have been awarded to the Company. The shares are in the process of being transferred by the transfer agent.

- -YP.Net v. Pamela J. Thompson et al. Maricopa County Superior Court CV2002-010117 On May 29th, 2002 the Company filed suit against Pamela J. Thompson, former CFO and related parties ("Thompson") in the Superior Court of Arizona alleging, among other things, that Thompson removed Company property without authorization and misappropriated Company funds. On July 10th, 2002, the Court issued a Temporary Restraining Order against Thompson enjoining them from disclosing or disseminating the Company's trade secrets, financial or confidential information and interfering in the Company's contractual obligations or contracts of the Company. The Company is seeking the return of the misappropriated funds and the Company property removed without authorization as well as the repayment of loans outstanding to the Company. The Company is also seeking punitive damages, attorney fees and compensatory damages. Discovery in the case is ongoing.

The Company had made a demand for arbitration against a former billing Company for the return of funds that the Company alleged was wrongfully withheld from payments by them to us. The matter was settled by payment to the Company by the billing company of $200,000

The Company was named as a Defendant in a lawsuit filed by Joseph and Helen Van Sickle on May 24th, 2002 (CV2002-010296) demanding immediate repayment of a promissory note for monies loaned to the Company by The Van Sickles. The Van Sickles claimed the Company owed approximately $500,000, which amount the Company disputed. A settlement was reached and the case was dismissed with payment by the Company of $300,000 on October 17th, 2002.

All other matters have been settled or dismissed and no other matters are pending.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Our annual meeting of shareholders was held on September 20, 2002, and the following matters where submitted to our shareholders to vote.

1. Resolution for the reelection of directors.

2. Resolution for 2002 Employees', Officers', and Directors' Stock Option Plan.

3. The retention of Epstein, Weber & Conover, P.L.C.as independent public auditor.

4. The transaction of such other business as may properly come before the meeting.

The following individuals were elected to serve on our Board of Directors at our annual meeting of shareholders on September 20, 2002: Angelo Tullo, Gregory B. Crane, Daniel L.Coury Sr., DeVal Johnson, and Peter Bergmann. See "Directors and Executive Officers, Promoters, and Control Persons; Compliance with Section 16(A) of the Exchange Act," below.

The firm of Epstein, Weber & Conover, P.L.C. was elected to serve as our independent auditor for the year ended September 30, 2002.

The tabulation of votes for the foregoing matters was as follows:

1. DIRECTORS

NAME	FOR	AGAINST	ABSTAIN
ANGELO TULLO	31,220,721	603,534	193,975
GREGORY CRANE	31,220,721	603,534	193,975
DANIEL COURY	31,695,721	138,534	193,575
PETER BERGMAN	31,445,821	378,484	193,975
DEVAL JOHNSON	31,220,821	603,434	193,975

2. 2002 STOCK OPTION PLAN

FOR	AGAINST	ABSTAIN
24,187,154	1,022,305	6,811,271

3. RETENTION OF EPSTEIN, WEBER & CONOVER, P.L.C.

FOR	AGAINST	ABSTAIN

31,469,603 490,150 58,474

No other business was brought before the shareholders.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

OUR COMMON STOCK

Our common stock is traded in the over-the-counter market under the symbol "YPNT."

The following table sets forth the quarterly high and low bid prices per share for the common stock by the National Quotation Bureau for the last two Fiscal YearsThe quotes represent inter-dealer quotations, without adjustment for retail mark-up, markdown or commission and may not represent actual transactions.

FISCAL YEAR	QUARTER ENDED	HIGH	LOW
2001	December 31, 2000	$.22	$.21
	March 31, 2001	$.45	$.20
	June 30, 2001	$.23	$.18
	September 30, 2001	$.17	$.10
2002	December 31, 2001	$.23	$.06
	March 31, 2002	$.37	$.12
	June 30, 2002	$.20	$.05
	September 30, 2002	$.11	$.05

On January 7 , 2003, there were 525 shareholders of record of our common stock. The transfer agent for our common stock is Continental Stock Transfer and Trust in New York City, New York.

Our Preferred Stock

During the year ended September 30, 2002, the Company created a new series of capital stock, the Series E Convertible Preferred Stock (See Footnote 9 to the financial statements).

During the year ended September 30, 2002, pursuant to an existing tender offer, holders of 131,840 shares of the Company's common stock exchanged said shares for an equal number of the Series E Convertible Preferred shares, at the then $0.085 market value of the common stock. As of September 30, 2002, the liquidation preference value of the outstanding Series E Convertible Preferred Stock was $39,552, and dividends totaling $494 had been accrued and paid associated with said shares

DIVIDEND POLICY

The Company has one class of outstanding Preferred Stock. The Series E preferred shares have a dividend of $0.015 per year, payable quarterly, and a liquidation preference of $0.30 per share. There are 131,840 shares of outstanding Series E preferred stock.

Under Nevada law, dividends on the Company's common stock may only be paid out of net profits. Prior to our acquisition of Telco, no significant revenue had been generated. We have not paid, cash dividends on our common stock. The current policy of the Board of Directors is to retain a substantial portion of earnings to provide funds for operation and expansion of our business. The declaration of dividends is subject to the discretion of the Board of Directors, which may consider such factors as our results of operations, financial condition, capital needs and acquisition strategies, among others.

SALES OF UNREGISTERED SECURITIES

During Fiscal 2002, we issued 50,000 shares of our common stock at a value of $0.09 per share to a marketing consultant for services rendered and 50,000 shares to Peter Bergmann for his services as a Director. Each of these sales were made pursuant to Section 4(2) under the Securities Act of 1933, to accredited investors.

During an offering period ending May 31, 2002, we exchanged an aggregate of 131,840 shares of series E preferred stock for an equal number of shares of common stock. An aggregate of 29 shareholders participated in the exchange offer which was exempt from registration pursuant to section 3(a)(9) under the Securities Act of 1933.

Subsequent to September 30,2002, the Company issued the following shares:

- 4,000,000 shares (value of $300,000) to Sunbelt Financial Concepts, Inc. ("Sunbelt"), for services provided to the Company. Angelo Tullo, the Company's CEO and Chairman, is President of Sunbelt;
- 1,000,000 shares (value of $75,000) to Advertising Management and Consulting Services, Inc. ("AMCS") for services rendered to the Company. Greg Crane, Company's Vice President of Marketing and a Director, is President of AMCS;
- 1,000,000 shares (value of $75,000) to Advanced Internet Marketing, Inc.("AIM") for services rendered to the Company. DeVal Johnson, the Company's Secretary and Director is President of AIM;and
- 50,000 shares (value of $3,750) to David J. Iannini, the Company's CFO, for services rendered as such.

The restricted shares were issued based upon the average bid and ask prices at the time of issuance ($0.075 per share) and were issued in reliance on the exemption from registration provided by Section 4 (2) of the Securities Act. Each of the foregoing parties was a sophisticated and accredited investor who had complete access to financial and other information related to the Company. The representative of each of the foregoing entities is either an officer or director of the Company.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

We provide Internet-based yellow page listing services on our YP.Net website. We acquired Telco Billing, Inc. in June 1999 as a wholly owned subsidiary, and, as a result of this acquisition, changed our primary business focus to become an electronic yellow page directory service. Our website enables users to search for yellow page listings in the United States. We charge our customers for a Preferred Listing of their businesses on searches conducted by consumers on our website.

The Company was originally incorporated in Nevada in 1996 as Renaissance Center, Inc. Renaissance Center and Nuclear Corporation merged in 1997. Our articles of incorporation were restated in July 1997 and our name was changed to Renaissance International Group, Ltd. Our name was subsequently changed to RIGL Corporation in July 1998. With the acquisition of Telco and shift of the focus of our business, our corporate name was again changed to YP.Net, Inc., effective October 1, 1999. The new name was chosen to reflect our focus on Internet-based yellow page services.

In order to ensure the accuracy and completeness of the Company's financial information in May, 2002, the independent members of the Company's Board of Directors engaged the services of Jerrold Pierce, the former Senior Special Agent of the Criminal Investigations Division of the Internal Revenue Service for seven western states. Mr. Pierce performs unannounced inspections of the Company's financial records at least once every quarter. Mr. Pierce reports his findings directly to the independent members of the Board, and to the Board in its entirety. To date, Mr. Pierce has found no irregularities with current management

RESULTS OF OPERATIONS

Fiscal Year End September 30, 2002 Compared to Fiscal Year End September 30, 2001.

Revenue for the year ended September 30, 2002 ("Fiscal 2002") was $13,232,743 compared to $13,501,966 for the year ended September 30, 2001 ("Fiscal 2001"). The decrease in revenue is principally the result of a change in revenue recognition on direct billings. In Fiscal 2002, revenue on direct billings was recognized only as cash was collected in order to be more conservative. In Fiscal 2001, direct revenue was recognized upon providing the Preferred Listing service and a reserve against such revenues was established in accordance with SAB #101. Management believes that recognizing direct billings as revenue upon cash collection is more conservative than its previous methodology. Comparing Fiscal 2002 to Fiscal 2001 revenues using the current revenue recognition policy, revenue for Fiscal 2002 increased by approximately $1,400,000 compared to Fiscal 2001 or approximately 12 % .

We utilize direct mailings as our primary marketing program and this program generates our principal revenue of the Company. Our subscribing customers increased to 113,565 at September 30, 2002, approximately a 24 % increase for the fiscal year.

Cost of Services for Fiscal 2002 were $3,811,394 compared to $6,150,085. The decrease in cost of services is due to a decrease resulting from lower dilution (ie.unbillable customer phone numbers, customer credits, LEC charge-backs) in 2002 compared to 2001 resulting from the previously mentioned improvement in the Company's LEC billing filtering process. We have been able to reduce our dilution expenses with the third party billing companies, as the Company becomes better able to track its individual subscriber billings and collections, The Company ceased its relationship with a billing company due to the higher cost of doing business with this third party biller. The Company reduced its total billing related expenses by $3,826,000 in the year ended September 30, 2002 primarily due to its ability to challenge dilution charges made by these third party billers.

General and administrative expenses for Fiscal 2002 were $4,754,665 compared to

$3,987,040 for Fiscal 2001. The increase was principally the result of increased staffing costs of $953,000 and legal and professional fees of approximately $182,000. These higher costs were partially offset by lower expense of consultants and rent expense. The Company added staff in anticipation of adding an outbound customer service group and to begin performing more of the billing process in-house.

Sales and marketing expenses for Fiscal 2002 were $963,868 compared to $688,349 for Fiscal 2001. The increase was principally the result of our re-instituting our marketing efforts in Fiscal 2002The marketing expenses are attributed to our direct response marketing, which is our primary source of attracting new customers. In Fiscal 2001, the Company's management decided to cease all direct mail marketing efforts until we had entered into a final settlement agreement with the FTC. In July 2001 we entered into a settlement agreement and voluntarily complied with the order set forth by the FTC. See our Form 10-QSB for the period ended June 30, 2001.

Operating income in Fiscal 2002 was $3,121,526 compared to $2,073,066 in Fiscal 2001 representing an increase of approximately 50%. Income before income taxes was $3,450,489 in Fiscal 2002 and $3,042,728 in Fiscal 2001. Excluding gains on common shares received and retired under legal settlements (recorded

as other income), income before income taxes in Fiscal 2002 was $3,182,814 compared to $1,317,698 in Fiscal 2001, an increase of over 140%. The exclusions of the settlement gains for comparison purposes is relevant because these matters are not expected to recur. The increases in both operating income and income before income taxes were the result of the substantial savings in the billing company and LEC dilution expenses and lower interest expense due to lower debt levels in Fiscal 2002. The Company is likely to continue to experience lower billing expenses as a percentage of revenue but not on the level of the gains experienced in Fiscal 2002. However, the Company intends to increase its marketing efforts in the short term resulting in higher marketing expenses.

The cost of the Yellow-Page.Net URL was capitalized at its cost of $5,000,000. The URL is amortized on an accelerated basis over the twenty-year term of the licensing agreement. Amortization expense on the URL was $399,833 for the year ended September 30, 2002. Annual amortization expense in future years related to the URL is anticipated to be approximately $200,000-300,000

Interest expense for Fiscal 2002 was $92,341 compared to $571,248 for Fiscal 2001. The decrease in interest expense was a result of decreased debt due to the repayment of approximately $800,000 of debt in Fiscal 2002.

During the year ended September 30, 2002, the Company structured certain transactions related to its merger with Telco that allowed the Company to utilize net operating losses that were previously believed to be unavailable or limited under the change of control rules of Internal Revenue Code 382. The deferred income tax asset of $1,471,000 related to these net operating losses recorded at September 30, 2001, was fully offset by a valuation allowance. That valuation allowance was eliminated and recognized as a benefit in the year ended September 30, 2002. Due to these changes, the Company recognized an income tax benefit of $1,614,716 for the year ended September 30, 2002. At September 30, 2002 the Company has utilized all of its federal and state net operating losses.

Net profits for Fiscal 2002 were $3,696,463 , or $0.08 per share, compared to $1,812,281, or $.04 per share for Fiscal 2001. The increase in Net income resulted from the increased subscribing customer count and associated revenue cited above with a less than corresponding increase in expenses cited above as well as the usage by the Company of remaining net operating losses which reduced the income tax provision from the previous fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

Our cash balance increased to $767,108 for Fiscal 2002 from $683,847 for Fiscal 2001. We funded working capital requirements primarily from cash generated from operating activities and utilized cash in investing activities and financing activities, primarily through repayments of debt.

Operating Activities. Cash provided by operating activities was $1,158,015 for Fiscal 2002 compared to $3,880,158 for Fiscal 2001. The principal source of our operations revenue is from sales of Internet yellow page advertising. The decrease in cash provided from operations resulted from an increase in the Company's accounts receivable and customer acquisition costs due to the increased subscribing customer count resulting from our marketing solicitation program.

Investing Activities. Cash used by investing activities was $244,077 for Fiscal 2002 compared to $165,672 for Fiscal 2001. We purchased $77,632 of computer equipment in Fiscal 2002 compared to $28,520 of computer equipment in Fiscal 2001. Increased computer purchases in Fiscal 2002 resulted from growth in the customer base in Fiscal 2002 and in preparation for anticipated future growth in the customer base.

Financing Activities. Cash flows used from financing activities were $830,677 for Fiscal 2002 compared to $3,250,252 for Fiscal 2001. We had cash outflow of approximately $800,000 in Fiscal 2002 relating to the repayment of debt and cash outflow in Fiscal 2001 resulting from the repayment of our credit facility relating to Matthew Markson Ltd. of $3,199,452 . During Fiscal 2002, the Company established a Trade Acceptance Draft program with Actrade Financial Technologies

which enables the Company to borrow up to $150,000 . A trade acceptance draft ("TAD") is a draft signed by the Company made payable to the order of a vendor providing services to the Company. AcTrade provides payment to the vendor and collects from the Company the amount advanced to the vendor (plus interest) under extended payment terms, generally 30,60 or 90 days. When used, the Company pays a rate of 1% per month of the amount of the TAD. There is no term to the agreement with Actrade and either party may terminate the agreement at any time.

We incurred debt in the acquisition of the license right to the Yellow-Page.Net URL. A total of $4,000,000 was borrowed, $2,000,000 from Joseph and Helen VanSickle, $1,000,000 from shareholders of the Company and $2,000,000 as a Note from Matthew & Markson Ltd. Management which has dedicated payments in the amount of $100,000 per month for the payment of the VanSickle note. This note was paid in full subsequent to year end. Management had also dedicated payments to the Matthew & Markson note in the amount of $100,000 per month, with the provision that no payment be made if we have less than 30 days operating capital reserved, or if we are in an uncured default with any of our lenders. The original note

has been paid in full while a balance of $115,866 remains on another note to Matthew & Markson. (see "Certain Relationships"). A total of 4,500,000 shares of our common stock were issued to secure these notes and are held in escrow.

Collections on accounts receivables are received primarily through the billing service integrators under contract to administer this billing and collection process. The billing service providers generally do not remit funds until they are collected. The billing companies maintain holdbacks for refunds and other uncertainties. Generally, cash is collected and remitted to us over a 90 to 120 day period subsequent to the billing dates. In August 2002, the Company entered into a new agreement with its primary billing service provider, IGT, whereby cash is remitted to us on a sixty day timetable beginning November 2002.

We market our products primarily through the use of direct mailers to businesses throughout the United States. We generally pay for these marketing costs when incurred and amortize the costs of direct-response advertising on a straight-line basis over eighteen months. The amortization lives are based on estimated attrition rates. During Fiscal 2002 we paid $2,258,006 in advertising and marketing compared to $3,781,485 in Fiscal 2001. Management anticipates the outlays for direct-response advertising to remain consistent over the next year.

The acquisition of Telco by the Company called for the issuance of 17,000,000 new shares of stock in exchange of the existing shares of Telco. As part of that agreement, the Company gave the former shareholders the right to "Put" back to the Company certain shares of stock at a minimum stock price of 80% of the current trading price with a minimum strike price of $1.00. The net effect of which was that each of the former Telco shareholders could require the Company to repurchase shares of stock of the Company at a minimum cost of $10,000,000. The agreement required the Company to attain certain market share levels.

The "Puts" were renegotiated and retired. As part of the renegotiated settlement, the Company provided a credit facility of up to $10,000,000 to each of the former Telco shareholders (Mathew & Markson and Morris & Miller. See Item 11.), collateralized by the stock held by these shareholders, with interest at least 0.25 points higher than the Company's average cost of borrowing. Additional covenants warrant that no more that $1,000,000 can be advanced at any point in time and no advances can be made in excess with out allowing at least 30 days operating cash reserves or if the Company is in an uncured default with any of its lenders. At September 30, 2002, the Company had advanced $233,073 under this agreement.

On September 20, 2002, the Company entered into Executive Consulting Agreements with Sunbelt Financial Concepts Inc. ("Sunbelt"), Advertising Management and Consulting Services, Inc. ("AMCS") and Advanced Interent Marketing Inc. ("AIM") relating to the employment of three executive managers and their respective staffs. (See Certain Relationships and Related Transactions"). As part of these agreements a Flex Compensation program was instituted. Under these agreements, each of Sunbelt, AMCS and AIM may annually draw up to $220,000, $50,000 and $30,000 respectively subject to sufficient cash on hand at the Company. The amounts are increased by 10% annually and also contain a Due on Sale Clause, whereby if there is a change of control of the Company, as defined, then the respective agreements allows each to receive the greater of 30% of the amounts due under the respective agreements or 12 months worth of fees.

FUTURE OUTLOOK

For fiscal year 2003 we expect to continue our customer satisfaction program whereby we contact our existing customers for their many Mini-Webpage(TM) information and to develop and market new products. We also are generating a new revenue source to provide customer service and technical services to related and industry entities. We presently have agreements with Dial-Up Services, Inc. (dba Simple.Net) to provide both customer and technical services. Simple.Net is an Internet service provider ("ISP") beneficially owned by a director (Deval Johnson) of the Company. SN charges the Company's customers $2.50 per month for internet access. (See Footnote 12 to the financial statements).

We have offered our customers Internet access services and are currently gaining customers weekly. Our dial-up ISP backbone provider is Simple.Net. Under our current provider's network, over 65 percent of the US's population has the ability to dial to a local point of presence. The remaining population will be allowed access through an 800 number solution. This revenue stream will prove vital in expanding our ability to reach various customer needs.

Our future success will depend on our ability to integrate continually and distribute information services of broad appeal. Our ability to maintain our relationships with content providers and to build new relationships with additional content providers is critical to our marketing plan.

FACTORS WHICH MAY AFFECT FUTURE OPERATING RESULTS

Set forth below and elsewhere in this Annual Report and in the other documents we file with SEC, including the most recent Form 10-QSB, are risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements contained in the Annual Report.

GROSS MARGINS MAY DECLINE OVER TIME: We expect that gross margins may be adversely affected because we have determined that profit margins from the electronic yellow pages offerings that we have profited from in the past have fluctuated. We have experienced a decrease in revenue from the LEC from the effects of the Competitive Local Exchange Carriers (CLEC) that are participating in providing local telephone services to customers. We have begun to address this problem and we are implementing data filters to reduce the effects of the CLEC's. We have also sought other billing methods to reduce the adverse effects of the CLEC billings. These other billing methods may be cheaper or more expensive than our current LEC billing and we have not yet determined if they will be less or more effective. We continue to look for profitable Internet opportunities; however there are no assurances that we will be successful, and presently we have no acquisitions in progress.

DEPENDENCE ON KEY PERSONNEL: Our performance is substantially dependant on the performance of our executive officers and other key employees and our ability to attract, train, retain and motivate high quality personnel, especially highly qualified technical and managerial personnel. The loss of services of any executive officers or key employees could have a material adverse effect on our business, results of operations or financial condition. Competition for talented personnel is intense, and there is no assurance that we will be able to continue to attract, train, retain or motivate other highly qualified technical and managerial personnel in the future.

Since our Growth Rate may slow, operating results for a particular quarter are difficult to predict: We expect that in the future, our net sales may grow at a slower rate on a quarter-to-quarter basis than experienced in previous periods. This may be a direct cause of the projected changes to our direct marketing Pieces. See "MARKETING," above. As a consequence, operating results for a particular quarter are extremely difficult to predict. Our ability to meet financial expectations could be hampered if we are unable to correct the billing through the CLEC markets seen in the fourth quarter continue in the future. Additionally, in response to customer demand, we continue to attempt develop new products to reduce our customer attrition rates.

REGULATORY ENVIRONMENT. Existing laws and regulations and any future regulation may have a material adverse effect on our business. These effects could include substantial liability including fines and criminal penalties, preclusion from offering certain products or services and the prevention or limitation of certain marketing practices. As a result of such changes, our ability to increase our business through Internet usage could also be substantially limited.

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
YP.NET, INC.

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INDEPENDENT AUDITORS' REPORT

To the Stockholders and Board of Directors of
YP.Net, Inc.:

We have audited the accompanying consolidated balance sheet of YP.Net, Inc. as of September 30, 2002 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the two years in the period ended September 30, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of YP.Net, Inc. as of September 30, 2002, and the consolidated results of its operations and cash flows for each of the two years in the period ended September 30, 2002, in conformity with generally accepted accounting principles.

/s/ EPSTEIN, WEBER & CONOVER, P.L.C.
Scottsdale, Arizona
December 2, 2002

<TABLE>
<CAPTION>
YP.NET, INC.

CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2002

<S>	<C>
ASSETS:	
CURRENT ASSETS	
Cash and cash equivalents	$ 767,108
Accounts receivable, net	3,561,808
Prepaid expenses and other current assets	64,211
Total current assets	4,393,127
ACCOUNTS RECEIVABLE - long term portion	513,485
CUSTOMER ACQUISITION COSTS, net of accumulated amortization of $718,594	1,418,227
PROPERTY AND EQUIPMENT, net	274,459
DEPOSITS AND OTHER ASSETS	150,725
INTELLECTUAL PROPERTY- URL, net of accumulated amortization of $1,481,148	3,578,542
ADVANCES TO AFFILIATES	233,073
TOTAL ASSETS	$10,561,638
LIABILITIES AND STOCKHOLDERS' EQUITY:	
CURRENT LIABILITIES:	
Accounts payable	$ 195,396
Accrued liabilities	182,797
Notes payable - current portion	352,362
Deferred income taxes	87,221
Income taxes payable	486,243
Total current liabilities	1,304,019
NOTES PAYABLE - long-term portion	115,866
DEFERRED INCOME TAXES	5,921
Total liabilities	1,425,806
STOCKHOLDERS' EQUITY:	
Series E convertible preferred stock, $.001 par value, 200,000 shares authorized, 131,840 issued and outstanding, liquidation preference $39,552	11,206
Common stock, $.001 par value, 50,000,000 shares authorized, 43,531,840 issued and outstanding	43,532
Paid in capital	4,287,207
Treasury stock at cost	(171,422)
Retained earnings	4,965,309

Total stockholders' equity	9,135,832
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$10,561,638

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

<TABLE>
<CAPTION>
YP.NET, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND SEPTEMBER 30, 2001

	2002	2001
<S>	<C>	<C>
NET REVENUES	$13,232,743	$13,501,966
OPERATING EXPENSES:		
Cost of services	3,811,394	6,150,085
General and administrative expenses	4,754,665	3,987,040
Sales and marketing expenses	963,868	688,349
Depreciation and amortization	581,290	603,426
Total operating expenses	10,111,217	11,428,900
OPERATING INCOME	3,121,526	2,073,066
OTHER (INCOME) AND EXPENSES		
Interest expense and other financing costs	92,341	571,248
Interest income	(17,682)	(7,342)
Other Income	(403,622)	(1,533,568)
Total other expense	(328,963)	(969,662)
INCOME BEFORE INCOME TAXES	3,450,489	3,042,728
INCOME TAX PROVISION (BENEFIT)	(245,974)	1,230,447
NET INCOME	$ 3,696,463	$ 1,812,281
NET INCOME PER SHARE:		
Basic	$ 0.08	$ 0.04
Diluted	$ 0.08	$ 0.04
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	43,745,045	40,623,126
Diluted	43,745,045	40,623,126

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

<TABLE>
<CAPTION>
YP.NET, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY FOR THE
YEARS ENDED SEPTEMBER 30, 2002 AND SEPTEMBER 30, 2001

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	PREFERRED A SHARES	PREFERRED A AMOUNT	TREASURY STOCK	PAID-IN CAPITAL	RETAINED EARNINGS
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE OCTOBER 1, 2000	40,560,464	$40,561	1,500,000	$ 1,500	$ (69,822)	$ 5,769,113	$ (542,941)
Common stock issued for consulting services	850,000	850				147,950	
Common stock received and retired under legal settlements	(1,596,784)	(1,597)				(1,723,433)	

Common stock issued for extension on debt	4,000,000	4,000				356,000	
Cancellation of preferred stock			(1,500,000)	(1,500)			
Purchase of treasury stock					(101,600)		
Value of commom stock warrants issued						7,176	
Net income							1,812,281
BALANCE SEPTEMBER 30, 2001	43,813,680	$43,814	-	$ -	$(171,422)	$ 4,556,806	$1,269,340

	TOTAL
<S>	<C>
BALANCE OCTOBER 1, 2000	$ 5,198,411
Common stock issued for consulting services	148,800
Common stock received and retired under legal settlements	(1,725,030)
Common stock issued for extension on debt	360,000
Cancellation of preferred stock	(1,500)
Purchase of treasury stock	(101,600)
Value of commom stock warrants issued	7,176
Net income	1,812,281
BALANCE SEPTEMBER 30, 2001	$ 5,698,538

</TABLE>

(CONTINUED)

The accompanying notes are an integral part of these consolidated financial statements

<TABLE>
<CAPTION>
YP.NET, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY FOR THE
YEARS ENDED SEPTEMBER 30, 2002 AND SEPTEMBER 30, 2001 (CONTINUED)

	COMMON STOCK SHARES	AMOUNT	PREFERRED E SHARES	AMOUNT	TREASURY STOCK	PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE OCTOBER 1, 2001	43,813,680	$43,814	-	$ -	$(171,422)	$4,556,806	$1,269,340	$5,698,538
Common stock issued for services	100,000	100				8,900		9,000
Common stock received and retired under legal settlements	(250,000)	(250)				(267,425)		(267,675)
Series E preferred stock issued in exchange for common shares	(131,840)	(132)	131,840	11,206		(11,074)		-
Series E preferred stock dividends							(494)	(494)
Net income							3,696,463	3,696,463
BALANCE SEPTEMBER 30, 2002	43,531,840	$43,532	131,840	$11,206	$(171,422)	$4,287,207	$4,965,309	$9,135,832

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

<TABLE>
<CAPTION>
YP.NET, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
YEARS ENDED SEPTEMBER 30, 2002 AND SEPTEMBER 30, 2001

CASH FLOWS FROM OPERATING ACTIVITIES:	2002	2001
<S>	<C>	<C>
Net income	$ 3,696,463	$ 1,812,281
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	581,290	603,426
Issuance of common stock as compensation for services	9,000	148,800
Penalties related to acquisition debt paid by issuance of debt, warrants and stock	-	917,967
Non-cash income recognized on return of common stock related to legal settlements	(267,675)	(1,725,030)
Deferred income taxes	490,101	268,556
Provision for uncollectible accounts	1,375,226	(760,859)
Changes in assets and liabilities:		
Accounts receivable	(2,580,410)	1,617,467
Customer acquisition costs	(1,224,983)	37,654
Prepaid and other current assets	(44,042)	79,060
Deposits and other assets	(127,438)	(11,500)
Accounts payable	(119,511)	161,089
Accrued liabilities	106,069	(230,644)
Income taxes payable	(736,075)	961,891
Net cash provided by operating activities	1,158,015	3,880,158
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advances made to affiliate	(116,757)	(137,152)
Expenditures for intellectual property	(49,688)	-
Purchases of equipment	(77,632)	(28,520)
Net cash used for investing activities	(244,077)	(165,672)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments on borrowings from line of credit	-	(1,577,547)
Principal repayments on notes payable	(830,677)	(1,621,905)
Purchase of treasury stock	-	(50,800)
Net cash used for financing activities	(830,677)	(3,250,252)
INCREASE IN CASH AND CASH EQUIVALENTS	83,261	464,234
CASH AND CASH EQUIVALENTS, beginning of year	683,847	219,613
CASH AND CASH EQUIVALENTS, end of year	$ 767,108	$ 683,847

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

YP.NET, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS, (CONTINUED)
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001

SUPPLEMENTAL CASH FLOW INFORMATION:

	2002	2001
Interest Paid	$99,541	$421,013
Income taxes paid	$ -0-	$ -0-

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

	2002	2001
Common stock issued for services	$ 9,000	$148,800
Note payable issued in payment of debt extension fee	$ -0-	$550,791
Value of common stock issued as payment of debt extension fee	$ -0-	$360,000
Common stock exchanged for Series E Convertible Preferred Stock	$11,206	$ -0-
Liability incurred for purchase of treasury stock	$ -0-	$ 50,800

The accompanying notes are an integral part of these consolidated financial statements.

YP.NET, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001

1. ORGANIZATION AND BASIS OF PRESENTATION

YP.Net, Inc. (the "Company"), formally RIGL Corporation, had previously attempted to develop software solutions for medical practice billing and administration. The Company had made acquisitions of companies performing medical practice billing services as test sites for its software and as business opportunities. The Company was not successful in implementing its medical practice billing and administration software products and looked to other business opportunities. The Company acquired Telco Billing Inc. ("Telco") in June 1999, through the issuance of 17,000,000 shares of the Company's common stock. Prior to its acquisition of Telco, RIGL had not generated significant or sufficient revenue from planned operations.

Telco was formed in April 1998, to provide advertising and directory listings for businesses on its Internet web site in a "Yellow Page" format.

Telco provides those services to its subscribers for a monthly fee. These services are provided primarily to businesses throughout the United States. Telco became a wholly owned subsidiary of YP.Net, Inc. after the June 16, 1999 acquisition.

At the time that the transaction was agreed to, the Company had 12,567,770 common shares issued and outstanding. As a result of the merger transaction with Telco, there were 29,567,770 common shares outstanding, and the former Telco stockholders held approximately 57% of the Company's voting stock. For financial accounting purposes, the acquisition was a reverse acquisition of the Company by Telco, under the purchase method of accounting, and was treated as a recapitalization with Telco as the acquirer. Consistent with reverse acquisition accounting: (i) all of Telco's assets, liabilities, and accumulated deficit were reflected at their combined historical cost (as the accounting acquirer) and (ii) the preexisting outstanding shares of the Company (the accounting acquiree) were reflected at their net asset value as if issued on June 16, 1999.

The accompanying financial statements represent the consolidated financial position and results of operations of the Company and include the accounts and results of operations of the Company and Telco, its wholly owned subsidiary, for the years ended September 30, 2002 and September 30, 2001. Certain reclassifications have been made to the September 30, 2001 balances to conform to the 2002 presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents: This includes all short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less. At times cash deposits may exceed government insured limits. At September 30, 2002, cash deposits exceeded those insured limits by $563,000.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Telco Billing, Inc. All significant intercompany accounts and transactions are eliminated.

Customer Acquisition Costs: These costs represent the direct response marketing costs that are incurred as the primary method by which customers subscribe to the Company's services. The Company purchases mailing lists and sends advertising materials to prospective subscribers from those lists. Customers subscribe to the services by positively responding to those advertising materials which serve as the contract for the subscription. The Company capitalizes and amortizes the costs of direct-response advertising on a straight-line basis over eighteen months, the estimated average period of retention for new customers. The Company capitalized costs of $1,941,000 and $575,000 during the years ended September 30, 2002 and 2001 respectively. The Company amortized $719,000 and $613,000, respectively, of these capitalized costs during the years ended September 30, 2002 and 2001.

The Company also incurs advertising costs that are not considered direct-response advertising. These other advertising costs are expensed when incurred. These advertising expenses were $245,000 and $75,000 for the years ended September 30, 2002 and 2001 respectively.

Property and Equipment: Property and equipment is stated at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 5 years. Depreciation expense was $178,058 and $156,343 for the years ended September 30, 2002 and 2001 respectively.

Revenue Recognition: The Company's revenue is generated by customer subscriptions of directory and advertising services. Revenue is billed and recognized monthly for services subscribed in that specific month. The Company utilizes outside billing companies to transmit billing data, much of which is forwarded to Local Exchange Carriers ("LEC's") that provide local telephone service. Monthly subscription billings are generally included on the telephone bills of the customers. Due to billings submitted by the Company being subject to adjustment by the billing companies and the LEC's, the Company recognizes revenue based on net billings accepted by the LEC's. Due to the periods of time for which adjustments may be reported by the LEC's and the billing companies, the Company estimates and accrues for dilution and fees reported subsequent to year-end for initial billings related to services provided for periods within the fiscal year. Revenues generated under billings through the LEC's were approximately $12,311,000 and $13,005,000 for the fiscal years ended September 30, 2002 and September 30, 2001 respectively.

Revenue for billings to certain customers whom are billed directly by the Company and not through the LEC's, is recognized based on estimated future collections. Collections under this billing process have historically been poor. Monthly direct bill subscription fee revenue is recognized as earned within the month for which the service is provided. However, these monthly billings are adjusted to take into consideration the poor collection experience. The Company continuously reviews this estimate for reasonableness based on its collection experience. Revenues generated under direct billings were $651,000 and $529,000 for the years ended September 30, 2002 and 2001 respectively.

Income Taxes: The Company provides for income taxes based on the provisions of Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes, which, among other things, requires that recognition of deferred income taxes be measured by the provisions of enacted tax laws in effect at the date of financial statements.

Financial Instruments: Financial instruments consist primarily of cash, accounts receivable, and obligations under accounts payable, accrued expenses and notes payable. The carrying amounts of cash, accounts receivable, accounts payable, accrued expenses and notes payable approximate fair value because of the short maturity of those instruments. The Company has applied certain assumptions in estimating these fair values. The use of different assumptions or methodologies may have a material effect on the estimates of fair values.

Net Income Per Share: Net income per share is calculated using the weighted average number of shares of common stock outstanding during the year. The Company has adopted the provisions of SFAS No. 128, Earnings Per Share.

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

Significant estimates made in connection with the accompanying financial statements include the estimate of dilution and fees associated with LEC billings and the estimated reserve for doubtful accounts receivable.

Stock-Based Compensation: Statements of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, ("SFAS 123") established accounting and disclosure requirements using a fair-value based method of accounting for stock-based employee compensation. In accordance with SFAS 123, the Company has elected to continue accounting for stock based compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." The proforma effect of the fair value method is discussed in Note 15.

Impairment of Long-lived Assets: The Company assesses long-lived assets for impairment in accordance with the provisions of SFAS 121,Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of.SFAS 121 requires that the Company assess the value of a long-lived asset whenever there is an indication that its carrying amount may not be recoverable. Recoverability of the asset is determined by comparing the forecasted undiscounted cash flows generated by said asset to its carrying value. The amount of impairment loss, if any, is measured as the difference between the net book value of the asset and its estimated fair value.

Recently Issued Accounting Pronouncements: In June 2001, the Financial Accounting Standards Board (the FASB) issued Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets. The Company will be required to adopt SFAS No. 142 at the beginning of its 2003 fiscal year. The Company is currently reviewing the impact of adoption of

SFAS 142, but does not believe the adoption of such will have a material effect on the financial position and results of operations of the Company.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations. The Company is currently reviewing the impact of adoption of SFAS 143, but does not believe the adoption of such will have a material effect on the financial position and results of operations of the Company.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. The Company will be required to adopt SFAS No. 144 at the beginning of its 2003 fiscal year. SFAS No. 144 supersedes SFAS 121, but carries over most of its general guidance. The Company is currently reviewing the impact of adoption of SFAS 144, but does not believe the adoption of such will have a material effect on the financial position and results of operations of the Company. However, the provisions of SFAS will be applied to long-lived assets such as the URL.

3. ACCOUNTS RECEIVABLE

The Company provides billing information to third party billing companies for the majority of its monthly billings. Billings submitted are sorted and analyzed for accuracy and completeness ("filtered") by these billing companies and the LEC's. Net accepted billings are recognized as revenue and accounts receivable. The billing companies remit payments to the Company on the basis of cash ultimately received from the LEC's by those billing companies. The billing companies and LEC's charge fees for their services which are netted against the gross accounts receivable balance. The billing companies also apply holdbacks to the remittances for potentially uncollectible accounts. These dilution amounts will vary due to numerous factors and the Company may not be certain as to the actual amounts of dilution on any specific billing submittal until several months after that submittal. The Company estimates the amount of these charges and holdbacks based on historical experience and subsequent information received from the billing companies. The Company also estimates uncollectible account balances and provides an allowance for such estimates. The billing companies retain certain holdbacks that may not be collected by the Company for a period extending beyond one year. These balances have been classified as long-term assets in the accompanying balance sheet.

The Company experiences significant dilution of its gross billings by the billing companies. The Company negotiates collections with the billing companies on the basis of the contracted terms and historical experience. The Company's cash flow may be affected by holdbacks, fees, and other matters which are determined by the LEC's and the billing companies.

The Company entered into a customer billing service agreement with Integretel, Inc. Integretel provides the majority of the Company's billings, collections, and related services. The net receivable due from Integretel at September 30, 2002 was $3,955,218, including an allowance for doubtful accounts of $1,695,093.

At September 30, 2002, the Company still had certain amounts due from Enhanced Services Billing, Inc. (ESBI). In prior years, ESBI provided billing and collection services very similar to Integretel, discussed above, but was gradually phased out during the year. The receivable due from ESBI at September 30, 2002 of $154,037 has been fully reserved as collectibility of the remaining amount is doubtful.

Subscription receivables that are directly billed by the Company are valued and reported at the estimated future collection amount. Determining the expected collections requires an estimation of both uncollectible accounts and returns and allowances. The net subscriptions receivable at September 30, 2002 was $108,659.

Gross accounts receivable and the aggregate related allowance was $5,944,422 and $1,869,129 at September 30, 2002. The following allowances on accounts receivable existed at September 30, 2002:

Allowance for doubtful accounts	$ 1,034,899
Allowance for billing company holdbacks	545,608
Allowance for LEC holdbacks	288,622
Total	$ 1,869,129

The Company expensed billing fees to the LEC's and third party billing companies of $1,718,573 and $5,544,906 for the years ended September 30, 2002 and 2001 respectively.

4. INTELLECTUAL PROPERTY

In connection with the Company's acquisition of Telco, the Company was required to provide accelerated payment of license fees for the use of the Internet domain name or Universal Resource Locator (URL) Yellow-page. net.

Telco had previously entered into a 20-year license agreement for the use of the URL with one of its two 50% stockholders. The original license

agreement required annual payments of $400,000. However, the agreement stated that upon a change in control of Telco, a $5,000,000 accelerated payment is required to maintain the rights under the licensing agreement. The URL holder agreed to discount the accelerated payments from $8,000,000 to $5,000,000 at the time of the acquisition. The Company agreed to make that payment upon effecting the acquisition of Telco.

The Company made a $3,000,000 cash payment and issued a note payable for $2,000,000 to acquire the licensing rights of the URL. The Company also issued 2,000,000 shares of its common stock to be held as collateral on the note. The note payable was originally due on July 15, 1999. The Company failed to make the $2,000,000 payment when due. The repayment terms were renegotiated to extend the due date to January 15, 2000. The Company was required to pay an extension fee of $200,000 at that time. The Company again renegotiated the repayment terms on April 26, 2000, to a demand note, with monthly installments of $100,000, subject to all operating requirements, which, management believes, have subsequently been met by the Company.

In the year ended September 30, 2001, the former URL holder claimed that it was due additional amounts for the prior loan extensions. The Company reached a settlement with the former URL holder that required the Company to issue to the former URL holder, 4,000,000 shares of the Company's common stock, warrants to purchase 500,000 shares of the Company's common stock and a note payable for $550,000. The Company recorded an expense of approximately $917,000 related to the settlement representing the principal amount of the note payable, $360,000 as the fair value of the 4,000,000 common shares and $7,176 as the fair value of the warrants. The value of the common stock was determined on the basis of the quoted trading price of the shares on the date of the agreement. The fair value of the warrants was determined on the using the Black-Scholes option pricing model.

The URL is recorded at its cost net of accumulated amortization. Management believes that the Company's business is dependent on its ability to utilize this URL given the recognition of the Yellow page term. Also, its current customer base relies on the recognition of this term and URL as a basis for maintaining the subscriptions to the Company's service. Management believes that the current revenue and cash flow generated through use of Yellow-page.net supports the carrying of the asset. The Company periodically analyzes the carrying value of this asset to determine if impairment has occurred. No such impairments were identified during the year ended September 30, 2002. The URL is amortized on an accelerated basis over the twenty-year term of the licensing agreement. Amortization expense on the URL was $403,232 and $471,667 for the years ended September 30, 2002 and 2001 respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2002:

Leasehold improvements	$ 332,492
Furnishings and fixtures	108,629
Office and computer equipment	256,588
Total	697,709
Less accumulated depreciation	(423,250)
Property and equipment, net	$ 274,459

The Company has provided certain office equipment and leasehold improvements to an affiliated entity at no cost to that affiliated entity. This arrangement was made as part of the Company's original default settlement with the prior owners of the URL discussed in Note 4. The Company retains title and control of these assets; however, they are not being used by the Company. The net book value of the office equipment and leasehold improvements being utilized by the affiliated entity was approximately $60,000 at September 30, 2002.

6. NOTES PAYABLE AND LINE OF CREDIT

Notes payable at September 30, 2002 are comprised of the following:

Note payable to stockholders, original balance of 2,000,000, interest at 10% per annum. Repayment terms require monthly installments of $100,000 plus interest. Due January 11, 2002. Collateralized by 2,000,000 shares of the Company's common stock. Note was paid off subsequent to September 30, 2002.	$205,362
Note payable to former Telco stockholders, original balance of $550,000, interest at 10.5% per annum. Repayment terms require monthly installments of principal and interest of $19,045 beginning December 15, 2002. Stated maturity September 25, 2004. Collateralized by all assets of the Company.	115,866
Trade acceptance draft, interest at 12.25% per annum, due November 4, 2002. Collateralized by certain trade accounts receivable.	147,000
	468,228

Less current portion	352,362
Totals	$115,866

Subsequent to year-end, the Company settled the outstanding amount due on the note payable to stockholder resulting in an immaterial gain on extinguishment.

The note payable to the former Telco stockholders totaled $550,000 at the beginning of the fiscal year. In accordance with instructions that the Company received from said stockholders, the Company has made payments to third parties on behalf of the stockholders and applied those payments as reductions to the note payable. Said stockholders are not a part of management or on the Board of Directors of the Company. Payments on the note were accelerated at the option of the Company. Although the note calls for monthly payments of $19,045, the Company would not be required to make another payment until February 2004 under the original repayment provisions of the note. The full remaining balance of $115,866 is due in the year ended September 30, 2004.

The trade acceptance draft is effected similarly to factoring accounts receivable. The Company enters into separate financing agreements with the lender for specific accounts receivable.

7. PROVISION FOR INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

During the year ended September 30, 2002, the Company structured certain transactions related to its merger with Telco that allowed the Company to utilize net operating losses that were previously believed to be unavailable or limited under the change of control rules of Internal Revenue Code 382. The deferred income tax asset of $1,471,000 related to these net operating losses recorded at September 30, 2001, was fully offset by a valuation allowance. That valuation allowance was eliminated and recognized as a benefit in the year ended September 30, 2002. Due to these changes, the Company recognized an income tax benefit of $1,614,716 for the year ended September 30, 2002. At September 30, 2002 the Company has utilized all of its federal and state net operating losses.

Income taxes for years ended September 30, is summarized as follows:

	2002	2001
Current Provision	$ 486,243	$ 961,891
Deferred (Benefit) Provision	(732,217)	268,556
Net income tax provision	$(245,974)	$1,230,447

A reconciliation of the differences between the effective and statutory income tax rates for years ended September 30, is as follows:

	2002		2001	
Federal statutory rates	$ 1,173,166	34%	$1,034,527	34%
State income taxes	241,534	7%	197,777	6%
Utilization of valuation allowance	(1,471,141)	(43)%	-	-
Change in estimate of NOL due to structuring changes	(143,575)	(4)%	-	-
Other	(45,958)	(1)%	(1,857)	-
Effective rate	$ (245,974)	(7)%	$1,230,447	40%

At September 30, 2002, deferred income tax assets totaling $593,984 were comprised of $494,252 and $99,733 related to differences in book and tax bases of accounts receivable and intangible assets respectively. During the year ended September 30, 2002 the valuation allowance was reduced by $1,471,000. There was no change in the valuation allowance in the year ended September 30, 2001.

At September 30, 2002 deferred tax liabilities of $687,127 were comprised of $581,473 and $105,654 related to differences in book and tax bases of customer acquisition costs and property and equipment respectively.

8. LEASES

The Company leases its office space and certain equipment under long-term operating leases expiring through fiscal year 2005. Rent expense under these leases was $145,052 and $175,464 for the years ended September 30, 2002 and 2001, respectively.

Future minimum annual lease payments under operating lease agreements for years ended September 30 are as follows:

2003	$138,015
2004	42,417
2005	28,278
Total	$208,710

9. STOCKHOLDERS' EQUITY

Common Stock Issued for Services

The Company has historically granted shares of its common stock to officers, directors and consultants as payment for services rendered. The value of those shares was determined based on the trading value of the stock at the dates on which the agreements were made for the services. During the year ended September 30, 2002, the Company issued 100,000 shares of common stock to officers and directors valued at $9,000.

During the year ended September 30, 2001, the Company issued 850,000 shares of common stock to officers, directors and consultants valued at $148,800

Common Shares Received and Retired Under Legal Settlements

The Company made claims against numerous parties for return of common shares issued in the fiscal year ended September 30, 1999 to consultants by former management. Some of these claims resulted in litigation. During the years ended September 30, 2002 and 2001, the Company settled with seven of those parties resulting in 250,000 and 1,596,784 shares in 2002 and 2001, respectively, of the Company's common stock being returned and retired. These transactions have been recognized as other income of $267,675 and $1,725,030 in the accompanying statements of operations for the years ended September 30, 2002 and 2001, respectively. The rescission and return of the common stock was recorded at the value of the original transactions that were rescinded, that is, the recorded expense for the original issuance of the shares was, in effect, reversed in the years ended September 30, 2002 and 2001.

Common Stock Issued for Debt Extension

The former holder of the Yellow-page.net. URL made a claim against the Company in the year ended September 30, 2001. The former URL holder claimed that it was owed $1,000,000 that represented a loan extension fee for an extension given in 1999. The Company disputed the claim but ultimately settled with the former URL holder. The settlement agreement required the Company to pay the former URL holder $550,000, 4,000,000 shares of the Company's common stock and warrants for and additional 500,000 shares of the Company's common stock. The Company recorded an expense of approximately $917,000 related to the settlement representing the principal amount of the note payable, $360,000 as the fair value of the 4,000,000 common shares and $7,176 as the fair value of the warrants. The value of the common stock was determined on the basis of the quoted trading price of the shares on the date of the agreement. The fair value of the warrants was determined on the using the Black-Scholes option pricing model.

Series E Convertible Preferred Stock

During the year ended September 30, 2002, the Company created a new series of capital stock, the Series E Convertible Preferred Stock. The Company authorized 200,000, $0.001 par value shares. The shares carry a $0.30 per share liquidation preference and accrue dividends at the rate of 5% per annum on the liquidation preference per share, payable quarterly from legally available funds. If such funds are not available, dividends shall continue to accumulate until they can be paid from legally available funds. Holders of the preferred shares shall be entitled, after two years from issuance, to convert them into common shares on a one-to-one basis together with payment of $0.45 per converted share.

During the year ended September 30, 2002, pursuant to an existing tender offer, holders of 131,840 shares of the Company's common stock exchanged said shares for an equal number of the Series E Convertible Preferred shares, at the then $0.085 market value of the common stock. As of September 30, 2002, the liquidation preference value of the outstanding Series E Convertible Preferred Stock was $39,552, and dividends totaling $494 had been accrued and paid associated with said shares.

Treasury Stock

During the year ended September 30, 2001, the Company acquired 254,000 shares of its common stock from a single stockholder for $101,600. At September 30, 2002, there were 3,858,500 shares of stock held in treasury.

Other

The Company granted 1,700,000 shares of Series B preferred stock to certain employees during the year ended September 30, 1999. The Series B preferred stock has no stated dividend. The Series B preferred shares were convertible to common stock at the option of the holder. The shares were convertible at varying rates depending upon the trading price of the common stock at the time of conversion. The initial conversion rate was one share of common for each share of preferred. Conversion may not occur until certain "trigger events" occur and all rights with respect to the preferred shares terminate on November 30, 2004. "Trigger events" are defined as trading prices of the Company's common stock reaching or exceeding $5 through $10 per share and net income reaching or exceeding $5,000,000. No value was assigned to the preferred shares in the accompanying balance sheet nor was any compensation expense recognized for the year ended September 30, 2001, because the preferred shares were not exercisable at the time of issuances because of the failure of the Company to meet the "trigger events". Subsequently, management has cancelled the Series B preferred stock and rescinded those issuances and all shares of the Series B preferred stock were returned as of September 30, 2001.

10. COMMITMENTS AND CONTINGENCIES

Telco Billing

The acquisition of Telco by the Company called for the issuance of 17,000,000 new shares of stock in exchange of the existing shares of Telco. As part of that agreement, the Company gave the former shareholders the right to "Put" back to the Company certain shares of stock at a minimum stock price of 80% of the current trading price with a minimum strike price of $1.00. The net effect of which was that each of the former Telco shareholders could require the Company to repurchase shares of stock of the Company at a minimum cost of $10,000,000. The agreement required the Company to attain certain market share levels.

The "Puts" were renegotiated and retired. As part of the renegotiated settlement, the Company provided a credit facility of up to $10,000,000 to each of the former Telco shareholders (Mathew & Markson and Morris & Miller), collateralized by the stock held by these shareholders, with interest at least 0.25 points higher than the Company's average cost of borrowing. Additional covenants warrant that no more that $1,000,000 can be advanced at any point in time and no advances can be made in excess with out allowing at least 30 days operating cash reserves or if the Company is in an uncured default with any of its lenders. The advance agreement has no stipulated expiration date. At September 30, 2002, the Company had advanced $233,073 underthis agreement. The interest rate on these advances was 8% at September 30,2002. Based on the requirement for 30 days cash reserve, the Company estimates that the maximum balance that could be drawn under this agreement at September 30, 2002 is approximately $525,000. At September 30, 2002 ,$233,073 was drawn on the advance agreement.

Billing Service Agreements

The Company has entered into a customer billing service agreement with Integretel, Inc. (IGT). IGT provides billing and collection and related services associated to the telecommunications industry. The agreement term is for two years, automatically renewable in two-year increments unless appropriate notice to terminate is given by either party. The agreement will automatically renew on September 1, 2003, unless either party gives notice of termination 90 days prior to that renewal date. Under the agreement, IGT bills, collects and remits the proceeds to Telco net of reserves for bad debts, billing adjustments, telephone company fees and IGT fees. If either the Company's transaction volume decreases by 25% from the preceding month, less than 75% of the traffic is billable to major telephone companies, IGT may at its own discretion increase the reserves and holdbacks under this agreement. IGT handles all billing information and collection of receivables. The Company's cash receipts on trade accounts receivable are dependent upon estimates pertaining to holdbacks and other factors as determined by IGT. IGT may at its own discretion increase the reserves and holdbacks under this agreement.

The Company has also entered into an agreement with ACI Billing Services, Inc. ACI provides billing and collection and related services associated to the telecommunications industry.

These agreements with the billing companies provide significant control to the billing companies over cash receipts and ultimate remittances to the Company. The Company estimates the net realizable value of its accounts receivable on historical experience and information provided by the billing companies reflecting holdbacks and reserves taken by the billing companies and LEC's.

United States Federal Trade Commission (FTC)

The Company was a subject of an FTC investigation pertaining to claims made of deceptive marketing practices. The Company has reached an agreement with the FTC requiring the Company to make certain changes to mailing and promotional materials and notify certain customers that a refund of past

paid service fees is available. The settlement requires the Company to notify approximately 11,000 customers. Each of those customers may receive a refund of up to $12.50. At September 30, 2001, the Company accrued $45,413 which was paid in the year ended September 30, 2002. Management does not believe that there will be any additional material refunds. The Company may also be required to pay certain expenses incurred in the FTC investigation. The Company intends to contest payment of these expenses but believes that if such is a requirement of any final settlement with the FTC, the amount could range from $50,000 to $70,000.

11. NET INCOME PER SHARE

Net loss per share is calculated using the weighted average number of shares of common stock outstanding during the year. Preferred stock dividends are subtracted from the net income to determine the amount available to common shareholders. There were $494 and $ 0 preferred stock dividends in the years ended September 30, 2002 and 2001, respectively. Warrants to purchase 500,000 shares of common stock were excluded from the calculation for the year ended September 30, 2002. The exercise price of those warrants was greater than the trading value of the common stock and therefore inclusion of such would be anti-dilutive. Also excluded from the calculation were 131,840 shares of Series E Convertible Preferred Stock issued during the year ended September 30, 2002, which are considered anti-dilutive due to the cash payment required by the holders of the securities at the time of conversion.

The following presents the computation of basic and diluted loss per share from continuing operations:

<TABLE>
<CAPTION>

	2002			2001		
	Income	Shares	Per Share	Income	Shares	Per share
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Income	$3,696,463			$1,812,281		
Preferred stock dividends	(494)			-		
Income available to common Stockholders	$3,695,969			$1,812,281		
BASIC EARNINGS PER SHARE:						
Income available to common stockholders	$3,695,969	43,745,045	$ 0.08	$1,812,281	40,623,126	$ 0.04
Effect of dilutive securities	N/A	N/A		N/A	N/A	
DILUTED EARNINGS PER SHARE	$3,695,969	43,745,045	$ 0.08	$1,812,281	40,623,126	$ 0.04

</TABLE>

12. RELATED PARTY TRANSACTIONS

During the years ended September 30, 2002 and 2001, the Company entered into the related party transactions with Board members, officers and affiliated entities as described below:

Directors & Officers

Board of Director fees for the years ended September 30, 2002 and 2001 were $101,120 and $45,000 respectively. The Company also paid entities owned or controlled by certain board members $147,625 and $147,000 in 2002 and 2001, respectively, for consulting services other than routine Board duties. At September 30, 2002, $40,000 of the 2002 amount was accrued but unpaid. The Company also granted 100,000 shares of common stock to certain directors as part of their Board of Director fees for the year ended September 30, 2002.

During the year ended September 30, 2002, the Company made loans to its Chief Executive Officer and its Chief Financial Officer. The Board of Directors approved the loans as part of the officers' respective compensation packages. The loans carried an 8% interest rate and were collateralized by shares of Company common stock owned by the officers' valued at the greater of $1.00 per share or the current market price of the shares. The loans to the CEO and CFO totaled approximately $200,000 and $17,000 respectively. At September 30, 2002, the loan to the CEO was repaid and a bonus of a similar amount was paid. In May 2002, the CFO resigned. The Company believes the value of the collateral may not be sufficient to cover the outstanding loan balance. Thus, the Company has fully reserved the balance due on the loan.

At September 30, 2002, the Company had advanced $15,000 to its CEO related to his fiscal 2003 compensation and recorded a corresponding receivable. This amount will be amortized to compensation expense during the 2003 fiscal year. During the year ended September 30, 2001, the Company paid an entity controlled by its CEO approximately $158,000 for consulting services. During the years ended September 30, 2002 and 2001, the Company paid approximately $70,000 and $67,000, respectively, to an entity owned by its former CFO for other professional services. During the year ended

September 30, 2002, the Company paid approximately $27,000 to an entity owned by its former COO for certain consulting services he provided to the Company subsequent to his June 2002 termination of employment.

Simple.Net, Inc. ("SN")

The Company has contracted with Simple.Net, Inc. ("SN"), an internet service provider owned by a director of the Company, to provide internet dial-up and other services to its customers. SN has sold said services to the Company at below market rate prices from time to time. During the years ended September 30, 2002 and 2001, the Company paid SN approximately $55,000 and $68,000, respectively for said services. At September 30, 2002, $40,963 due SN was accrued in accounts payable.

In addition, SN pays a monthly fee to the Company for technical support and customer service provided to SN's customers by the Company's employees. The Company charges SN for these services according to a per customer pricing formula:

Customer Service & Management Agreement fees are calculated by number of customer records of SN multiplied by a base cost of $1.02.

Technical Support fees are calculated by number of customer records of SN multiplied by a base cost of 60 cents.

For the years ended September 30, 2002 and 2001, the Company recorded revenues of approximately $300,901 and $22,813, respectively, from SN for these services.

Prior to July 2002, the Company provided accounting functions to SN for a $2,500 monthly fee. This arrangement was canceled in July 2002.

The principal stockholders of the Company have provided significant financing to SN in the form of interest bearing loans. Said stockholders are not involved in the management of or represented on the boards of the Company or SN.

Commercial Finance Services d/b/a/ HR Management ("CFS")

The Company leases its employees from Commercial Finance Services, Inc. d/b/a HR Management (CFS). CFS provides factoring and financing services as well as act as a professional employer organization ("PEO") for small to mid-sized companies. CFS does not provide any services to the Company, other than those of a PEO. The majority of the Company's payroll is paid via CFS. This arrangement allows the Company to offer additional employee benefits by sharing those costs with other clients of CFS. The Company pays CFS a monthly fee of $2,800 for payroll and benefit administration.

The majority owner of CFS is Central Account Services, Inc.(CAS). CAS is partially owned by the Company's primary legal counsel (3% ownership) and its former CFO (4% ownership). The remaining ownership of CAS is unrelated to the Company. The principal stockholders of the Company have provided significant financing to CFS in the form of an interest bearing loan. Said stockholders are not involved in the management of or represented on the boards of the Company or SN.

Business Executive Services, Inc.

The Company has contracted with Business Executive Services, Inc. ("BESI"), an entity affiliated through certain common management, for processing of direct mail solicitation, welcome letters, and other customer communications. BESI subleases a portion of the Company's office space.

The Company pays a base fee of $15,750 per month plus a fee based on a per mail piece price of $0.015 based on the number of mail pieces prepared and sent. The floor amount is adjusted quarterly. During the year ended September 30, 2002, the Company paid $176,149 to BESI related to this agreement.

A director (Greg Crane) of the Company was employed, through an employee leasing arrangement, by BESI and received a salary of approximately $2,000 per month from BESI and bonuses in an undetermined amount. Mr. Crane is no longer employed by BESI. BESI has no ownership in the Company. The Company paid BESI $90,000 under this arrangement.

Advertising Management & Consulting Services, Inc.

Advertising Management& Consulting Services Inc. ("AMCS"), is a marketing and advertising company experienced in designing Direct Marketing Pieces, insuring compliance with regulatory authorities for those pieces and designing new products that can be mass marketed through the mail. AMCS' president is a director of the Company.

The Company outsources the design and testing of its many direct mail pieces to AMCS for a monthly fee of $20,000 per month. AMS is also solely responsible for the new products that have been added to the Company's website and is working on new mass-market products to offer the Company's customers.

Other

As part of the Company's original default settlement with the prior owners of the URL discussed in Note 4, the Company has provided certain equipment and improvements to an affiliated entity at no cost to that affiliated entity. The Company retains title and control of these assets. However, the assets are not being utilized by the Company. The net book value of the office equipment and leasehold improvements being utilized by the affiliated entity was approximately $60,000 at September 30, 2002. The Company is also providing office space to this entity for substantially below market rental rates. This entity is affiliated through commonality of certain management members.

Advances to affiliates are summarized as follows at September 30, 2002:

Sunbelt Financial	$ 197,640
The Thompson Group	16,899
Mathew & Markson	233,073
Total	447,612
Less allowance	(214,539)
Total	$ 233,073

13. CONCENTRATION OF CREDIT RISK

The Company maintains cash balances at banks in Arizona. Accounts are insured by the Federal Deposit Insurance Corporation up to $100,000. At September 30, 2002, the Company had bank balances exceeding those insured limits of $580,000.

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily trade accounts receivable. The trade accounts receivable are due primarily from business customers over widespread geographical locations within the LEC billing areas across the United States. The Company historically has experienced significant dilution and customer credits due to billing difficulties and uncollectible trade accounts receivable. The Company estimates and provides an allowance for uncollectible accounts receivable. The handling and processing of cash receipts pertaining to trade accounts receivable is maintained primarily by a single third party billing company. The Company is dependent upon this billing company for collection of its accounts receivable.

14. STOCK BASED COMPENSATION

From time to time, the Company issues stock options to executives, key employees and members of the Board of Directors. The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," and continues to account for stock based compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees". Accordingly, no compensation cost has been recognized for stock options granted to employees. There were no options granted in the years ended September 30, 2002 and 2001 nor was there any additional vesting of options previously granted.

During the year ended September 30, 2002, the Company's shareholders approved the 2002 Employees, Officers & Directors Stock Option Plan (the 2002 Plan). Under the 2002 Plan, the total number of shares of common stock that may be granted is 3,000,000. The Plan provides that shares granted come from the Corporation's authorized but unissued common stock. The price of the options granted under this plan shall not be less than 100% of the fair market value, or in the case of a grant to a principal shareholder, not less than 110% of the fair market value of such common shares at the date of grant. The options expire 10 years from the date of grant. At September 30, 2002, no stock options had been granted under the 2002 Plan.

Under the Employee Incentive Stock Option Plan approved by the stockholders in 1998, the total number of shares of common stock that may be granted is 1,500,000. The plan provides that shares granted come from the Corporation's authorized but unissued common stock. The price of the options granted pursuant to this plan shall not be less than 100 percent of the fair market value of the shares on the date of grant. The options expire from five to ten years from date of grant. At September 30, 2002, the Company had granted an aggregate of 1,212,000 options under this plan, all of which had expired as of September 30, 2001.

In addition to the Employee Incentive Stock Option Plan, the Company will occasionally grant options to consultants and members of the board of directors under specific stock option agreements. There were no such options granted in the years ended September 30, 2002 and 2001.

At September 30, 2002, there were no options exercisable or outstanding. No options were granted in the years ended September 30, 2002 and 2001.

The Company has issued warrants in connection with certain debt and equity transactions. Warrants outstanding are summarized as follows:

	2002		2001	
		Weighted Average Exercise Price		Weighted Average Exercise Price
Warrants outstanding at beginning of year	500,000	$ 2.12	350,000	$ 2.00
Granted	-0-		500,000	$ 2.12
Expired	-0-		(350,000)	$ 2.00
Exercised	-0-		-0-	
Outstanding at September 30,	500,000	$ 2.12	500,000	$ 2.12

The warrants granted in the year ended September 30, 2001 were issued in connection with the settlement with the former URL holder (NOTE 4). The exercise prices of the warrants range from $1.00 to $3.00. The fair values of these warrants were estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Dividend yield	None
Volatility	0.491
Risk free interest rate	4.18%
Expected asset life	2.5 years

The 500,000 warrants outstanding at September 30, 2002, expire in September 2006.

15. EMPLOYEE BENEFIT PLAN

The Company maintains a 401(k) profit sharing plan for its employees. Employees are eligible to participate in the plan upon reaching age 21 and completion of three months of service. The Company made contributions of $3,400 and $2,300 to the plan for the years ended September 30, 2002 and 2001.

16. OTHER INCOME

Other income for the year ended September 30, 2002, includes a gain of $267,000 related to the rescission of a consulting contract that was entered into in a prior year (NOTE 9). Also, included is a gain of $130,000, net of legal costs, resulting from the settlement of a dispute with one of the Company's former billing companies.

* * * * * *

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

On March 14, 2000, we reported that we replaced McGladry and Pullen LLP as our principal certified public accountants. McGladry and Pullen LLP had been engaged as the independent auditors, but had not issued any audited reports.

On March 30, 2000, we appointed King,Weber & Associates, P.C., as our independent auditors to conduct the audit of our September 30, 2000 fiscal year financial statements. On December 31, 2000 King, Weber & Associates, P.C. changed its corporate name to Marshall & Weber, CPA's, PLC and subsequently changed its corporate name to Weber and Company P.C. On September 18, 2001, the Company had appointed Weber & Company P. C. as our independent auditors to conduct the audit of our September 30, 2001 fiscal year financial statements. During Fiscal 2002, Weber & Company P. C. merged with Epstein & Connover P. C. to become Epstein, Weber & Connover P. L. C. On September 20, 2002 we appointed Epstein, Weber & Connover P. L. C. as our independent auditors to conduct the audit of our September 30, 2002 financial statements.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS, AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

DIRECTORS AND EXECUTIVE OFFICERS

The following biographical information is provided for each of the Company's Directors and Executive Officers:

ANGELO TULLO. Mr. Tullo has served as the Chairman of the Board of YP.Net since February 2000. Mr. Tullo was hired as Chief Executive Officer and President on September 10, 2000. Since December 1999, Mr. Tullo has also been the president of Sunbelt Financial Solutions, Inc., an investment banking and consultant firm in Scottsdale, Arizona. From Janaury 1997 to December 1999, Mr Tullo was an officer and director of American Business Funding Corp. Currently and for over twenty years, Mr. Tullo has been active as a business consultant. Mr. Tullo has actively worked with commercial financing and factoring for the past ten years. He has owned and operated factoring companies, leasing companies, consulting companies, wholesale companies, professional employment organizations, insurance agencies, heating and air-conditioning contractors, retail oil companies, real estate companies and restaurants. He is a former member of the CEO Club in New York, and current a member of the Presidential Business Roundtable Committee.

In February 2000, American Business Funding Corp. filed for protection under Chapter 11 of the Bankruptcy Code in the Federal District Court of Arizona. Mr. Tullo had previously been a director, officer and shareholder of American Business Funding prior to the time of its bankruptcy filing.

GREGORY B. CRANE. Mr. Crane has been a director of YP.Net since February, 2000 and also served as its Director of Operations from February 2000 to September 2000. Mr. Crane is the President of AMCS. AMCS provides marketing and administrative services as well as personnel to the Company. From mid 1997 to December 2002, he was a marketing consultant to BESI, a related party to the Company (See "Certain Relationships and Related Transactions"). From September 1998 to June 1999, Mr. Crane was the General Manager of Telco Billing, Inc. ("Telco"). Mr. Crane has also owned and/or operated several businesses, including residential and commercial builders, multi-state mail order, and document-preparation companies (including State Recording Services, Inc.), and was also the creator of the Yellow-Page.Net concept. Mr. Crane is a former member of the Young Entrepreneur's Organization ("YEO").

In connection with providing homestead declaration document preparation and filing services, Mr. Crane (personally) and one of these businesses (State Recording Services, Inc.) have been subject to injunctive actions brought by the states of Arizona, Florida, Texas and Washington. Mr. Crane was the President and a significant shareholder of State Recording Services, Inc. These actions generally raised legal questions concerning mailer solicitations for document preparation services. Mr. Crane and various of the state plaintiffs have entered into consent orders in connection with these actions that required the modification of mailers and the payment of civil penalties, restitution, and attorneys' fees. Regarding each injunctive action, the use of the mail solicitation for document preparation services was prohibited in the State of Washington and Mr. Crane satisfied a judgment rendered in December 1994 of $500,000. Mr. Crane voluntarily entered into an agreement with the State of Florida in connection with these matters and due to an error in type size made by the printing company; Mr. Crane technically violated that order. In connection with that violation of the Florida order, Mr. Crane was subject to a judgment, dated February 1998, in the amount of approximately $1.4 million, plus accrued interest. As of February 2003, this judgment has expired and is no longer binding on Mr. Crane under Florida law and is in the process of being vacated. The injuctive actions in Arizona and Texas were both satisfied in April 1995 for primarily attorneys fees and refund offers to customers.

Mr. Crane was also named in the action filed by the Federal Trade Commission ("FTC") against the Company and has been included in the stipulated preliminary order entered into by the FTC and us and approved by the FTC. The Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief by and between the FTC, Mr. Crane, Telco, us and others (the "Order") places certain restrictions on the way mail solicitations will appear. The Order has been approved by the U.S. District Court Judge and the matter is closed with no findings of wrong doing on the part of the company, its officers and directors or Mr. Crane.

DANIEL L. COURY. Mr. Coury has served as a director of YP.Net since February 2000. For the last twelve years, Mr. Coury's principal business has been Mesa Cold Storage, Inc., which owns and operates the largest cold storage facilities in Arizona. He is also involved in the ownership and operation of various real estate interests and business ventures.

DEVAL JOHNSON. Mr. Johnson has served as a director since October 1999. Mr. Johnson was the graphics designer and director of Telco Billing from September 1998 until June 1999 when the Company acquired it. Since that time, Mr. Johnson has been responsible for the design of the in-house sales presentations and creation of the corporate logo(s) and image for YP.Net. In 2001, Mr Johnson formed his own company called Advanced Internet Marketing, Inc. to provide design and marketing services to a variety of companies and has continued to offer these services to YP.Net. In 2002, Mr. Johnson accepted the position of Vice President of Corporate Image for YP.Net. From 1995 through 1998, Mr. Johnson was a graphics designer for Print Pro, Inc. Mr. Johnson is actively involved with Website promotion, interactive design and Internet advertising. Mr. Johnson also serves as an officer and board member and is the beneficial owner of Simple.Net a national Internet service provider, a related party. See "Certain Relationships and Related Transactions".

PETER BERGMANN. Mr. Bergmann has served as a director of the Company since May 2002. Since January 1999, Mr. Bergmann has served as the President of Perfect Timing Media, Inc. ("Perfect Timing"), a television development and production company which he founded. Perfect Timing focuses primarily on family fare programming. From 1994 to1999, Mr. Bergmann was a member of the faculty at Fairleigh Dickinson University where he inaugurated the Electronic Filmmaking and Digital Video Design program which is a distinctive program in video and computer-generated graphics technologies offering students an opportunity to study commerce and art. In 1988, Mr. Bergmann joined Major Arts, Inc., a division of Paramount Communications, Inc., as the head of its television division where he was responsible for developing projects for television production. In 1987, Mr. Bergmann served as the President of Odyssey Entertainment, Inc. where he engineered the purchase of Coast Productions, Inc., which subsequently became Odyssey Filmmakers, Inc. where he served as President. From 1984 through 1987, Mr. Bergmann served as President of The Film Company where he had directorial and production responsibilities for theatrical releases and projects for television. During the 14 years prior to 1984, Mr. Bergmann was employed in various capacities by the American Broadcasting Company. These positions included line producer, division head, assistant to the President, Executive Vice President and Special Assistant to the Chairman of the Board. Mr. Bergmann received his PhD from New York University.

David J. Iannini. Mr. Iannini has served as the Chief Financial Officer since August 2002. Mr. Iannini was employed by Viad Corp from July 1999 to June 2002. He was Viad Corp Treasurer and Vice President of Corporate Development . Viad Corp. is a diversified service business with operating companies involved in the financial services, convention, travel and other businesses. Viad Corp. is an SEC Reporting company. Mr.Iannini was an investment banker from August 1986 to July 1999 , primarily with Salomon Brothers, Inc. Mr. Iannini received his Masters in Business Administration, Summa Cum Laude, from the Anderson Graduate School of Management at U.C.L.A. Prior to his graduate studies, he worked with a Big Five accounting firm and is a C.P.A. Mr. Iannini received his Bachelors of Science degree, Magna Cum Laude, in Accounting from Boston College in 1981.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on review of reports under Section 16(a) of the Securities Exchange Act of 1934, as amended, that were filed by executive officers and directors and beneficial owners of 10% or more of our common stock during the fiscal year ended September 2002, to the best of the Company's knowledge, except as follows, all 16(a) filing requirements have been made through the fiscal year ended September 30, 2001, and September 30, 2002. This information is based on a review of Section 16(a) reports furnished to us and other information.

Name	# of Reports
Angelo Tullo	4
Greg Crane	5
DeVal Johnson	3
Dan Coury	1
Peter Bergmann	1
David Iannini	1

ITEM 10. EXECUTIVE COMPENSATION

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of YP.Net, their ages and positions are as follows:

<TABLE>
<CAPTION>

NAME	AGE	POSITIONS HELD(1)
<S>	<C>	<C>
Angelo Tullo	47	Chairman of the Board, Director, Chief Executive Officer and President
Gregory B. Crane	38	Vice President and Director
DeVal Johnson	36	Vice President, Secretary and Director
David J. Iannini,	43	Chief Financial Officer
Daniel L. Coury, Sr.	48	Director
Peter Bergmann	54	Director

<FN>
(1) All current directors serve until the next annual shareholders meeting or their earlier resignation or removal.
</TABLE>

OFFICER COMPENSATION

The following table reflects all forms of compensation for the fiscal years ended September 30, 2002, and September 30, 2001, for the Chief Executive Officer and the other two most highly compensated executive officers of YP.Net, Inc., whose salaries exceed $100,000 annually, for the years stated.

SUMMARY COMPENSATION TABLE

	Annual Compensation			
NAME AND PRINCIPAL POSITION	FISCAL YEAR	SALARY	Bonus	OTHER COMPENSATION
Angelo Tullo (1)	2002	$ 240,000	$208,000	
Chairman, Chief Executive	2001	$ 210,000		$44,000
Officer,	2000	$ 121,662		$21,000
President				
Pamela J Thompson (2)	2002	$ 177,678		(2)
Former Chief Financial Officer	2001	$ 255,855		$4,500
Former Secretary, Former Treasurer	2000	-0-		-0-
DeVal Johnson(3)	2002	$ 113,800	$20,000	-
Vice President, Secretary and Director	2001	-0-	5,618	-0-
	2000	10,000	-0-	$10,500
Greg Crane(4)	2002	$ 237,000	$35,000	-
Vice President and Director	2001	114,000	-0-	-0-
	2000	$ 34,500	-0-	$10,500

(1) The amount shown herein as compensation to Mr. Tullo is the total amount paid by the Company to Sunbelt for services provided to the Company by Mr. Tullo

and his staff, but may not reflect Mr. Tullo's actual compensation from Sunbelt, which may be greater or less. Mr. Tullo is not directly compensated by the Company. Includes 200,000 shares of YP.Net stock valued at $.22 per Share in 2001 and 100,000 shares of YP.Net stock valued at $.21 per share in 2000. Subsequent to September 30, 2002, 4,000,000 shares of YP.Net stock valued at $.075 per share in 2002 were issued to Mr. Tullo. Such shares and related amounts are not included in the table. On September 20, 2002, the Company entered into an Executive Consulting Agreement with Sunbelt pursuant to which Mr Tullo provides services to the Company. See "Certain Relationships and Related Transactions".

(2) The amount shown herein as compensation to Ms. Thompson is the total amount paid by the Company to The Thompson Group P.C. for services provided to the Company by Ms. Thompson and her staff, but may not reflect Ms. Thompson's actual compensation from The Thompson Group P.C., which may be greater or less. Ms. Thompson was not directly compensated by the Company. Includes $16,898 issued as a Note Receivable in 2002 (see legal proceedings) and 50,000 shares of YP.Net stock valued at $.09 per share in 2001.

(3) The amount shown herein as compensation is the total amount paid by the Company for the services of AIM including Mr. Johnson and his staff but may not reflect Mr. Johnson's actual compensation from AIM, which may be greater or less. Mr. Johnson is not compensated directly by the Company. Includes 50,000 shares of YP.Net stock valued at $.21 per share in 2000. Subsequent to September 30, 2002, 1,000,000 shares of YP.Net stock valued at $.075 per share were issued to Mr. Johnson. On September 20, 2002, the Company entered into an Executive Consulting Agreement with AIM pursuant to which Mr. Johnson provides services to the Company. See "Certain Relationships and Related Transactions".

(4) The amount shown herein as compensation to Mr. Crane is the total amount paid by the Company to AMCS for services provided to the Company by Mr. Crane and his staff, but may not reflect Mr. Crane's actual compensation from AMCS, which may be greater or less. Mr. Crane is not directly compensated by the Company. Mr. Crane is the President of AMCS. AMCS provides marketing and administrative services and personnel to the Company. Includes 50,000 shares of YP.Net stock valued at $.21 per share in 2000. Subsequent to September 30, 2002, 1,000,000 shares of YP.Net stock valued at $.075 per share were issued to Mr. Crane. On September 20, 2002, the Company entered into an Executive Consulting Agreement with AMCS pursuant to which Mr. Crane provides services to the Company. See "Certain Relationships and Related Transactions".

COMPENSATION PURSUANT TO STOCK OPTIONS

No stock options were granted to executive officers during the fiscal years ended September 30, 2001, and September 30, 2002.

DIRECTOR COMPENSATION

Upon appointment to the Board, Mr. Tullo was awarded 100,000 shares of our common stock. All other directors were awarded 50,000 shares. The shares awarded were earned monthly for director services performed. The 425,000 shares of common stock paid to the directors as compensation for their services were valued at $.22 per share for a total value of $93,500 and the value is considered based upon the average bid and ask price as of date of issuance by the Board of Directors and is in reliance on the exemption from registration provided by Section 4(2) of the Securities Act. Additionally, the directors receive $2,000 per meeting or per quarter for their service on the Board and may receive $250 per hour for services related to any Board Committee on which they serve. Effective September 30, 2002, the Company pays $10,000 monthly to DLC Consulting pursuant to an oral agreement. DLC Consulting is owned by Daniel Coury Sr., a director of the Company. The payments relate to various financial, strategic and administrative services performed for the Company's Board of Directors. See Certain Relationships and Related Transactions.

1998 Stock Option Plan

In June 1998, our Board of Directors adopted, and our shareholders approved, the 1998 Stock Option Plan (the "Plan"). The purpose of the Plan was to provide incentives to employees, directors and service providers to promote our success. The Plan provides for the grant of both qualified and non-qualified options to purchase up to 1,500,000 shares of our common stock at prices determined by the Board of Directors, but in the case of incentive options, at a price not less than the fair market value of the stock on the date of the grant. The Plan is administered by the Board of Directors or by a committee appointed by the Board. areas of September 30, 2002 there were no options currently outstanding under this Plan which has been replaced by the 2002 Stock Option Plan discussed below.

2002 Stock Option Plan

The 2002 Stock Option Plan was adopted by the Board of Directors on April 10th, 2002, and provided for the issuance of up to 3,000,000 options. It was approved by our shareholders on September 20, 2002. The Board of Directors has reserved 3,000,000 shares of Common Stock for issuance under the 2002 Option Plan. The 2002 Stock Option Plan replaces the 1998 Stock Option plan and was approved by the shareholders on September 20th, 2002.

The primary purpose of the 2002 Option Plan is to attract and retain the best available personnel for the Company in order to promote the success of the Company's business and to facilitate the ownership of the Company's stock by employees. The ability of a company to offer a generous stock option program has now become a standard feature in the industry in which the company operates.

All terms of the previous plan remain in force except as modified by the new plan. Some modifications include; options can only be made for a option price that is not less than 110% of the current stock price, and the options are not transferable. (see the Company's form 14-A as filed on August 31, 2002 for more details). As of September 30, 2002, there were no options outstanding under this Plan.

ITEM 11. SECURITY OWNERSHIP OF OWNERS AND MANAGEMENT

The following table sets forth, as of January 7, 2003, the ownership of each person known by us to be the beneficial owner of five percent or more of our common stock, each officer and director individually, and all officers and directors as a group. We have been advised that each person has sole voting and investment power over the shares listed below unless otherwise indicated.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	PERCENT OF CLASS(1)
Angelo Tullo(2) 4840 East Jasmine Street Suite 105 Mesa, AZ 85205	4,300,000	8.7%
Gregory B. Crane (3) 4840 East Jasmine Street Suite 105 Mesa, AZ 85205	1,077,500	2.2%
DeVal Johnson (4) 4840 East Jasmine Street Suite 105 Mesa, AZ 85205	1,125,000	2.3%
David Iannini 4840 East Jasmine Street Suite 105 Mesa, AZ 85205	50,000	*
Daniel L. Coury, Sr. 4840 East Jasmine Street Suite 105 Mesa, AZ 85205	50,000	*
Peter Bergmann 4840 East Jasmine Street Suite 105 Mesa, AZ 85205	50,000	*

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF OWNERSHIP	PERCENT OF CLASS(1)
Matthew & Markson Ltd. (5) Woods Centre, Frair's Road P.O. Box 1407 St. John's Antigua, West Indies	11,566,032	23.4%
Morris & Miller Ltd. (5) Woods Centre, Frair's Road P.O. Box 1407 St. John's Antigua, West Indies	10,350,000	20.1%
Sunbelt Financial Concepts, Inc. 7579 East main Street #200 Scottsdale, AZ 85251	4,000,000	8.1%
All Directors as a Group (7 persons)	6,652,500	13.4%

* Represents less than one percent (1%) of our issued and outstanding common stock.

(1) Based on shares outstanding as of January 7, 2003. This amount excludes 4,500,000 shares issued and held as collateral for obligations of YP.Net under two promissory notes. Upon timely payment of the notes, the shares will be returned to YP.Net for cancellation.
(2) Of which 4,000,000 shares are owned by Sunbelt Financial Concepts , Inc. ("Sunbelt") which are also shown separately in this table.. While Mr. Tullo is the President of Sunbelt, he has no ownership interest in Sunbelt, he does, however, share disposative powers over the stock owned by Sunbelt. Hickory Management is the owner of Sunbelt and Mr. Tullo is not the control person of Hickory Management.
(3) Of which 1,000,000 shares are owned by Advertising Management and Consulting Services, Inc.("AMCS"). While Mr. Crane is the President of AMCS, he has no ownership interest in AMCS, although, as President of AMCS, he shares disposative power over the stock owned by AMCS. Adam Holding Trust is the owner of AMCS and Mr. Crane is not a control person of Adam Holding Trust.
(4) Of which 1,000,000 shares owned by Advanced Internet Marketing, Inc.

("AIM"). Mr Johnson is President of AIM and his minor children are the beneficiaries of the trust which owns AIM.
(5) The number of shares held by Matthew & Markson, Ltd. includes 2,000,000 shares issued as collateral for a note payable issued by YP.Net. Matthew & Markson has voting control of these shares. These shares will be returned to YP.Net and cancelled upon timely payment of the note. Ilse Cooper, AMT Director is the control person for both Matthew & Markson as well as Morris & Miller. AMT is the trust company with whom Ilse Cooper is associated.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Acquisition of Telco. In June 1999, the Company's predecessor acquired all of the outstanding stock of Telco in exchange for 17,000,000 shares of our common stock. Matthew & Markson, Ltd. and Morris & Miller, Ltd., as the shareholders of Telco, were issued 7,650,000 and 9,350,000 shares, respectively. As to these shares, the original acquisition agreement provided for certain Put rights that were later terminated. In exchange for cancellation of the Put rights, we agreed to provide each of the former Telco shareholders with a $10,000,000 credit facility. Loans made to these shareholders under this facility are to be secured by a pledge of our stock. Interest for borrowings under this facility is to be at least 0.25% higher than our average borrowing costs. No advances in excess of $1,000,000 may be made at any one time and no advances in excess of $1,000,000 are to be made unless we have available at least 30 days operating capital plus other reserves. No advances are permitted to be made if we are in default with respect to any of our lender obligations. As of September 30, 2002 $233,073 was advanced to Matthew & Markson.

Gregory B. Crane and DeVal Johnson were employees of and primarily involved in the start-up of Telco. Mr. Crane continues to serve as a liaison for the Company to Matthew & Markson, Ltd. and Morris & Miller, Ltd. and negotiated the acquisition of Telco by the Company's predecessor entity on behalf of the former Telco shareholders.

License of URL. In connection with the acquisition of Telco, the Company's predecessor entity also agreed to pay Matthew & Markson, Ltd. $5,000,000 as a discounted accelerated licensing payment for a 20-year license of the URL Yellow-Page. Net. The consideration was rendered under the terms of an Exclusive Licensing Agreement dated September 21, 1998, between Telco and Matthew & Markson, Ltd. The payment was originally to be paid in full upon the acquisition of Telco. However, the Company was unable to pay the entire consideration in cash. Therefore, the Company instead negotiated to pay the $5 million due in cash due at closing with a $3 million down payment and also executed a $2,000,000 Note (the "Note") to Matthew & Markson due on August 15, 1999.In addition, as a result of its failure to pay the entire $5 million in cash at closing, the Company incurred a $2 million penalty fee at this time although the Company was unaware of this obligation at that time because Matthew & Markson had not yet asserted its claim until July 2001.

On August 15, 1999The Company defaulted on the payment of the $2,000,000 Note . To extend this payment obligation to November 15, 1999, the Company agreed to provide, for the benefit of Matthew & Markson, $250,000 in tenant improvements for approximately one-half of our Mesa facility. The premises were leased to Matthew & Markson's designee ("BESI") for $1.00 per year throughout the term of the 5-year lease. The annual fair rental value of the lease premises is $4,500 per month. BESI purchased this lease from Matthew & Markson for a one-time payment of $75,000.

At the due date of the extension (November 15, 1999), the Company still had not paid the Note. Therefore, on November 15, 1999, we further extended the payment of the Note to January 15, 2000 by paying an extension fee of $200,000. On January 15, 2000, the Company again defaulted on the extention and the note was renegotiated to a demand note with monthly installments of $100,000 per month. Under the terms of the renegotiated Note, the payments may have been suspended if we did not have certain cash reserves or are otherwise in default under other obligations. The note was secured by 2,000,000 shares of our common stock held in escrow, to be returned for cancellation upon payment of the note. This Note has been paid in full but the collateral shares are still held by Matthew & Markson to secure payment of the penalty fee discussed below.

In July 2001, the Company was informed by Matthew & Markson that a $2,000,000 penalty fee was due on the original acquisition agreement as a result of the Company's failure to pay the entire $5 million due in cash at closing. On September 25, 2001, in settlement thereof, we agreed to pay Matthew Markson, Ltd., $550,000 and issued 4,000,000 shares of our common stock at $0.09, and the value is considered based upon the average bid and ask price as of September 25, 2001 and is in reliance on the exemption from registration provided by Section 4(2) of the Securities Act.

The $550,000 will be paid over a thirty-six month term at a 10.5% annual interest rate. Matthew Markson Ltd. has agreed and waived any future payments for the original default of the and extension fee for the acquisition of Telco. Matthew Markson Ltd will continue its security interest in the company and collateral shares held by Matthew Markson. Ltd. The balance due at year end was $115,866. See Footnote 12 to the Financial Statements.

SUNBELT FINANCIAL CONCEPTS , INC.

On September 20th, 2002, the Company and Sunbelt Financial Concepts, Inc. ("Sunbelt") entered into an Executive Consulting Agreement, which replaced a prior agreement, dated the previous September. The Sunbelt agreement has a term of 3 years. Angelo Tullo is the President of Sunbelt. The Sunbelt agreement provides that Mr. Tullo, through Sunbelt, will provide the Company with the

services of Chief Executive Officer, Chairman and President among other administrative services and personnel. As part of the Sunbelt Agreement, Sunbelt will receive $32,000 per month with a 10% annual increase in each

succeeding year, Board of Director fees and fees and reimbursements for certain ancillary items. In addition, the Sunbelt agreement also awarded Sunbelt 4 million shares of the Company's common stock, grossed-up for taxes, subject to achieving certain performance goals for the Company in Fiscal 2003. If such goals are not achieved, then part of the award is forfeited on a pro rata basis. The agreement also awarded a bonus of $208,000 to Sunbelt relating to performance in Fiscal 2002. As part of the agreement, Sunbelt's previous line of credit with the Company (on which $197,640 was outstanding at September 30, 2002 and repaid to the Company with interest subsequent to year end.) was cancelled and a Flex Compensation program was instituted which allows Sunbelt to draw up to $220,000 (increased by 10% on each anniversary date of this Agreement) as additional compensation, subject to sufficient cash on hand at the Company. In addition, the agreement contains a Due on Sale clause whereby if there is a change of control of the Company, as defined, then Sunbelt will receive the greater of 30% of the amounts due under the Agreement or 12 months worth of fees. As of March 31, 2003, Sunbelt had drawn approximately $200,000 under its Flex compensation agreement.

A previous separate agreement with Sunbelt, dated January 2002, wherein the Company leases two vehicles for Sunbelt in the Company's name, while Sunbelt pays the leases, remains in effect until the conclusion of the respective leases. The monthly amount of the leases for the vehicles are $1,079 and $1,111 respectively and the leases expire on January, 2005 and February, 2005 respectively.

While Mr. Tullo is the President of Sunbelt, he has no ownership interest in Sunbelt. As president of Sunbelt, he does, however, maintain disposative powers over the shares of Company stock issued to Sunbelt.

ADVERTISING MANAGEMENT & CONSULTING SERVICES, INC.

On September 20th, 2002, the Company and Advertising Management & Consulting Services, Inc. ("AMCS") entered into an Executive Consulting Agreement. The AMCS agreement has a term of three years. Mr. Crane is the President of AMCS. The AMCS agreement provides that Mr. Crane, through AMCS will provide the Company with the services of Director and Vice President - Marketing, among other administrative services and personnel. As part of the AMCS agreement, AMCS will receive $32,000 per month with a 10% annual increase in each succeeding year, Board of Director fees and fees and reimbursements for certain ancillary items. In addition, the AMCS agreement also awarded AMCS with 1 million shares of the Company's common stock, grossed-up for taxes, subject to achieving certain performance goals for the Company in Fiscal 2003. If such goals are not achieved, then part of the award is forfeited on a pro rata basis. The Agreement also awarded a bonus of $35,000 to AMCS relating to performance in Fiscal 2002. As part of the agreement with AMCS, a Flex Compensation program was instituted which allows AMCS to draw up to $50,000 (increased by 10% on each anniversary date of this Agreement) as additional compensation, subject to sufficient cash on hand at the Company. In addition, the agreement contains a Due on Sale clause whereby if there is a change of control of the Company, as defined, then AMCS will receive the greater of 30% of the amounts due under the agreement or 12 months worth of fees. As of March 31, 2003, AMCS had drawn $50,000 under its Flex compensation agreement.

ADVANCED INTERNET MARKETING, INC.

On September 20th, 2002, the Company and Advanced Internet Marketing, Inc. ("AIM") entered into an Executive Consulting Agreement.The AIM agreement has a term of three years. Mr. Johnson is the President of AIM, and AIM is wholly-owned by a trust for the benefit of Mr. Johnson's children. The AIM agreement provides that Mr. Johnson, through AIM, will provide the Company with the services of Director, Corporate Secretary and Vice President - Corporate Image, among other administrative services and personnel. As part of the AIM agreement, AIM will receive $18,000 per month with a 10% annual increase in each succeeding year, Board of Director fees, and fees and reimbursements for certain ancillary items. In addition, the agreement also awarded AIM with 1 million shares of Company common stock, grossed-up for taxes, subject to achieving certain performance goals for the Company in Fiscal 2003. If such goals are not achieved, then part of the award is forfeited on a pro rata basis. The agreement also awarded a bonus of $20,000 to AIM relating to performance in Fiscal 2002. As part of the agreement, a Flex Compensation program was instituted which allows AIM to draw up to $50,000 (increased by 10% on each anniversary date of this Agreement) as additional compensation, subject to sufficient cash on hand at the Company. In addition, the Agreement contains a Due on Sale clause whereby if there is a change of control of the Company, as defined, then AIM will receive the greater of 30% of the amounts due under the Agreement or 12 months worth of fees. As of March 31, 2003, AIM had drawn $30,000 under its Flex compensation agreement.

Simple. Net. ("SN")
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The Company has entered into mutual service agreements with Simple. Net ("SN"), for a term of 1 year, automatically renewable. Mr. DeVal Johnson, a director of YP.Net, Inc., is the beneficial owner of SN. SN is a national internet service provider that has from time to time sold those services to the Company at below market rate prices.

The Company has an agreement with Level 3, an unaffiliated entity, to provide internet services to the Company's customers. On May 1, 2002, the Company assigned its Level 3 contract to SN in exchange for a new contract from SN toprovide dial-up services for the Company's customers at a reduced rate of $2.50 per user, per month. The Company determined that it did not have a sufficient amount of internet service dialup customers to benefit from its Level 3 contract, while SN, as an internet service provider, had a sufficient number of customers to support the base payment structure agreed to in the Level 3 contract. As a result, during this period the Company paid $58,958 to SN instead of the $153,176 that would have been paid to Level 3 pursuant to the Level 3 agreement. If the Company's internet dial-up customers increases by a sufficient number, the Level 3 contract would be less expensive for us than our agreement with SN. Furthermore, the Level 3 contract is not assignable without the consent of Level 3, which the Company has not yet obtained. Consequently, the Company is still liable to Level 3 under the terms of the contract. SN has agreed to assume and perform the terms of the Level 3 contract. The assignment of the Level 3 contract to SN resulted in savings to the Company of approximately $94,218. In addition, SN has contracts with other National providers such as Broadwing Communications and through the Company's contract with SN the Company has obtained access numbers under those contracts as well for the benefit of the Company's customers.

SN pays a monthly fee to the Company to provide technical support and provide quality customer service while utilizing the Company's own customer service personnel as well as management and accounting services according to a pricing formula based on a price per customers as follows:

Customer Service & Management Agreement fees are calculated by number of customer records of SN multiplied by a base cost of $1.02.

Technical Support fees are calculated by number of customer records of SN multiplied by a base cost of 60 cents.

Until July 1, 2002, the Company's staff performed the accounting functions for SN since SN utilizes a compatible accounting and billing process. SN paid us $2,500 a month for these accounting services. As of July 1, 2002, the Company no longer provides accounting services to SN as this arrangement has been canceled.

Both Matthew & Markson and Morris & Miller (The Company's two largest shareholders) have provided the primary financing for SN. Neither Matthew & Markson, nor Morris & Miller is a part of management or on the Board of Directors of the Company or SN.

Matthew Markson, Ltd.
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The Company has a note payable to Mathew Markson, Ltd. ("M&M"), which at the beginning of the fiscal year had a principal balance of $550,000. The outstanding balance on this note as of September 30, 2002, was $155,866 . In accordance with instructions that the Company has received from M&M, the Company has made payments to third parties on behalf of M&M, and applied those payments as reductions to this note, thereby reducing the outstanding balance on our books and records.

Matthew & Markson, Ltd. and Morris & Miller, Ltd. Advance Agreement.

The Company has made advances to Matthew & Markson, Ltd. and Morris & Miller, Ltd. (M&M) that are also collateralized by the Company's common stock owned by M&M. This loan agreement resulted from a settlement reached in September 2000 with M&M whereby the "put" agreements originated as part of the purchase of Telco billing was terminated. The "put" agreement would have allowed M&M to "put" back to the Company up to 10 million shares of common stock each at a price of $1.00 per share. Management negotiated a loan agreement with M&M in exchange for the termination of "put" agreement rights whereby M&M can each borrow up to $10 million dollars from the Company collateralized by M&M's YP.Net stock valued at a floor of $1.00 per share or 80% of the last trade of the stockprior to the advance request, whichever is greater. The interest rate charged on these advances is either an 8% annual rate or % higher than the Company's average borrowing cost from an institutional lender, whichever is greater. Currently M&M is charged an interest rate of 8% calculated as an annual rate as the Company has paid off its institutional lender. There are restrictions in the loan agreement that allow management to reject an advance request by M&M if the Company has insufficient cash, cash reserves and anticipated cash receipts and or borrowing availability to cover operating expenses over the next 30-day period. M& M is a 27% shareholder of the Company.

The following schedule sets forth the balances of the Company's advances made on behalf of Matthew & Markson, Ltd. and Morris & Miller, Ltd. as part of this agreement as of September 30, 2002:

Morris & Miller, Ltd.	$ 0
Matthew & Markson	233,073
Total Advances to the M&M's	$233,073

Matthew & Markson, Ltd. and Morris and Miller, Ltd. are the Company's two largest shareholders although neither is part of management or on the Board of Directors of the Company.

Commercial Finance Services d/b/a/ HR Management ("CFS")
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The Company leases its employees from Commercial Finance Services, Inc. d/b/a HR Management (CFS). CFS provides factoring and financing services as well as act as a professional employer organization ("PEO") for small to mid-sized companies. CFS does not provide any services to the Company, other than those of a PEO. The majority of the Company's payroll is paid via CFS. This arrangement allows the Company to offer additional employee benefits by sharing those costs with other clients of CFS. The Company pays CFS a monthly fee of $2,800 for payroll and benefit administration.

The majority owner of CFS is Central Account Services, Inc.(CAS). CAS is partially owned by the Company's primary legal counsel (3% ownership) and its former CFO (4% ownership). The remaining ownership of CAS is unrelated to the Company. The principal stockholders of the Company have provided significant financing to CFS in the form of an interest bearing loan. Said stockholders are not involved in the management of or represented on the boards of the Company or SN.

Subsequen to year end, the Company no longer leases its employees from CFS and has signed an agreement with An unrelated third party for such services.

Business Executive Services, Inc.
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Greg Crane, an officer and Director of the Company was formerly an employee of Business Executive Services, Inc. ("BESI"). Mr. Crane is no longer affiliated with BESI. BESI, as the nominal rent sub-lessee, leases portions of the Company's Mesa facility to other businesses associated with other third parties. BESI obtained the sublease by purchasing it from Matthew & Markson, Ltd. who had obtained the lease from the Company by way of payment for an extension fee on funds due Matthew & Markson by the Company. The sublease required M&M or BESI to pay the Company $1.00 per year for the space that was not needed by the Company. The master lease and thus the sublease was to expire in June 2003.

In January 2003 the Company had expanded and was in immediate need of more space to house its operations. By triparte agreement between the Company, the landlord and BESI it was agreed that; 1) the Landlord would extend the lease for 3 additional years until June 2006 at the current rate, 2) BESI would provide 80% of its space to the Company at no charge to the Company until the conclusion of the current lease term and 3) in return would rent back to BESI 20% of the space for the new three year term at no cost to BESI.

In addition pursuant to an agreement the Company has with BESI, BESI processes all of the direct mail solicitation pieces, welcome letters and other communications with customers and prospective customers.

Effective January 2002, we pay a base fee of $15,750 per month and then a monthly fee to BESI based on a price of .015 cents per mail piece, based on the number of mail pieces prepared and sent, and not less than a floor of $15,000 per month. The floor amount is reviewed for possible adjustment quarterly. In addition, BESI is to receive 25% of any documented savings it obtains for the Company on the Company's mailings. The Company paid BESI $231,750 in Fiscal 2002 and $23,000 in Fiscal 2001.

DLC Consulting

Effective September 30, 2002, the Company pays $10,000 monthly to DLC Consulting. DLC Consulting is owned by Daniel Coury Sr., a director of the Company. The payments relate to various financial, strategic and administrative services performed for the Company's Board of Directors.

Related Party Transaction Policy. The Company's general policy requires adherence to Nevada corporate law regarding transactions between the Company and a director, officer or affiliate of the corporation. Transactions in which such persons have a financial interest are not void or voidable if the interest is disclosed and approved by disinterested directors or shareholders or if the transaction is otherwise fair to the corporation. It is our policy that transactions with related parties are conducted on terms no less favorable to us than if they were conducted with unaffiliated third parties. During fiscal year ended September 30, 2001, through September 31, 2002, there have been no related party transactions, except those noted herein, and quarterly 10Q filings and 10K filings for the periods indicated.

Advances to affiliates are summarized as follows at September 30, 2002:

Sunbelt Financial	$ 197,640
The Thompson Group	16,899
Mathew & Markson	233,073
Total	447,612
Less allowance	(214,539)
Total	$ 233,073

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS
3.1 Certificate of Restated Articles of Incorporation of Renaissance International, Inc. Incorporated by reference from Form 10-QSB as filed May

6, 1998
3.2 Amended Articles - Name Change to RIGL Corporation &, Authorized Capital Increase to 50,000,000 Incorporated by reference from Form S-8 as filed July 10, 1998
3.3 Amended Articles - Name Change to YP.Net, Inc.Incorporated by reference from Form10-KSB Exhibit # 3.3 for the fiscal year ended September 30, 1999
3.4 Certificate of Designation - Series B preferred shares. Incorporated by reference from Form 10-_KSB for the fiscal year ended September 30, 1999
3.5 Bylaws of Renaissance International Group, Ltd.Incorporated by reference from Form 10-QSB as filed May 6, 1998
3.6 Addendum to Bylaws to add office of Vice Chairman. Incorporated by reference from Form 10-KSB Exhibit #3.6 for the fiscal year ended September 30, 1999
3.7 Certificate of Designation - Series E Preferred Stock
10.1 1998 Stock Option Plan. Incorporated by reference from Form S-8 as filed August 17,1999
10.2 2002 Stock Option Plan

10.5 Federal Trade Commission Settlement Agreement. Incorporated by reference from form 10-QSB Exhibit #10.5 for the quarter ended June 30, 2001
10.6 Hudson Consulting Group, Inc. Settlement Agreement. Incorporated by reference from Form 10-QSB Exhibit #10.6 for the quarter ended June 30, 2001

10.10 Acxiom Licensing Agreement
10.11 Info USA Master Database and Services Agreement
10.12 Experian Database Extract License Agreement
10.13 Standard Industrial/Commercial Multi-Tenant Lease between the Company Art Grandlich dba McKellips Corporate Square. Incorporated by reference from Form 10-KSB Exhibit #10.5 for the fiscal year ended September 30, 1999
10.14 Amendment to the Lease between the Company and Art Grandlich dba McKellips Corporate Square and Addendum to Sublease Agreements
10.15 Stock Purchase Agreement between the Company, Morris & Miller, Mathew & Markson and Telco Billing dated September 21, 1998. Incorporated by reference from Form 8-K/A as filed March 29, 1999
10.16 Amendment One to Stock Purchase Agreement between the Company, Morris & Miller, Mathew & Markson and Telco Billing
10.17 Second Amendment to Stock Purchase Agreement between the Company, Morris & Miller, Mathew & Markson and Telco Billing
10.18 License Agreement between the Company and Mathew & Markson. Incorporated by reference from Form 8-K/A as filed March 29, 1999
10.19 Sunbelt Executive Consulting Agreement
10.20 AMCS Executive Consulting Agreement
10.21 AIM Executive Consulting Agreement
10.22 BESI Mail Marketing Agreement
10.23 Agreement between the Company and Integretel, Inc. Incorporated by reference from Form 10-KSB Exhibit # 10.23 for the fiscal year ended September 30, 2001
10.29 Level 3 Communications
10.30 Agreement dated November 1, 2000 between Intelligenx, Inc. d/b/a i411.com and YP.Net
10.31 Forebearance Letter Agreement dated February 8, 2001 between Telco and Finova Capital Corporation
10.32 S.G. Martin Securities LLC agreement with investment banker
10.33 ACI Communications, Inc.
10.34 InfoUSA, Inc. Database and Services Agreement-Annual Fee

11 Statement Regarding Computation of Per Share Earnings: Incorporated in Item 7 of the Audited Financial Statements for period ending September 30, 2000 and September 30, 2001

21 Subsidiaries of YP.Net, Inc.

99.1 Sarbannes-Oxley Certificaitons

REPORTS ON FORM 8-K

a Form 8-K was filed on May 17, 2002 which disclosed that Harold Roberts had resigned from the Board of Directors and that Peter Bergmann had joined the Board of Directors.

- -A Form 8-K was filed on August 14, 2002 wherein Angelo Tullo, the Chairman, CEO and President of the Company certified the Company's financial records pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- -A Form 8-K was filed on September 3, 2002 which disclosed the appointment of David J. Iannini as Chief Financial Officer.

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

YP.NET, INC.

Dated: March 31, 2003 By /s/ Angelo Tullo

Angelo Tullo, Chairman of the Board
(Principal Executive Officer)

Dated: March 31, 2003 /s/ David Iannini

Chief Financial Officer
(Principal Accounting Officer)

BOARD OF DIRECTORS

Dated: March 31, 2003 By /s/ Angelo Tullo

Angelo Tullo

Dated: March 31, 2003 By /s/ Gregory B. Crane

Gregory B. Crane

Dated: March 31, 2003 By /s/ Daniel L. Coury, Sr.

Daniel L. Coury, Sr.

Dated: March 31, 2003 By /s/ Peter Bergmann

Peter Bergmann

Dated: March 31, 2003 By /s/ DeVal Johnson

DeVal Johnson

CERTIFICATIONS

I, Angelo Tullo, Chairman of YP.Net, Inc., certify that:

1. I have reviewed this annual report an Form 10-KSB of YP.Net, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying Officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have;

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as pf the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function);

   a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material

weaknesses.

Date: March 31, 2003 /s/ Angelo Tullo
Angelo Tullo
Chairman

CERTIFICATIONS

I, David Iannini, Chief Financial Officer of YP.Net, Inc., certify that:

2. I have reviewed this annual report an Form 10-KSB of YP.Net, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

7. The registrant's other certifying Officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have;

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as pf the Evaluation Date;

8. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function);

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

9. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 31, 2003 /s/ David Iannini
David Ianninil,
Chief Financial Officer

CERTIFICATE OF DESIGNATION

Angelo Tullo certifies that he is the President and DeVal Johnson is the Secretary of YP.Net, Inc., a Nevada corporation (hereinafter referred to as the "Corporation") and that pursuant to the Corporation's Certificate of Incorporation, as amended, and Section 78.1955 of the Nevada General Corporation Law, the Board of Directors of the Corporation adopted the following resolutions effective on May 31, 2002, and that none of the shares of Series E Convertible Preferred Stock referred to in this Certificate of Designation have been issued.

A. Creation of Series E Convertible Preferred Stock

There is hereby created a series of preferred stock consisting of 200,000 shares, par value $0.001 and designated as the Series E Convertible Preferred Stock ("Preferred Stock"), having the voting powers, preferences, relative, participating, limitations, qualifications, optional and other special rights and the qualifications, limitations and restrictions thereof that are set forth below.

B. Dividends.

(a) The holders of outstanding shares of Series E Convertible Preferred Stock shall be equally entitled to receive preferential dividends in cash out of any funds of the Corporation legally available at the time for declaration of dividends, at the dividend rates applicable to each such series, as set forth herein, before any dividend or other distribution will be paid or declared and set apart for payment on any shares of any Common Stock, or other class of stock presently authorized or to be authorized (the Common Stock, and such other stock being hereinafter collectively the "Junior Stock") as follows: Series E Convertible Preferred Stock shall receive dividends at the rate of 5% per annum on the liquidation preference per share, payable each March 31, June 30, September 30 and December 31, commencing with the first such date following the issuance of such stock. Dividends shall accumulate from the date of issuance, until the first payment date, at which time all accumulated dividends and dividends from the date of issuance shall be paid if funds are legally available at such time. If funds are not legally available at such time, dividends shall continue to accumulate until they can be paid from legally available funds.

(b) The dividends on the Series E Convertible Preferred Stock at the rate provided above shall be cumulative whether or not earned so that, if at any time full cumulative dividends at the rate aforesaid on all shares of the Series E Convertible Preferred Stock then outstanding from the date from and after which dividends thereon are cumulative to the end of the quarterly dividend period next preceding such time shall not have been paid or declared and set apart for payment, or if the full dividend on all such outstanding Series E Convertible Preferred Stock for the then current dividend period shall not have been paid or declared and set apart for payment, the amount of the deficiency shall be paid or declared and set apart for payment (but without interest thereon) before any sum shall be set apart for or applied by the Corporation or a subsidiary of the Corporation to the purchase, redemption or other acquisition of any shares of any other class of stock ranking on a parity with the Series E Convertible Preferred Stock ("Parity Stock") and before any dividend or other distribution shall be

paid or declared and set apart for payment on any Junior Stock and before any sum shall be set aside for or applied to the purchase, redemption or other acquisition of Junior Stock.

(c) Dividends on all shares of the Series E Convertible Preferred Stock shall begin to accrue and be cumulative from and after the date of issuance thereof. A dividend period shall be deemed to commence on the day

following a quarterly dividend payment date herein specified and to end on the next succeeding quarterly dividend payment date herein specified.

C. Liquidation Rights.

Upon the sale of substantially all of the stock or assets of the Corporation in a non-public transaction or dissolution, liquidation, or winding up of the Corporation, whether voluntary or involuntary, the holders of the Series E Convertible Preferred Stock shall be entitled to receive out of the assets of the Corporation, before any distribution or payment is made upon the Common Stock or any other series of Preferred Stock, an amount in cash equal to $.30 per share, plus any accrued but unpaid dividends (or, if there be an insufficient amount to pay all Series E Convertible Preferred Stockholders, then ratably among such holders).

D. Voting Rights.

The holders of shares of Series E Convertible Preferred Stock shall have no voting rights, except as required by law.

E. Conversion of Series E Convertible Preferred Stock

(a) HOLDER'S RIGHT TO CONVERT.

(i) Conversion. The record Holder of the Series E Convertible Preferred Stock shall be entitled, after two years from the initial issuance of the Series E Convertible Preferred Stock and from time to time thereafter, at the office of the Company or any transfer agent for the Series E Convertible Preferred Stock, to convert all or portions of the Series E Convertible Preferred Stock held by such Holder, on a one for one basis into shares of the Common Stock, together with payment by the holder of $0.45 per converted share.

(ii) Mechanics of Conversion. In order to convert Series E Convertible Preferred Stock into full shares of Common Stock, the Holder shall (i) transmit a facsimile copy of the fully executed notice of conversion in the form attached hereto ("Notice of Conversion") to the Company, which notice shall specify the number of shares of Series E Convertible Preferred Stock to be converted, prior to midnight, New York City time (the "Conversion Notice Deadline"), on the date of conversion specified on the Notice of Conversion, and (ii) promptly surrender the original certificate or certificates therefore, duly endorsed, and deliver the original Notice of Conversion by either overnight courier or 2-day courier, to the office of the Company

or of any transfer agent for the Series E Convertible Preferred Stock, together with payment by certified or bank check for $0.45 per converted share; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless either the certificates evidencing such Series E Convertible Preferred Stock are delivered to the Company or its transfer agent as provided above or the Holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed. Upon receipt by the Company of evidence of the loss, theft, destruction or mutilation of the certificate or certificates ("Stock Certificates") representing shares of Series E Convertible Preferred Stock and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to the Company, and upon surrender and cancellation of the Stock Certificate(s), if mutilated, the Company shall execute and deliver new Stock Certificate(s) of like tenor and date. No fractional shares of Common Stock shall be issued upon conversion of the Series E Convertible Preferred Stock. In lieu of any fractional share to which the Holder would otherwise be entitled, the Company shall pay cash to such Holder in an amount equal to such fraction multiplied by the value of the Common Stock as determined in good faith by the Company's Board of Directors. In the case of a dispute as to the calculation of the Conversion Price, the Company's calculation shall be deemed conclusive absent manifest error.

The Company shall issue and deliver at the address of the Holder on the books of the Company (i) a certificate or certificates for the number of shares of Common Stock equal to the Conversion Number for the shares of Series E Convertible Preferred Stock being so converted and (ii) a certificate representing the balance of the shares of Series E Convertible Preferred Stock not so converted, if any. The date on which conversion occurs (the "Date of Conversion") shall be deemed to be the date set forth in such Notice of Conversion, provided that the copy of the Notice of Conversion is faxed to the Company before midnight, New York City time, on the Date of Conversion. Upon a conversion of shares of Series E Convertible Preferred Stock, the Holder shall promptly deliver original Stock Certificates representing the shares of Series E Convertible Preferred Stock to be converted to the transfer agent or the Company. The person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(b) Adjustment to Conversion: (i) If, prior to the conversion of all Series E Convertible Preferred Stock, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event, as a result of which shares of Common Stock of the Company shall be changed into the same or a different number of shares of the same or another class or classes of stock or securities of the Company or another entity, then the Holders of Series E Convertible Preferred Stock shall thereafter have the right to purchase and receive upon conversion of Series E Convertible Preferred Stock, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such shares of stock and/or securities as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore

purchasable and receivable upon the conversion of Series E Convertible Preferred Stock held by such Holders had such merger, consolidation, exchange of shares, recapitalization or reorganization not taken place, and in any such case, appropriate provisions shall be made with respect to the rights and interests of the Holders of the Series E Convertible Preferred Stock to the end that the provisions hereof (including, without limitation, provisions for adjustment of the number of shares issuable upon conversion of the Series E Convertible Preferred Stock otherwise set forth in this Section E.) shall thereafter be applicable, as nearly as may be practicable, in relation to any shares of stock or securities thereafter deliverable upon the exercise hereof. The Company shall not effect any transaction described herein unless the resulting successor or acquiring entity (if not the Company) assumes by written instrument the obligation to deliver to the Holders of the Series E Convertible Preferred Stock such shares of stock and/or securities as, in accordance with the foregoing provisions, the Holders of the Series E Convertible Preferred Stock may be entitled to purchase.

(ii) If, any adjustment under this section would create a fractional share of Common Stock or a right to acquire a fractional share of Common Stock, such fractional share shall be disregarded, and the number of shares of Common Stock issuable upon conversion shall be the next higher number of shares.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designation of Series E Convertible Preferred Stock to be duly executed by its President and attested to by its Secretary this 25th day of June, 2002, who, by signing their names hereto, acknowledge that this Certificate of Designation is the act of the Company and state to the best of their knowledge, information and belief, under the penalties of perjury, that the above matters and facts are true in all material respects.

YP.NET, INC.

/s/ ANGELO TULLO

Angelo Tullo,
President

/s/ DEVAL JOHNSON

DeVal Johnson,
Secretary

Exhibit 10.2

YPNET, INC.
EMPLOYEES', OFFICERS & DIRECTORS' STOCK OPTION PLAN
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YP.NET, INC.
EMPLOYEES', OFFICERS' & DIRECTORS' STOCK OPTION PLAN
APRIL 10, 2002

1. Purpose. The purpose of this YP.Net, Inc. (the "Company") Employees', Officers' and Directors' Stock Option Agreement (the "Plan") is to strengthen YP.Net and to further the growth and development of the Company by providing additional means of attracting and retaining competent managerial personnel, exclusively as an incentive, to directors, officers, and employees of the Company who are in a position to contribute materially to the prosperity of the Company, to participate in the long-term growth of the Company by receiving the opportunity to acquire shares of the Common Stock of the Company, and to provide for additional compensation based on appreciation in the Company's shares. The Plan provides a means to increase such persons' interests in the Company's welfare, to encourage them to continue their services to the Company or its subsidiaries, and to attract individuals of outstanding ability to enter the employment of the Company or its subsidiaries.

2. Definitions. The following definitions are applicable to the Plan:

2.1 Accrued Installment. Any exercisable portion of a Stock Option granted under the Plan.

2.2 Affiliate. Any subsidiary corporation of the Company, as such term is defined in Sections 424(e) and (f), respectively, of the Code.

2.3 Board. The Board of Directors of the Company.

2.4 Code. The Internal Revenue Code of 1986, as amended from time to time.

2.5 Company. YP.Net, a Nevada corporation.

2.6 Common Stock. The shares of the $.001 par value common stock of YP.Net.

2.7 Compensation Committee. A Committee selected by the Board that shall administer the Plan pursuant to the terms hereof.

2.8 Disabled or Disability. A Participant shall be deemed to be Disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than thirty (30) consecutive days. The determination of whether an individual is Disabled or has a Disability shall be determined under procedures established by the Plan Administrators.

2.9 Eligible Recipient. Shall have the meaning assigned to it in Section 7 hereof.

2.10 Fair Market Value. For purposes of the Plan, the Fair Market Value of any share of Common Stock of the Company at any date shall be determined based on the following: (a) if the Common Stock is listed on an established stock exchange or exchanges or reported by NASDAQ, the last reported sale price per share on the last trading day immediately preceding such date on the principal exchange on which it is traded, or if no sale was made on such

day on such principal exchange, at the closing reported bid price on such day on such exchange, or (b) if the Common Stock is not then listed on an exchange, the last reported sale price per share on the last trading day immediately preceding such date reported by NASDAQ, or if sales are not reported by NASDAQ or no sale was made on such date, the average of the closing bid and asked price per share for the Common Stock in the over-the-counter market as quoted by NASDAQ on the day prior to such date, or (c) if the Common Stock is not publicly traded at the time and a Stock Option or Restricted Stock Option is granted under the Plan, Fair Market Value shall be deemed to be the fair value of the Common Stock as determined by the Plan Administrators after taking into consideration all factors that it deems appropriate, including, without limitation, recent sale and offer prices of the Common Stock in private transactions negotiated at arm's-length.

2.11 Family Member. For purposes of the Plan, Family Member means a Participant's spouse, stepchildren, in-laws, ancestors and lineal ascendants and descendants. In addition, a Family Member shall be deemed to include a corporation, partnership, limited liability company, or trust whose only stockholders, partners, members or beneficiaries are the specified person and/or the specified person's spouse, stepchildren, in-laws, ancestors and lineal ascendants and/or descendants.

2.12 Incentive Stock Option. 'Any Stock Option intended to be and designated as an "incentive stock option" within the meaning of Section 422 of the Code.

2.13 Nonqualified Stock Option. Any Stock Option that is not an Incentive Stock Option.

2.14 Optionee. The recipient of a Stock Option.

2.15 Option Price. The exercise or purchase price for any Stock Option awarded under the Plan.

2.16 Participant. Any Eligible Recipient selected by the Plan Administrators, pursuant to the Plan Administrator's authority in Section 7 herein, or by the Board, to receive grants of Stock Options, Restricted Stock awards or any combination of the foregoing.

2.17 Plan. The YP.Net, Inc. Employees' Stock Option Plan, as amended from time to time.

2.18 Plan Administrators. The Company's Compensation Committee, as designated pursuant to Section 6 hereof, who is authorized to administer, construe and interpret the terms of the Plan.

2.19 Restricted Stock. Any option granted pursuant to Section 10 hereof of shares of Common Stock subject to certain restrictions.

2.20 Stock Option. Any option to purchase shares of Common Stock pursuant to Section

3. Stock Options Under the Plan. Two types of Stock Options (referred to herein as Stock Options', without distinction between such two types) may be granted under the Plan: Provided, Stock Options intended to qualify shall be either Incentive Stock Options or Nonqualified Stock Options.

4. Effective Date of Plan. The Plan shall be adopted and become effective on the date of execution specified below (the "Effective Date").

5. Term of Plan. Unless sooner terminated by the Board in its sole discretion, the Plan will expire and no Stock Options or Restricted Stock awards may be granted hereunder on and after ten (10) years from the Effective Date (the Plan Termination Date").

6. Administration. 1. The Plan shall be administered by a majority of the Compensation Committee, who shall be known as the "Plan Administrators." The Actions of the Plan Administrators shall be subject to and under review by the Company's Board of Directors. The Compensation Committee shall consist of not fewer than two (2) members of the Board, all of whom shall be persons who, in the opinion of counsel to the Company, are outside

directors and 'non-employee directors" within the meaning of Rule 16b-3(b)(3)(i) promulgated pursuant to the Securities Exchange Act of 1934, as amended. from time to time. The Board may increase or decrease (to not less than two members) the size of the Compensation Committee, and add additional members to, or remove members from, the Compensation Committee. The Compensation Committee shall act pursuant to a majority vote or the unanimous written consent of its members and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board upon request of the Board. Subject to the provisions of the Plan as of the date, hereof as adopted by the Board, the Compensation Committee may establish and follow such rules and regulations for the conduct of its business as it may deem advisable.

No member of the Compensation Committee shall be liable for any action or determination undertaken or made in good faith with respect to the Plan or any agreement executed pursuant to the Plan. Subject to the provisions of the Plan, the Plan Administrators shall have the sole authority and discretion:

(a) to select those Eligible Recipients who shall be Participants, who may be nominated by the President, Chairman, or Chief Financial Officer.

(b) to determine under what terms and whether and to what extent Stock Options, whether of Restricted or Registered Stock, or a combination of the foregoing, are to be granted hereunder to Participants;

(c) to determine the number of shares of Common Stock to be covered by each such option granted hereunder;

(d) in determining the number of shares of Common Stock to be optioned pursuant to the granting of Stock Options, in addition to the formulaic grants described hereinafter in Section 6.1(c), the Plan Administrators shall take into account as to any Eligible Recipient whose performance merits it, those factors including, without limitation, the Eligible Recipient's tenure with the Company, responsibility level, performance, potential and cash compensation level.

(e) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any option granted hereunder (including, but not limited to the restrictions applicable to Restricted Stock awards and the conditions under which restrictions applicable to such Restricted Stock shall lapse);

(f) to determine the terms and conditions, not inconsistent with the terms of the Plan, that shall govern all written instruments evidencing the Stock Options, Restricted Stock or any combination of the foregoing granted hereunder to Participants; and

(g) to reduce the exercise price of any Stock Option to the then current Fair Market Value, but to not less than $1.00, if the Fair Market Value of the Common Stock covered by such Stock Option has declined since the date such Stock Option was granted.

2. The Plan Administrators shall have the authority, in their sole discretion, to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as they shall from time to time deem advisable; to interpret the terms and provisions of the Plan and any option issued under the Plan (and any agreements relating thereto); and to otherwise supervise the administration of the Plan.

3. All decisions made by the Plan Administrators pursuant to the provisions of the Plan shall be final, conclusive and binding on all persons, including the Company and the Participants.

7. Eligibility. Any of the following individuals shall be eligible to receive Stock Options of Restricted or Registered Stock under the Plan (each, an "Eligible Recipient"): (i) any employee, officer or member of the Board of Directors of the Company or an Affiliate and (ii) any consultant or professional employed by the Company or an Affiliate; provided, however, that no person who owns stock possessing more than 10% of the total

combined voting power of alt classes of stock of the Company or any of its parent or subsidiary corporations shall be eligible to receive an Incentive Stock Option under the Plan unless at the lime such Stock Option is granted the Option Price (determined in the manner provided in Section 9.2 hereof) is at least 110% of the Fair Market Value of the shares subject to the Stock Option and such Stock Option by its terms is not exercisable after the expiration of live (5) years from the date such Stock Option is granted. Any Participant may receive more than one Stock Option or Restricted Stock Option under the Plan.

8. Shares Subject to the Plan.

8.1 Available Shares. The shares received and available for issuance tinder the Plan shall be shares of the Company's authorized but unissued. or reacquired. Common Stock. Subject to adjustment as provided in Section 8.2 hereof, the aggregate number of shares that may be issued under the Plan shall not exceed a total of Three Million (3,000,000) shares of the Company's Common Stock. In the event that (i) the grant of any Stock Option under the Plan for any reason expires, is terminated or surrendered without being exercised in full or is exercised or surrendered without the distribution of shares or (ii) any shares of Common Stock subject to any Restricted Stock Option granted hereunder are forfeited, such shares of Common Stock allocable to the unexerciscd portion of the Stock Option or the Restricted Stock award shall again be available for issuance in connection with future awards tinder the Plan. if any shares of Common Stock have been pledged as collateral for indebtedness incurred by a Participant in connection with the exercise of a Stock Option and such shares are returned to the Company in satisfaction of such indebtedness, such shares shall again be available for issuance in connection with future options under the Plan. In the event any portion of a Stock' Option is exercised pursuant to a "stock-for-stock exercise" as provided in Subsection 9.3(h), the shares of Common Stock surrendered thereby shall again be available for grant and distribution under the Plan as if no Stock Option had been granted with respect to such shares. The maximum number of shares of Common Stock that shall be issuable upon the exercise dl' any and all Options granted to any one individual pursuant to this Plan shall not exceed 30% of the total number of shares eligible to be issued.

8.2 Capital Structure Adjustments. Except as otherwise provided herein, in the event of a stock dividend (but only on Common Stock), stock split, reverse stock split, recapitalization, reorganization, merger, consolidation, separation, or like change in the corporate or capital structure of the Company affecting the stock or securities of the Company, appropriate and proportionate capital structure adjustments shall be made in (i) the aggregate number of shares of Common Stock reserved for issuance under the Plan, (ii) the kind, number and Option Price of shares subject to outstanding Stock Options granted under the Plan, and (iii) the kind, number and purchase price of shares issuable pursuant to awards of Restricted Stock. The foregoing adjustments shall be made by the Plan Administrators, in their sole discretion, the determination of which in that respect shall be final, binding, and conclusive; provided that each Incentive Stock Option granted pursuant to the Plan shall not be adjusted in a manner that causes it to fail to continue to qualify as an Incentive Stock Option. In the event of a liquidation, a merger, reorganization, or consolidation of the Company with any other corporation in which the Company is not the surviving corporation or the Company becomes a wholly-owned subsidiary of another corporation, any unexercised Stock Option rights theretofore granted under the Plan shall be (i) assumed by any surviving corporation or similar stock options shall be substituted therefore, or (ii) such Stock Options shall continue in full force and effect.

9. Terms and Conditions of Stock Options. Stock Options granted under the Plan shall be evidenced by agreements (which need not be identical and which may include the agreement of the Optionee to be responsible for the Optionee's assumption and payment of any tax assessment and/or liability) in such form and containing such provisions that are consistent with the Plan as the Plan Administrators shall from time to time approve. Such agreements may incorporate all or any of the terms hereof by reference and shall comply with and be subject to the following terms and conditions:

9.1 Number of Shares Subject to Stock Option. Each Stock Option agreement shall specify the number of shares subject to the Stock Option.

9.2 Stock Option Price. The Option Price for the shares subject to any Stock Option shall be such amount as is determined by the Plan Administrators. Anything to the contrary contained herein notwithstanding, the Option Price for the shares subject to any Nonqualified Stock Option or any Incentive Stock Option shall not be less than $1.00 or 100% of the Fair Market Value of the shares of Common Stock of the Company on the date the Stock Option is granted, whichever is greater. In the case of an Incentive Stock Option

granted to an employee who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its parent or subsidiary corporations, the Option Price shall not be less than $1 .10 or 110% of the Fair Market Value of the shares of Common Stock of the Company on the date the Stock Option is granted, which ever is greater.

9.3 Notice and Payment. Any exercisable portion of a Stock Option may be exercised only by:

(a) delivery of a written notice to the Company, prior to the time when such Stock Option becomes unexercisable under Section 9.6 hereof, stating the number of shares being purchased and complying with all applicable rules established by the Plan Administrators;

(b) payment in full of the Option Price of such Option by, as applicable; (i) cash or check for an amount equal to the aggregate Option Price for the number of shares being purchased; (ii) in the discretion of the Plan Administrators, upon such terms as the Plan Administrators shall approve, a copy of instructions to a broker directing such broker to sell the Common Stock for which such Stock Option is exercised, and to remit to the Company the aggregate Option Price of such Stock Option (a "cashless exercise"); (iii) in the discretion of the Plan Administrators, upon such terms as the Plan Administrators shall approve, the Optionee may pay all or a portion of the Option Price for the number of shares being purchased by tendering shares of the Company's Common Stock owned by the Optionee, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the aggregate Option Price of the shares with respect to which such Stock Option or portion is thereby exercised (a "stock-for-stock exercise"); or (iv) in any other form of legal consideration that may be acceptable to the Plan Administrators ("other legal consideration");

(c) payment of the amount of tax required to be withheld (if any) by the Company or any parent or subsidiary corporation as a result of the exercise of a Stock Option. At the discretion of the Plan Administrators, upon such terms as the Plan Administrators shall approve, the Optionee may pay all or a portion of the tax withholding by; (i) cash or check payable to the Company; (ii) cashless exercise; (iii) stock-for-stock exercise; (iv) other legal consideration; or (v) a combination of (i), (ii), (iii) and (iv); and

(d) delivery of a written notice to the Company requesting that the Company direct the transfer agent to issue to the Optionee (or to his designee) a certificate for the number of shares of Common Stock for which the Stock Option was exercised or, in the case of a cashless exercise, for any shares that were not sold in the cashless exercise.

Notwithstanding the foregoing, the Company, subject to the provisions of Section 9.11 hereof, may extend and maintain, or arrange for the extension and maintenance of, credit to any Optionee to finance the Optionee's payment of the Option Price upon the exercise of any Stock Option, on such terms as may be approved by the Plan Administrators, subject to applicable regulations of the Federal Reserve Board and any other laws or regulations in effect at the time such credit is extended. The Plan Administrators may, at any time and in their discretion, authorize a cash payment, determined in accordance with Section 9.12, which shall not exceed the amount required to pay in full the federal, state and local tax consequences of an exercise of any Stock Option granted under the Plan.

9.4 Non-Transferability of Options.

(a) Generally. No Stock Option granted under this Plan shall be assignable or transferable, directly or indirectly, by an Optionee other than by will or the laws of descent and distribution, and such Stock Option may be exercised during the Optionee's lifetime only by the Optionee, or in the event of death or Disability, by the Optionee's legal representative or personal representative.

(b) Exceptions. Notwithstanding Section 9.4(a), a Nonqualified Stock Option may be transferred to a Family Member of the Optionee. In the case of a transfer pursuant to this Section, the remaining provisions of this Plan and the terms of any Stock Option agreement under this Plan shall continue to apply as if the Optionee retained ownership of the Stock Option.

9.5 Exercise of Stock Option. The Plan Administrators shall have the power to set the time or times within which each Stock Option shall be exercisable and to accelerate the time or times of exercise. To the extent that an Optionee has the right to exercise a Stock Option and purchase shares pursuant thereto, the Stock Option may be exercised from time to time as provided in this Section 9.5. Subject to the actions, conditions and/or limitations set forth in this Plan and/or any applicable Stock Option agreement entered into hereunder, Stock Options granted under this Plan shall be exercisable in accordance with the following rules:

(a) Subject in all cases to the provisions of Sections 8 and 9.6 hereof, Stock Options shall vest and become exercisable as determined by the Plan Administrators; provided, however that by a resolution adopted after a Stock Option is granted the Plan Administrators, may, on such terms and conditions as the Plan Administrators may determine to be appropriate, accelerate the time at which such Stock Option or installment thereof may be exercised.

(b) Subject to the provisions of Sections 8 and 9.6 hereof, a Stock Option may be exercised when and to the extent such Stock Option becomes an Accrued Installment as provided in the terms under which such Stock Option was granted and at any time thereafter during the term of such Stock Option; provided, however, that in no event shall any Stock Option be granted after the Plan Termination Date.

9.6 Term of Stock Option. Any unexercised Accrued Installment of any Stock Option granted hereunder shall expire and become unexercisable and no Stock Option shall be exercisable after the earliest of:

(a) ten (10) years from the date of grant; or

(b) the expiration date of the Stock Option established by the Plan Administrators at the time of grant of any Stock Option; or

(c) thirty (30) days following the effective date of the termination of employment or directorship (if such individual is not then an officer or employee of the Company) with the Company or any Affiliate, as the case may be, of an Optionee for any reason other than death or Disability (the "Termination Date"). The Plan Administrators, in their sole discretion, may extend such thirty (30) day period for a period following the Termination Date, but in no event beyond ten years from the date of grant. Any installments under Stock Options that have not accrued (become vested) as of said Termination Date shall expire and become unexercisable as of said Termination Date. The Plan Administrators, in their sole discretion, may vest any installments under Stock Options. Unless otherwise determined by the Plan Administrators in their sole discretion, any portion of a Stock Option that expires hereunder shall remain unexercisable and be of no effect whatsoever after such expiration notwithstanding that such Optionee may be reemployed by, or again become a director of, the Company or a subsidiary thereof, as the case may be; or

(d) notwithstanding the foregoing provisions of this Section 9.6, in the event of the death of an Optionee while an employee, consultant, officer or director of the Company or any Affiliate, as the case may be, or in the event of the termination of employment, directorship or a contract to render services to the Company by reason of the Optionee's Disability, any unexercised Accrued Installment of the Stock Option granted hereunder to

such Optionee shall expire and become unexercisable as of the earlier of: (i) the expiration date of the Stock Option established by the Plan Administrators at the time of grant of any Stock Option; (ii) ten (10) years from the date of grant;

or (iii) eighteen (18) months after the date of death of such Optionee (if applicable) and one (1) year after the date of the termination of employment or directorship by reason of Disability (if applicable). Any installments under a deceased Optionee's Option that have not become exercisable as of the date of his or her death shall expire and become unexercisable as of said date of termination of employment as a result of death or Disability. For purposes of this Subsection 9.6(d), an Optionee shall be deemed employed by the Company or any of its subsidiaries, as the case may be, during any period of leave of absence from active employment as authorized by the Company or any of its subsidiaries, as the case may be; or

(e) in the case of an Incentive Stock Option granted to an employee who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its parent or subsidiary corporations, the term set forth in Subsection 9.6(a), above, shall not be more than five years after the date the Stock Option is granted.

9.7 Limit on Incentive Stock Options. The aggregate Fair Market Value (determined at the time the Incentive Stock Option is granted) of the Common Stock with respect to which Incentive Stock Options granted under this Plan are exercisable for the first time by an Optionee during any calendar year shall not exceed $300,000. To the extent that the aggregate Fair Market Value (determined at the time the Stock Option is granted) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by an Optionee during any calendar year (under all Incentive Stock Option plans of the Company and any parent or subsidiary corporations) exceeds $300,000, such Stock Options shall be treated as Nonqualified Stock Options. The determination of which Stock Options shall be treated as Nonqualified Stock Options shall be made by taking Stock Options into account in the order in which they were granted.

9.8 No Fractional Shares. In no event shall the Company be required to issue fractional shares upon the exercise of a Stock Option.

9.9 Exercisable in the Event of Death. In the event of the death of the Optionee, any such Accrued Installment of a deceased Optionee may be exercised prior to its expiration pursuant to Section 9.6 by (and only by) the Optionee's personal representatives, heirs, or legatees or other person or persons to whom the Optionee's rights shall pass by will or by the laws of the descent and distribution, if applicable, subject, however, to all of the terms and conditions of this Plan and the applicable Stock Option agreement governing the exercise of Stock Options granted hereunder.

9.10 Modification, Extension, and Renewal of Stock Options. Subject to the terms and conditions and within the limitations of the Plan, the Plan Administrators may modify, extend, or renew outstanding Stock Options granted under the Plan, accept the surrender of outstanding Stock Options (to the extent not theretofore exercised) and authorize the granting of new Stock Options in substitution therefore (to the extent not theretofore exercised). The Plan Administrators may modify any outstanding Stock Options so as to specify a lower Option Price. The Plan Administrators shall not, however, without the consent of the Optionee, modify any outstanding Incentive Stock Option in any manner that would cause the Stock Option not to qualify as an Incentive Stock Option. Notwithstanding the foregoing, no modification of a Stock Option shall, without the consent of the Optionee, alter or impair any rights of the Optionee under the Stock Option.

9.11 Loans. The Company may extend and maintain, or arrange for the extension and maintenance of, credit to any Optionee to finance the Optionee's

purchase of shares pursuant to the exercise of any Stock Option, on such terms as may be approved by the Plan Administrators, subject to applicable regulations of the Federal Reserve Board and any other laws or regulations in effect at the time such credit is extended, either on or after the date of grant of such Stock Option. Such loans may be either in connection with the grant or exercise of any Stock Option, or in connection with the payment of any federal, state and local income taxes in respect of income recognized upon exercise of a Stock Option. The Plan Administrators shall have full authority to decide whether to make a loan hereunder and to determine the amount, term, and provisions of any such loan, including the interest rate (which must be not less that the Company would pay) charged in respect of any such loan, whether the loan is to be secured or unsecured, the terms on which the loan is to be repaid and the conditions, if any, under which it may be forgiven. However, no loan hereunder shall have a term (including extensions) exceeding three years in duration or be an amount exceeding the total Option Price paid by the borrower under a Stock Option or for related Common Stock under the Plan plus an amount equal to the cash payment permitted in Section 9.12 below.

9.12 Cash Payments. The Plan Administrators may, at any time and in their discretion, authorize a cash payment in respect of the grant or exercise of a Stock Option under the Plan or the lapse or waiver of restrictions under

a Stock Option, which shall not exceed the amount that would be required in- order to pay in full the federal, state and local income taxes due as a result of income recognized by the recipient as a consequence of: (i) the receipt of a Stock Option or the exercise of rights there under, and (ii) the receipt of such cash payment. The Plan Administrators shall have complete authority to decide whether to make such cash payments in any case, to make provisions for such payments either simultaneously with or after the grant of the associated Stock Option, and to determine the amount of any such payment.

10. Restricted Stock.

10.1 General. Restricted Stock may be issued either alone or in addition to Stock Options granted under the Plan. The Plan Administrators shall determine the Eligible Recipients to whom, and the time or times at which, grants of Restricted Stock shall be made; the number of shares to be awarded; the price, if any, to be paid by the recipient of Restricted Stock; the Restricted Period, as defined in Section 10.3 hereof, applicable to Restricted Stock; the date or dates on which restrictions applicable to Restricted Stock awards shall lapse during the Restricted Period; and all other conditions of the Restricted Stock awards. Subject to the requirements of Section 162(m) of the Code, as applicable, the Plan Administrators may also condition the grant of Restricted Stock upon the exercise of Stock Options, or upon such other criteria as the Plan Administrators may determine, in their sole discretion. The provisions of Restricted Stock awards need not be the same with respect to each recipient. In the sole discretion of the Plan Administrators, loans may be made to Participants in connection with the purchase of Restricted Stock under substantially the same terms and conditions as provided in Section 9.11 hereof with respect to the exercise of Stock Options.

10.2 Awards and Certificates. The prospective recipient of an Option to receive Restricted Stock shall not have any rights with respect to such Option, unless and until such recipient has executed an agreement evidencing the Option (a "Restricted Stock Option Agreement") and delivered a fully executed copy thereof to the Company, within a period of sixty days (or such other period as the Plan Administrators may specify) after the granting date. Except as otherwise provided below in this Section 10.2, (i) each Participant who exercises his Option for Restricted Stock shall be issued a stock certificate in respect of such shares of Restricted Stock; and (ii) such certificate shall be registered in the name of the Participant, and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Stock.

The Plan Administrators may require that the stock certificate(s) evidencing the issuance of Restricted Stock hereunder be held in the custody of the Company until the restrictions thereon shall have lapsed, and that, as a condition of any Restricted Stock so issued, the Participant shall have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Option.

10.3 Restrictions and Conditions. The Restricted Stock Options granted pursuant to this Section 10 shall be subject to the following restrictions and conditions:

(a) Subject to the provisions of the Plan and the Restricted Stock Option Agreement, as a appropriate, governing such Option, during such period as may be set by the Plan Administrators commencing on the grant date (the "Restricted Period"), the Participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock issued under the Plan; provided, however, that the Plan Administrators may, in their sole discretion, provide for the lapse of such restrictions in installments and may accelerate or waive such restrictions in whole or in part based on such factors and such circumstances as the Plan Administrators may determine, in their sole discretion, including, but not limited to, the attainment of certain performance related goals, the Participant's termination of employment or service, death or Disability.

(b) Except as provided in Section 10.3(a), the Participant shall generally have, with respect to shares of Restricted Stock, all of the rights of a stockholder with respect to such stock during the Restricted Period. Certificates for shares of unrestricted Common Stock shall be delivered to the Participant promptly after, and only after, the Restricted Period shall expire without forfeiture in respect of such shares of Restricted Stock, except as the Plan Administrators, in their sole discretion, shall otherwise determine.

(c) The rights of holders of Restricted Stock Options upon termination of employment or service for any reason during the Restricted Period shall be set forth in the Restricted Stock Option Agreement governing such awards.

11. Termination or Amendment of the Plan. The Board may at any time terminate or amend the Plan in accordance with the following provisions:

11.1 Amendment to Plan. Except as provided in Section 11.3 hereof, the Board may amend this Plan from time to time in such respect as the Board

may deem advisable, provided, however, that no such amendment shall operate to affect adversely a Participant's rights under this Plan with respect to any Stock Option or Restricted Stock Option granted hereunder prior to the adoption of such amendment, except as may be necessary, in the judgment of counsel to the Company, to comply with any applicable law.

11.2.1.1 Effect of Termination of Plan on Outstanding Stock Options or Restricted Stock. Except as set forth in Section 8.2 hereof, no termination of the Plan prior to the Plan Termination Date shall, without the written consent of the Participant, alter the terms of Stock Options or Restricted Stock already granted and such Stock Options or Restricted Stock shall remain in full force and effect as if this Plan had not been terminated.

11.3 Stockholder Approval for Amendment to Plan. Any amendment to the Plan that would result in any of the following changes (except by operation of Section 8.2) must be approved by the stockholders of the Company: (I) an increase in the total number of shares of Common Stock covered by the Plan; (ii) a change in the class of persons deemed to be Eligible Recipients under the Plan; and (iii) an extension of the term of the Plan beyond ten (10) years from the Effective Date.

12. Indemnification. In addition to such other rights of indemnification as they may have as members of the Board, the Compensation Committee, and each member individually, and the Plan Administrators shall be indemnified by the Company against reasonable expense, including reasonable attorney's

fees, actually and necessarily incurred in connection with the defense of any action, suit, or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any grant there under, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any action, suit, or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit, or proceeding that any of them is liable for gross negligence or misconduct in the performance of their duties, provided that within sixty (60) days after institution of any such action, suit, or proceeding, they shall offer in writing to the Company the opportunity, at their own expense, to handle and defend the same.

13. Withholding. Whenever the Company proposes or is required to issue or transfer shares under the Plan, the Company shall have the right to require the recipient to remit to the Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such shares of Common Stock. If an Optionee surrenders shares acquired pursuant to the exercise of an

Incentive Stock Option in Incentive Stock Option in payment of the Option Price and such surrender constitutes a disqualifying disposition for purposes of obtaining Incentive Stock Option treatment under the Code, the Company shall have the right to require the Optionee to remit to the Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such shares. Whenever under the Plan payments are to be made in cash, such payments shall be net of an amount sufficient to satisfy any federal, state and local withholding tax requirements. An Optionee may elect with respect to any Stock Option that is paid in whole or in part in shares of Common Stock, to surrender previously acquired shares of Common Stock or authorize the Company to withhold shares (valued at Fair Market Value on the date of surrender Or withholding of the shares) in satisfaction of all such withholding requirements (the "Share Surrender Withholding Election") in accordance with the following:

13.1 Irrevocable Election. Any Share Surrender Withholding Election shall be made by written notice to the Company and thereafter shall be irrevocable by the Optionee.

13.2 Approval by Plan Administrators. Any Share Surrender Withholding Election shall be subject to the consent or disapproval of the Plan Administrators in accordance with rules established from time to time by the Plan Administrators.

13.3 Timing of Election. Any Share Surrender Withholding Election must be made prior to the date on which the Optionee recognizes taxable income with respect to the receipt of such shares (the "Tax Date").

13.4 Timing of Delivery. When the Tax Date falls after the exercise of a Stock Option and the Optionee makes a Share Surrender Withholding Election, the full number of shares subject to the Stock Option being exercised will be issued, but the Optionee will be unconditionally obligated to deliver to the Company on the Tax Date the number of shares having a value on the Tax Date equal to the Optionee's federal, state and local withholding tax requirements.

13.5 Terms in Agreement. For purposes of this Section 13.5, the Plan Administrators shall have the discretion to provide (by general rule or a provision in the specific Stock Option agreement) at the election of the Optionee, "federal, state and local withholding tax requirements" that shall be deemed to be any amount designated by the Optionee that does not exceed his estimated federal, state and local tax obligations associated with the transaction, including FICA taxes to the extent applicable.

14. General Provisions.

14.1 Transfer of Common Stock. Common Stock issued pursuant to the exercise of a

Stock Option or the grant of a Restricted Stock Option granted under this Plan or any interest in such Common Stock, may be sold, assigned, gifted, pledged, hypothecated, encumbered or otherwise transferred or alienated in any manner by the holder(s) thereof, subject, however, to any restrictions contained in the Company's Restated Articles of Incorporation, to the provisions of this Plan, including any representations or warranties requested under Section 14.5 hereof, and also subject to compliance with any applicable federal, state, local or other law, regulation or rule governing the sale or transfer of stock or securities.

14.2 Reservation of Shares of Common Stock. The Company, during the term of this Plan, will at all times reserve and keep available such number of shares of its Common Stock as shall be sufficient to satisfy the requirements of the Plan.

14.3 Restrictions on Issuance of Shares. The Company, during the term of this Plan, will use commercially reasonable efforts to seek to obtain from the appropriate regulatory agencies any requisite authorization in order to issue and sell such number of shares of its Common Stock as shall be sufficient to satisfy the requirements of the Plan. The inability of the Company to obtain from any such regulatory agency having jurisdiction thereof the authorization deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares of its Common Stock hereunder or the inability of the Company to confirm to its satisfaction that any issuance and sale of any shares of such Common Stock will meet applicable legal requirements shall relieve the Company of any liability in respect of the non-issuance or sale of such Common Stock as to which such authorization or confirmation shall have not been obtained.

14.4 Notices. Any notice to be given to the Company pursuant to the provisions of this Plan shall be in writing and addressed to the Company in care of its Plan Administrators at its principal office, and any notice to be given to a director, officer, employee or consultant of the Company or any of its Affiliates to whom a Stock Option or Restricted Stock Option is granted hereunder shall be in writing and addressed to him or her at the address given beneath his or her signature on his or her Stock Option agreement or Restricted Stock Option agreement, as the case may be, or at such other address as such employee, officer, director or consultant or his or her transferee (upon the transfer of Common Stock) may hereafter designate in writing to the Company. Any such notice shall be deemed duly given when delivered in person or mailed by first-class mail (return

receipt requested), telecopy or overnight courier to the other's address. It shall be the obligation of each Participant and each transferee holding Common Stock granted pursuant to the Plan to provide the Plan Administrators, by letter mailed as provided hereinabove, with written notice of his or her correct mailing address.

14.5 Representations and Warranties. As a condition to the exercise of any portion of a Stock Option or the grant of any Restricted Stock award, the Company may require the person exercising such Stock Option or receiving such Restricted Stock to make any representation and/or warranty to the Company as may, in the judgment of counsel to the Company, be required under any applicable law or regulation, including, but not limited to, a representation and warranty that the shares are being acquired only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required under the Securities Act of 1933, as amended (the "Securities Act"), or any other applicable law, regulation or rule of any governmental agency.

14.6 No Enlargement of Employee Rights. This Plan is purely voluntary on the part of the Company, and while the Company hopes to continue it indefinitely, the continuance of the Plan shall not be deemed to constitute a contract between the Company or any of its Affiliates and any director, officer, consultant or employee, or to be consideration for, or a condition of, the employment of any employee. Nothing contained in the Plan shall be deemed to give any employee the right to be retained in the employ of the Company or any of its Affiliates or to interfere with the right of the Company or any of its Affiliates to terminate the employment or service of

any of its officers, directors, employees or consultants at any time. No officer, director, employee or consultant shall have any right to or interest in Stock Options or Restricted Stock awards authorized hereunder prior to the grant of such a Stock Option or Restricted Stock Option to such officer, director, employee or consultant, and upon such grant he shall have only such rights and interests as are expressly provided herein, subject, however, to all applicable provisions of the Company's Restated Articles of Incorporation, as the same may be amended from time to time.

14.7 Restrictions on Issuance of Shares. The issuance of Stock Options, Restricted Stock Options and shares of Common Stock related thereto shall be subject to compliance with all of the applicable requirements of law with respect to the issuance and sale of securities as the Plan Administrators may deem advisable under the Securities Act, including, without limitation, any required qualification under the rules, regulations or other requirements of the Securities and Exchange Commission, any Stock exchange upon which the Common Stock is then listed and any applicable federal and state

securities laws including, without limitation, any required qualification under the Nevada Corporate Securities Law or the Securities Act.

14.8 Legends on Stock Certificates. Unless there is a currently effective appropriate registration statement on file with the Securities and Exchange Commission pursuant to the Securities Act with respect to the shares of Common Stock issuable under this Plan, each Certificate representing such Common Stock shall be endorsed on its face with the following legend or its equivalent:

"Neither the shares represented by this Certificate, nor the Options pursuant to which such shares were issued, have been registered under the Securities Act of 1933, as amended. These shares have been acquired for investment (and not with a view to distribution or resale) and may not be sold, mortgaged, pledged, hypothecated or otherwise transferred without an effective registration statement for such shares under the Securities Act of 1933, as amended, or until the issuer has been furnished with an opinion of counsel for the registered owner of these shares, reasonably satisfactory to counsel for the issuer, that such sale, transfer or disposition is exempt from the registration or qualification provisions of the Securities Act of 1933, as amended."

A copy of this Plan shall be delivered to the Secretary of the Company and shall be shown by him to any eligible person making reasonable inquiry concerning it. In addition, the Company reserves the right to place any legends or other restrictions on each certificate representing Common Stock that may be required by any applicable state securities or other laws.

14.9 Remedies. Should any dispute arise concerning the sale or other disposition of a Stock Option, Restricted Stock or shares of Common Stock issued or issuable upon the exercise of a Stock Option, or any breach by the Company of the terms of the Plan, any Stock Option agreement or any Restricted Stock Option agreement, a Participant's sole and exclusive remedy shall be damages.

14.10 Invalid Provisions. In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability shall not be construed as rendering any other provisions contained herein invalid or unenforceable, and all such other provisions shall be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

14.11 Applicable Law. This Plan shall be governed by and construed in accordance with the laws of the State of Nevada applicable to agreements made and to be performed entirely within such state and without regard to the conflict of law principles thereof.

14.12 Successors and Assigns. This Plan shall be binding on and inure to the benefit of the Company and the officers, directors, employees and consultants of the Company and any Affiliate to whom a Stock Option or Restricted Stock is granted hereunder, and their heirs, executors, Administrator's, legatees personal representatives, assignees and transferees.

14.13 Rights as a Stockholder or Employee. A Participant or transferee of a Stock Option or Restricted Stock shall have no right as a stockholder of the Company with respect to any shares covered by any grant under this Plan until the date of the issuance of a share certificate for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether cash, securities, or other property) or distributions or other rights for which the record date is prior to the date such share certificate is issued, except as provided in Section 8.2 hereof.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer and to be effective on this 10th day of April, 2002.

YP.Net, Inc.

By: /s/Angelo Tullo

Angelo Tullo
President and Chief Executive Officer

Attest:

By:

Secretary

<TABLE>
<CAPTION>

Data Products License Agreement			ACXIOM

PRODUCT SCHEDULE

To the Data Products License Agreement dated:	March 30, 2001	Customer:	Publication Management, Inc.
<S>	<C>	<C>	<C>
Products:	InfoBase(R) Internet Directory Assistance	Product Schedule Effective Date:	December 01, 2002

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*The parties agree that upon execution of this Product Schedule, the InfoBase List Product Schedule, dated March 30, 2001, will be modified as provided herein and each party releases and discharges the other from any and all claims, known or unknown, except for obligations concerning the return of Data and/or other Confidential Information of either party, arising from the InfoBase List Product Schedule referenced herein.

Capitalized terms not defined in this Product Schedule shall have the meaning given them in the Data Products License Agreement "Agreement" dated March 30, 2001.

TERM

The initial term of this Product Schedule ("Product Schedule Initial Term") shall begin on the Product Schedule Effective Date and shall continue for a period of two (2) Years, and thereafter shall continue and remain in effect for additional one (1) Year terms until terminated as set forth below. For purposes of this Product Schedule, the Product Schedule Initial Term and all renewal terms shall be referred to as the "Product Schedule Term." Either party may terminate this Product Schedule to be effective at the end of the Product Schedule Term by providing written notice to the other party ninety (90) days prior to the end of the Product Schedule Term. The data ("Data") provided pursuant to this Product Schedule may be used by Customer for a period not to exceed the Product Schedule Term or as provided herein. Upon any expiration or termination of this Product Schedule, Customer must return or destroy the Data in accordance with the Agreement. The term "Year" is equal to four current, non-duplicated quarterly updates provided to Customer by Acxiom even if it takes longer than a calendar year for Acxiom to provide the required quarterly updates.

PRODUCTS:

The following selected Data package of the Product shall be provided to Customer. If applicable, the specific Data elements etc. to be provided to Customer from the Products are set forth on Attachment 1 attached hereto and made a part hereof.

X Internet Directory Assistance file / list

Acxiom shall provide the Data to Customer on the type of media and in the format selected below within 15 days of the execution of this Product Schedule.

DATA PACKAGE NUMBER: IDA FORMAT 2

MEDIA: CD ROM

FORMAT: ASCII COMMA DELIMITED

CASE: UPPER / LOWER

UPDATE TYPE: FULL FILE

Acxiom shall provide updates to the Data on a quarterly basis for contemplated used by Customer for a quarter of a year or until replaced by a new current update.

LICENSE FEES: $30,000 per Year, $60,000 paid upon execution of this agreement as full payment for the first two Years.

PAYMENT TERMS: The License fees ("License Fees") are due and payable in full upon execution of this Product Schedule. Customer agrees to pay all fees due hereunder upon receipt of an invoice from Acxiom.

PERMITTED USES / RESTRICTIONS: Customer may use the Data described in this

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Product Schedule in accordance with the following:

1. Customer may use the Data as part of an Internet or internal intranet directory assistance application ("Directory Assistance Application") on Customer's World Wide Web Internet Sites ("Customer Web Site"), or as provided in the Agreement. As part of the Internet Directory Assistance Application, visitors ("Web Site User") to the Customer Web Site may search a national database of residences and/or businesses provided by Acxiom. Customer agrees that it shall institute appropriate measures to ensure that Web Site Users are prohibited from downloading any Data from the Customer Web Site in any form whatsoever; provided, however, that the Web Site User may print or save up to fifty (50) specific listings at a time to the Web Site User's personal cell phone, personal digital assistant ("PDA") or PC for such Web Site User's personal use only.

2. Customer shall hold and use the Data strictly in accordance with the following conditions, unless otherwise agreed in writing:

2.1 The Data shall remain on Customer-owned controlled servers ("Customer Servers") at all times during the Product Schedule Term. The initial Customer Server hosting street address is 4840 E. Jasmine, Suite 110, Mesa, Arizona 85205. Customer may change the hosting address set forth herein upon prior written notice to Acxiom, which notice shall contain the new address locations of Customer-owned and controlled servers on which the Data will be stored.

2.2 Customer shall not use the Data as part of any interactive, on-line, CD-ROM or other derivative product or resell or distribute the Data or any subset thereof in any way except as provided in this Product Schedule.

2.3 Customer agrees to include the following statement regarding copyright and unauthorized use, which statement shall be prominently displayed on the Customer Web Site or intranet site, as applicable: "This information is proprietary to Acxiom Corporation and is protected under U.S. copyright law and international treaty provisions. This information is licensed for your personal or professional use and nay not be resold or provided to others. You may not distribute, sell, rent, sublicense, or lease such information, in whole or in part to any third party; and you will not make such Acxiom information available in whole or in part to any other user in any networked or time-sharing environment, or transfer the information in whole or in part to any computer other than the PC used to access this information."

2.4 The parties agree that Acxiom's copyright notice shall be displayed at the end of each session when the Data is downloaded by the Web Site User as described above in Section 1.

3. In the event that Customer receives Acxiom's proprietary BDC, NAICS, or Acxiom's SIC schema (collectively, the "Codes") as part of the Products licensed pursuant to this Product Schedule. In addition to the restrictions set forth herein, Customer shall not modify, adapt, translate, reverse engineer, de-compile, disassemble, or otherwise attempt to discover the technology or methodologies underlying the Codes, nor shall Customer instruct or allow anyone else to undertake such prohibited actions.

SPECIAL TERMS AND CONDITIONS:
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In addition to the foregoing, the following special terms and condition are applicable to Customer's use of the Products:

1. Customer agrees that at all times it shall maintain current, accurate and complete books and records relating to its usage of the Data for royalty payments, if applicable, due Acxiom derived therefrom. Customer agrees that Acxiom, or any designee of Acxiom, shall have the right at any time following the Effective Date of this Agreement to examine, inspect, audit, review and copy or make extracts from all such books, records and any source documents used in the preparation thereof during normal business hours upon written notice to Customer at least three (3) business days prior to the commencement of any such examination, inspection, review or audit. Such audit shall be strictly limited to those books and records which specifically relate to royalty information pertinent to the use of the Data.

2. Customer will provide to Acxiom, free of charge, access to an unused banner advertising pool on Customer's Web Site if available when the Data is displayed.

3. Each Customer Web page containing Acxiom Data will display a logo as demonstrated at http://www.acxiom.com/infobase/content/products/dba.asp on the first or initial screen of each results page. Customer agrees that each logo will be hyper-linked to the www.databyacxiom.com page or another page within the Acxiom Web site as determined by Acxiom.

4. Consumer Inquiries. Customer shall be responsible for accepting and

responding to any communication initiated by a consumer ("Consumer Inquiries") arising out of Customer's services that utilized the Data. Customer agrees that it will implement a "consumer care" system that includes in-house capabilities to suppress consumer information, upon request by a consumer, from Customer Web Site and agrees to honor any such request by suppressing such consumer information from Customer Web Site. The parties agree that as part of Customer's "consumer care" system, Customer may include an opt out notice on the first or initial screen of each results page that provides the consumer with instructions for requesting that the consumer's information be removed form Customer Web Site. Customer may communicate to Acxiom records of the deceased and only Consumer Inquiries that are determined to involve the accuracy of the Data. No reference to Acxiom in written or oral communication to a consumer or in scripts used by Customer in responding to Consumer Inquiries shall be made without Acxiom's prior written approval.

5. Subsidiaries. The Subsidiaries listed below shall have access to and use of the Data: NONE

IN WITNESS WHEREOF, the duly authorized representatives of the parties to have access to and use or to provide data have executed this Product Schedule to be effective as of the Product Schedule Effective Date.

YP.NET, INC.
SIMPLE.NET GROUP
TELCO BILLING, INC.
PUBLICATION MANAGEMENT, INC.

BY: /s/ Greg Crane
(Signature)

Greg Crane
(Print or Type Name)

Authorized Agent for Director
(Title)

ACXIOM CORPORATION

BY: /s/ Anthony J. Sawforo
(Signature)

Anthony J. Sawforo
(Print or Type Name)

Client Executive
(Title)

#########

ATTACHMENT 1
to the Product Schedule and
Data Products License Agreement

The Data elements to be provided to Customer are as follows: All available data elements, SIC to SIF translation table and Codes.

Exhibit 10.11

infoUSA

infoUSA, Inc.
Master Database and Services Agreement
&
Terms & Conditions

This agreement (the "Agreement") is entered into this 31st day of July, 2002

between infoUSA, Inc., a Delaware Corporation, with its principal place of business at 5711 South 86th Circle, Omaha, Nebraska 68127, and

(hereinafter known as "Customer") YP.NET, Inc., Yellow-Page.Net, Simple.Net Group, Telco Billing, Inc.,

with its principal place of business at 4840 E. JASMINE STREET, SUITE 105, MESA, AZ 85205

Phone: 480-325-4303

The parties to this Agreement, in consideration of the mutual covenants set forth herein, agree as follows.

A. DURATION

This Agreement, which includes the Terms and Conditions attached hereto and incorporated by reference herein, is effective from the above date and shall remain in force for a term of three year(s) (Initial Term), unless otherwise terminated in accordance with the provisions contained herein. Following the Initial Term, the Agreement may be renewed for subsequent terms of 1 year each. As used herein, "Term" shall mean the Initial Term and any renewal term. Renewal shall be automatic unless either party notifies the other of its desire not to renew at least ninety (90) days prior to the end of the then current Term; provided, however, that either party may terminate the Agreement immediately in the event the other party is in default hereunder and fails to cure such default within forty-five (45) days of written notice from the other party specifying the nature of such default.

B. PURPOSE

Customer shall have use of the Licensed Data for marketing to prospects. The Licensed Data may be used for direct marketing activities, database marketing, telemarketing, market analysis, or for any other permitted use as described below. The Licensed Data is for: (check one) ___ single use/ X multiple use. If Customer has multiple subsidiaries and divisions, the use of the Licensed Data will be limited to the entity or division executing this Agreement. Upon completion of the authorized use of the Licensed Data, Customer shall delete all Licensed Data from its database and files, and return all copies of the Licensed Data to infoUSA and cease any and all use of the Licensed Data.

OTHER PERMITTED USE: Data to be used for Direct Mail, Telemarketing and Market Research only.

C. LICENSED DATA

infoUSA shall provide to Customer the Licensed Data as specified in Appendix B attached hereto and incorporated herein by reference.

D. PRICE

For the use of infoUSA's Licensed Data, Customer agrees to pay infoUSA a license fee as set forth below, plus state sales tax and shipping charges:

First Year Fee $

Each Subsequent Year $

Other fee arrangement $20,000.00

QUARTERLY UPDATES (THREE) AT $6,665.67 PER UPDATE, EACH TO BE INVOICED UPON DELIVERY. 1st Yr.

Following years 4 quarterly updates at $5,000 per update.

The fee shall be due upon receipt of infoUSA's invoice.

E. OWNERSHIP

infoUSA is the sole owner, copyright holder, or a licensed distributor of all data covered in this Agreement. Customer acknowledges that ownerhsip in and to the data licensed under this Agreement remains with infoUSA and that Customer has no rights of use, ownership, distribution, or transmittal outside the purposes described in this Agreement. All displays of infoUSA data in print or electronic media must carry infoUSA's copyright notice as follows: "Data provided by infoUSA, Omaha, NE, Copyright (C) 2001, All Rights Reserved."

F. AFFIRMATIVE COVENANTS OF LICENSEE.

During the Term, Licensee agrees to each of the following (with the more restrictive applying in the event of a conflict):

(i) Store the Database in its original form at its primary place of business, and, upon prior written notice to Licensor, such other places consistent with this Agreement and not make or permit to be made any other copies of the Database; provided, however, at each location where the Database is properly stored, one copy of the Database may be made for back-up purposes; and provided, further, that upon prior written notice to Licensor setting forth in reasonable detail the reasons for additional copies, such additional copies may be made;

(ii) Use the Database in compliance with (a) all federal, state and local laws, statutes, rules, regulations and ordinances including, without limitation, the FCRA, (b) all applicable privacy and data protection laws, rules and regulations, (c) all regulations, rules and policies adopted by Licensor, and (d) all regulations, rules and policies published by associations or groups in which Licensor is or becomes a member and to which regulations, rules and policies Licensor adheres; provided, however, that Licensor shall provide Licensee with copies of any such regulations, rules and policies and such regulations currently available and that are published in the future;

(iii) Require that all marketing efforts, solicitations, advertising copy and other communications derived either in whole or in part from the Database (a) not contain any reference to any selection criteria or presumed knowledge concerning the intended recipient of such solicitation or the source of such recipient's name and address, (b) be designed such that the recipient of such communication cannot determine that state title or registration information was used as an information source; and (c) be in good taste in accordance with generally recognized standards of high integrity;

(iv) Restrict its Customers from using telephone numbers or vehicle identification in any telemarketing script or in the address, envelope or body of a letter, solicitation, advertisement or the like that is used in a direct marketing program;

(v) Use information derived either in whole or in part from the Database solely for its own marketing programs, decision support purposes or information services for the purposes set forth in Appendix B;

(vi) Adhere to the restrictions regarding promotional mailings set forth in

Appendix C.

(vii) Adhere to the Confidentiality Statement set forth in Appendix A.

G. NEGATIVE COVENANTS OF LICENSEE.

During the Term, Licensee agrees not to:

(i) make the Database or any portion thereof available in an on-line environment except by an appropriately secured and encrypted bulletin board service, tape-to-tape batch transmission, or remote job entry;

(ii) Use the Database, either in whole or in part, as a factor in (a) establishing an individual's eligibility for credit or insurance; (b) connection with underwriting individual insurance; (c) evaluating an individual for employment or promotions, reassignment or retention as an employee; (d) in connection with a determination of an individual's eligibility for a license or other benefit granted by a governmental authority; or (e) in any other manner in which the usage of the Database or any information contained therein would cause such information to be construed as a Consumer Report by any regulatory authority having jurisdiction over Licensor, Licensee or the Database.

H. NOTICES

Notices to either party to this Agreement shall be in writing and shall be deemed to have been given when sent by certified mail to the below listed addresses. Invoices shall be sent to the Customer by first class mail.

INFOUSA	CUSTOMER	YP.Net, Inc.
Attn: Corporate Counsel	Attention:	Don Reiss
5711 South 86th Circle		
Omaha, NE 68127	Address:	4840 E. Jasmine #105
		Mesa, Arizona 85205

Appendixes Attached:

Appendix A: Business Data

infoUSA

TERMS AND CONDITIONS

I. LICENSE

infoUSA hereby grants and Customer hereby accepts a nontransferable and non-exclusive License to use the Licensed Data and updates thereto as more particularly described in the Agreement attached hereto. The Agreement and these Terms and Conditions are collectively referred to herein as the "Agreement".

II. DATABASE

1. infoUSA shall provide to the Customer a tape or other medium, as agreed, containing the Licensed Data for Customer's use during the term of the Agreement.

2. infoUSA shall ship the Licensed Data to the Customer within ten (10) days of receipt of this executed Agreement. Shipment shall be to Customer's address as described in the Agreement or such other address as Customer may provide in writing to infoUSA.

3. Customer shall have use of the Licensed Data for only the purpose described in the Agreement.

4. Customer shall not use the Licensed Data to create, modify, and or update lists, directories, or compilations of any kind in any medium, that will be sold, exchanged, transmitted or provided, whether or not for value, to any person not employed by the Customer except as specified in the Agreement.

Further, the Customer shall not assign, sublicense, transfer or otherwise encumber or dispose of any interest in the Licensed Data or the Agreement.

5. Customer agrees that it shall take appropriate action with its employees, by agreement or otherwise, to satisfy its obligations with respect to the use of the Licensed Data, to protect infoUSA's copyrights and the restrictions imposed by the Agreement. The restrictions contained within the Agreement shall survive for a period of three years after the termination of this Agreement.

III. PAYMENT

1. For the use of the Licensed Data, Customer agrees to pay infoUSA a fee as detailed in the Agreement. Customer also shall pay any shipping or other charges incurred by infoUSA on the Customer's behalf, including, but not limited to, all taxes of any kind levied by any federal, state or municipal government or governmental agency that infoUSA is required to pay as a result of this Agreement. The Customer shall specifically exclude infoUSA's income taxes from this liability.

2. infoUSA shall send Customer an invoice for payments and other charges due and owing to infoUSA. Customer agrees to pay the invoice in full upon receipt of the invoice. If payment is not received within thirty days Customer shall be charged a one and one-half percent interest rate per month, for a total of eighteen percent per annum, on the outstanding balance. Non-payment of fees or other charges due infoUSA may at infoUSA's sole option be considered a breach of this Agreement and shall excuse further performance by infoUSA.

IV. WARRANTY

1. The infoUSA database is licensed on an "AS IS" basis without guarantee. InfoUSA does not guarantee that the infoUSA database will meet the Customer's requirements; that it will operate in the combinations, or in the equipment, selected by the Customer; or that its operation will be error-free or without interruption.

2. EXCEPT AS STATED HEREIN, infoUSA MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY OF MERCHANTABILITY.

3. infoUSA shall not be liable for consequential or incidental damages, or for any lost profits or any claim or demand of a similar nature or kind, whether asserted by Customer against infoUSA or against infoUSA by any other party, even if infoUSA has been advised of the possibility of such damages. In no event shall infoUSA's entire aggregate liability for damages exceed the amount paid to infoUSA by Customer under this Agreement

V. GOVERNING LAW

This Agreement is entered into in the State of Nebraska and its provisions shall be construed in accordance with the laws of Nebraska without regard to Nebraska's conflicts of laws principles. Further, in the event a dispute arises between infoUSA and the Customer regarding the terms or performance of this Agreement, the parties consent to the exclusive jurisdiction of the Nebraska courts.

VI. SEVERABILITY

1. It is understood and agreed by infoUSA and the Customer that if any part, term or provision of the Agreement is construed by a court of competent jurisdiction to be invalid, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of InfoUSA and the Customer shall be construed and enforced as if the Agreement did not contain the particular part, term or provision determined to be invalid.

VII. EXCUSE OF PERFORMANCE

This Agreement is subject to and contingent upon force majeure and other delays outside the control of infoUSA. If delivery of the Licensed Data is prevented by any cause of force majeure, infoUSA shall not be liable for damages, consequential or otherwise, that the Customer may suffer.

VIII. MODIFICATION

1. This Agreement contains the entire Agreement between infoUSA and the Customer. No statements, promises or inducements made by either infoUSA or Customer shall be valid or binding upon either party.

2. This Agreement may not be modified, altered or enlarged except in writing and signed by infoUSA and the Customer.

IX. BREACH

1. In the event the Customer shall fail to make any payment to infoUSA within sixty days of its due date, or shall breach any of the terms or conditions or provisions of this Agreement, infoUSA, at its sole discretion and in addition to any of its other rights at law or equity, may either terminate this Agreement or may seek specific performance.

2. If InfoUSA initiates a lawsuit to enforce its rights under this Agreement, the Customer agrees to pay infoUSA's attorneys' fees and costs, if

infoUSA prevails.

X. PROCESSOR AGREEMENT

The infoUSA database may be furnished to an outside or other third-party processor, only after: (i) infoUSA has received infoUSA's Third Party Information Processor Agreement, duly executed by the third party processor; and (ii) infoUSA has given written authorization to Customer to allow processor access to the infoUSA database for Customer's processing, subject to all terms, conditions, limitations and restrictions in the Agreement.

XI. DISTRIBUTION APPROVAL

InfoUSA reserves the right to require Customer to secure infoUSA's advance approval of any materials that Customer proposes to mail or otherwise distribute to any names or addresses provided by infoUSA.

XII. CUSTOMER RESPONSIBILITIES

1. InfoUSA Inc./InfoUSA Marketing, Inc. and all of their affiliated companies (hereinafter the "Company") will provide the product/services as requested by Customer as shown below. Customer will have 14 days after receipt of the product/services provided by the Company to inspect the product/services and notify the Company of any problems or mistakes. If the Company has made a mistake, then the Company will correct the mistake at no additional charge. In any case, the Company's entire liability shall be limited to the amount paid to the Company by Customer. If Customer does not inform the Company within 14 days of receipt of product/services that there is a problem or mistake, both parties agree that the product/services are accepted. After the 14-day period has elapsed, the Company will not have any liability whatsoever to Customer.
2. Customer will provide testimonials and Company may reference Customer directly or indirectly in any of its publicity or marketing materials.
3. XIII. NON-SOLICITATION

The parties agree that during the term of the agreement, neither will directly or indirectly initiate communications with an employee of the other relating to possible employment with such party. This paragraph shall not prohibit either party from hiring employees of the other who themselves initiate communications relating to possible employment.

AUTHORIZED SIGNATURES

Each signatory to this Agreement represents and warrants that he or she has the authority to execute this Agreement on behalf of his or her party.

infoUSA (must be Level 9 or higher)

Authorized Signature /s/ Drew Lundgren

Printed Name, Title Drew Lundgren, VP,

Dated: 8/12/02

CUSTOMER:

Authorized Signature /s/ Angelo Tullo

Printed Name, Title Angelo Tullo, President

Dated: 7/31/02

APPENDIX A

BUSINESS DATABASE SELECTION & OUTPUT FORMAT

1. DATABASE SELECTION CRITERIA: Full US Business Database, one record

_____
per location
_____

2. GEOGRAPHY: X Total USA Total Other
_____

3. UPDATE FREQUENCY: Quarterly
_____

4. OUTPUT: Tape Cartridge X CD-ROM Diskette Other
_____ ____ _____ _____ _____

X ASCII EBCDIC FTP E-Mail DLT Format
_ ____ _____ _____

5. DATA ELEMENTS -The Licensed Data shall include the following data elements, where available (check one):

N/A 278 LAYOUT (PARTIAL DATABASE)
_ ___

<TABLE>
<CAPTION>

<S>	<C>	<C>
ABI Number	Headquarters/Branch Code	Secondary SIC Code #3
Ad Size Code	Individual/Firm Code	Secondary SIC Code #4
Address	Industry Specific Code	Selected SIC Code
Area Code & Phone Number	Key Code	State Abbreviation
Business Name	Last Name	State Numeric Code
Carrier Route Code	Location Employee Size Code	Subsidiary Parent Number
City	Location Output/Sales Code	Telephone Number(excluding SIC
Contact Name/Title Address	Office Size Code	80)
County Numeric Code	Population Code	Title Code
Date Added to Database	Primary SIC Code	Ultimate Parent Number
Fax Number	Production Date (MMDDYY)	Year of First Appearance
First Name	Professional Title	Zip Code
Franchise/Specialty	Secondary SIC Code #1	Zip+4 Code
Gender Code	Secondary SIC Code #2	

</TABLE>

N/A 378 LAYOUT (THE 278 DATA ELEMENTS, PLUS THE FOLLOWING)
_ ___

Credit Code	Secondary City	Total Employee Size Code
Delivery Point Bar Code	Secondary State	Total No. Employees (Actual)
Number of Employees (Actual)	Secondary Zip Code	Total Output/Sales Code
Public Co. Indicator	Stock Exchange Code	
Secondary Address	Stock Ticker Symbol	

ADDITIONAL DATA ELEMENTS: (LIST)

OUTPUT SHALL INCLUDE: COMPANY NAME, FULL ADDRESS, PHONE NUMBER, FAX NUMBER, SIC
_ _____
CODES WITH FULL DESCRIPTIONS (UP TO 4 PER RECORD), GEO CODES AND ABI NUMBER.
_ _____

Customer initials AT
_____

infoUSA initials DL
_____

Exhibit 10.12

EXPERIAN

EXPERIAN
475 Anton Boulevard
Costa Mesa, CA 9262G

714 830 7000 Telephone
714 830 2511 Facsimile
www.experian.com

VIA FEDERAL EXPRESS

February 13, 2003

Mr. Greg Crane
Director
YP.Net/Simple.Net Group
4840 E. Jasmine #110
Mesa, AZ 85205

RE: DATABASE EXTRACT LICENSE AGREEMENT
BETWEEN YP.NET, INC./SIMPLE.NET GROUP
AND EXPERIAN INFORMATION SOLUTIONS, INC

Dear Mr. Crane:

Here is a fully executed original of the subject Agreement for your file. It has been duly executed on behalf of Experian Information Solutions, Inc.

Sincerely,

/s/ Jeannine A. Ford
Jeannine A. Ford
Contracts Manager
Experian Information Solutions, Inc.

enclosure

cc: Mr. Mike Green, Experian
Ms. Coleen Bott, Experian

DATABASE EXTRACT LICENSE AGREEMENT

This DATABASE EXTRACT LICENSE AGREEMENT (the "Agreement") is effective as of February 01, 2003 ("Effective Date") by and between Experian Information Solutions, Inc., an Ohio corporation acting through its Business Marketing Solutions group, having offices at 600 City Parkway West, 10th Floor, Orange, California 92868 (hereinafter referred to as "Experian") and YP.Net, Inc., a Nevada corporation, / Simple.Net Group having its principal office at 4840 East Jasmine Street, Suite 105, Mesa, Arizona 85205 ("Licensee").

WHEREAS, Experian has developed a Business Marketing Services database ("Database") containing records about businesses including the data elements listed on Exhibit A; and

WHEREAS, Licensee intends to use the data in the Database to conduct marketing activities to promote its own business and services, to conduct

certain televerification services to verify the accuracy of the data on the Database, to report information about the Database to Experian, and will provide new business records to Experian for inclusion in the Database; and

WHEREAS, The parties agree that the value of the Extract, as defined below, licensed by Experian to Licensee in this Agreement has a market value of $150,000 per year; and

WHEREAS, Experian and Licensee desire to allow Licensee to use the Extract for the purposes as stated herein;

NOW, THEREFORE, for good and valuable consideration, and in consideration of the mutual covenants set forth herein, and with the intent to be legally bound hereby, the parties hereto agrees as follows:

1. Definitions. When used in this Agreement, the following terms shall have the following meanings:

a. "Extract" shall mean data file provided by Experian consisting of the data elements listed in Item 1 of Exhibit A from the then-current version of Experian's Database.

b. "Permitted Uses". Licensee will use the data in the Extract (1) for Licensee's own internal use to market and promote its business and services by telephone, internet or by mail sent to customers and prospective customers; (2) to televerify the data in the Extract and to report to Experian the results of the televerification; and (3) to compare and analyze the data in the Extract and provide Experian with the results of that analysis, including but not limited to, business records which have undeliverable addresses (mailings returned by Post Office) and business records which are unique to Experian's Extract.

c. "Term". shall mean the Term of this Agreement. The Term shall be for one (1) year beginning on the date set forth above ("Effective Date"), and shall automatically renew for additional one-year terms, unless a party gives written notice of non-renewal to the other party at least 60 days prior to the end of the current Term, or the Agreement is otherwise terminated sooner in accordance with paragraph 12 hereof.

d. "Approved Site" will be the physical location where the Extract may be stored by Licensee.

2. License. Subject to the terms and conditions of this Agreement, Experian grants Licensee a non-exclusive, non-transferable, license to use the Extract for Permitted Uses as stated in Paragraph 1b of this Agreement during the Term in exchange for Licensee's performance of the televerification and data analysis services.

3. Restrictions on Use of the Extract. Licensee agrees that it will hold and use the Extract strictly in accordance with the following:

a. Licensee shall use the Extract solely for the Permitted Use as stated in paragraph 1b above.

b. Licensee shall not transfer the Extract to any location other than the Approved Site and a disaster recovery facility specified in advance and reasonably acceptable to Experian, without Experian's prior written consent.

c. Licensee shall not, except as otherwise provided in this Agreement: (i) modify or copy the Extract other than as needed to perform the Permitted Uses, and except that Licensee may make a single copy of the Extract for backup purposes; (ii) combine the Extract or any information contained therein with, or include the Extract or any information contained therein in any Licensee file or

database or (iii) sell, resell, license, sublicense or otherwise disclose or allow any third party access to the Extract or any information contained therein, except as otherwise permitted in this Agreement.

d. Licensee shall issue direction and appropriate instructions regarding the restrictions set forth in this Agreement to any employee having access to the Extract and shall implement security measures to prevent the accidental or unauthorized use or release of Extract or any information contained therein.

e. Licensee shall comply with all applicable laws, rules and regulations in connection with its use of the Extract.

f. Licensee understands that the Extract has not been collected for credit purposes and is not intended to be indicative of any consumer's credit worthiness, credit standing, credit capacity, or other characteristics listed in Section 603(d) of the Fair Credit Reporting Act ("FCRA"), 15 USC Section 1681a, and that Experian does not intend to furnish "consumer reports" as such terms are defined in the FCRA. Licensee agrees that it shall not use the Extract or any information contained therein as a factor in establishing any consumer's eligibility for (i) credit or insurance used primarily for personal, family or household purposes, (ii) employment purposes, or (iii) other purposes authorized under Section 604 of the FCRA.

4. Delivery and Format of the Extract; Updates. Experian shall deliver to Licensee the Extract upon a date and in a format and electronic medium, such as CD-ROMs, diskettes or magnetic tapes, to be agreed upon by the parties. Experian shall provide to Licensee, on a quarterly basis, a fully refreshed data file of the Extract.

5. Integration of Extract. Licensee shall, at its own cost and expense, provide equipment and software necessary to permit its use of the Extract and shall be solely responsible for any defects, malfunctions or other problems that may arise in connection with such equipment and software.

6. Alteration, Limitations. Experian may, without notice to Licensee, modify the Extract, including, without limitation, its format. Experian will use reasonable efforts to give Licensee at least thirty (30) days' written notice of any substantial modification to the Extract. Experian shall give Licensee thirty (30) days' written notice before making any substantial modifications to the format of the Extract. At the reasonable request of Licensee, Experian shall provide Licensee with technical assistance so that Licensee may use the Extract, including Experian's modifications thereof, as provided herein. Licensee acknowledges that the Extract may be subject to the rights of third parties to regulate the availability of certain information to Licensee, and agrees that nothing in this Agreement shall obligate Experian to provide information in contravention of such regulation. In the event that, due to a change in applicable law, Experian believes its right to provide certain types of information to Licensee has been adversely affected, or Experian

anticipates that such a change will occur, Experian may terminate this Agreement and the license set forth herein as it applies to such information by giving at least fifteen (15) days written notice thereof to Licensee. If such partial termination substantially adversely affects the ability of Licensee to service its customers, Licensee may terminate this Agreement by giving Experian at least fifteen (15) days written notice.

7. Televerification and Data Services.

a) Licensee will either directly, or through a third party vendor, conduct televerification of the data in the Extract. Licensee will provide to Experian the data elements, as are listed on Exhibit A, Item No. 2, which are televerified. Licensee will provide to Experian televerified data for a minimum of 100,000 businesses per year that either appear on the Experian Database or

are derived from other sources which may be provided to Experian for inclusion in the Database. Experian will update, append and otherwise incorporate all televerified data into the Experian Database.

b) Licensee, or the vendor used by Licensee for the televerification activities, must meet Experian's data quality guidelines for televerification services. The guidelines are attached as Exhibit B hereto and will be provided to the vendor.

c) Licensee shall deliver to Experian the televerified data in a format and electronic medium, such as CD-ROMs, diskettes or magnetic tapes, to be agreed upon by the parties. Licensee will provide televerified records to Experian on a schedule as agreed upon by the parties but no less than quarterly.

d) Experian will request its televerification vendors to offer to provide Licensee the televerification services required under this Agreement at the same price that Experian is charged for equivalent televerification services.

e) Data provided to Experian by Licensee shall be jointly and or severely owned by each party.

8. Mutual Warranty and Limitation of Liability.

a) EXPERIAN MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE EXTRACT INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES THAT THE EXTRACT, IS CURRENT, ACCURATE, COMPLETE, OR FREE OF ERRORS. The verified, provided or enhanced data provided by Licensee shall be as accurate as possible in light of industry standards for the collection of such data. Licensee warrants that it has the full legal right to provide the data to Experian for Experian's use under the terms of this Agreement.

b) UNDER NO CIRCUMSTANCES WILL EXPERIAN, LICENSEE OR THEIR LICENSORS OR SUPPLIERS BE LIABLE FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOST PROFITS, LOST DATA, OR LOST BUSINESS, EVEN IF SUCH PARTY WAS AWARE OF THE POSSIBILITY THEREOF.

c) Experian's and Licensee's sole remedy for any claim under this Agreement, regardless of the cause or form of action, and Experian's and Licensee's (and its licensors and suppliers) maximum liability under this Agreement for such claim, shall be, at the liable party's sole option, the liable party's s provision of data equivalent to the data which is the subject of the claim or recipients direct damages up to, but not in excess of, the total amount of the market value for the use of the Extract, verified, provided or enhanced data for the transaction on which the claim is based.

9. Mutual indemnity. Both parties agree to indemnify and hold each other harmless from and against any and all liabilities, damages, losses, claims, costs, and expenses (including attorney's fees) arising out of or resulting from the other party's or any end user's use of the, verified, provided or enhanced data provided by Licensee, Experian Extract or any data from the Extract including, without limitation, (i) failure to observe any use restriction set forth herein; (ii) any claim alleging that either party or any end user violated the legal rights of another person; (iii) any claim by a third party alleging that either party failed to perform the services properly; or (iv) any misrepresentation or breach of warranty by either party or either party's nonperformance of any obligations imposed on it by this Agreement.

10. Ownership of Extract. Licensee acknowledges that it has no right or interest in the Extract except as expressly provided by this Agreement, that its rights to use the Extract are limited to those expressly provided in this Agreement, and that title to the Extract and other materials furnished to Licensee by Experian in connection with this Agreement is vested exclusively in Experian. Licensee shall not take any actions adverse to Experian's ownership rights in the Extract.

11. Confidentiality. The parties acknowledge that it will be necessary to provide access to confidential and/or proprietary information ("Proprietary Information") to each other in connection with this Agreement. Proprietary Information shall be clearly identified or labeled as such by the disclosing party at the time of disclosure. Each party shall protect the confidentiality of the Proprietary Information of the other party in the same manner as it protects its own proprietary information of like kind. The parties shall return all Proprietary Information of the other upon the earlier of a request by the disclosing party or upon termination of this Agreement. Neither party shall reproduce, disclose or use the Proprietary Information of the other without written authorization of the other except in performing its obligations under this Agreement or as required by law. The terms and conditions of this Agreement shall be considered Proprietary Information and shall not be disclosed by either party to any third party. The limitations on reproduction, disclosure, or use of Proprietary Information shall not apply to Proprietary Information which (a) was developed independently by the party receiving it; (b) was lawfully received from other sources without an obligation of confidence; (c) is published or otherwise disclosed to others by the disclosing party without restriction, or otherwise comes within the public knowledge or becomes generally known to the public without breach of this Agreement.

12. Termination.

a. This Agreement and the license granted hereunder may be terminated by either party (the "non-breaching party") upon written notice of termination in the event that the other party (the "breaching party") materially fails to perform or observe any material term or provision of this Agreement, and does not cure such breach in all material respects within thirty (30) days following written notice from the non-breaching party demanding the correction of such breach (which notice shall describe such breach in sufficient detail to permit the breaching party to correct such breach); provided, however, that in the event of a payment default, the thirty (30) day period referenced in this paragraph 12(a) shall be reduced to five (5) days. It shall be considered a material breach of this Agreement if the televerified data provided by Licensee to Experian fails to meets Experian's data quality guidelines.

b. Either party may terminate this Agreement by providing thirty (30) days written notice to the other party in the event that the other party makes a general assignment for the benefit of creditors, or files voluntary petition in bankruptcy or files for reorganization or rearrangement under the bankruptcy laws, or if a petition in bankruptcy is filed against such other party and days after the filing, or if a receiver of trustee is appointed for all or any substantial party of property or assets of such other party.

c. Either party may, on thirty (30) days prior written notice to the other party, terminate this Agreement in the event the licensed data in the Extract becomes significantly

restricted in its use, by operation of law or by contract, such that it cannot lawfully be provided to or used by Licensee.

13 Post-termination Obligations. Upon the termination of this Agreement for any reason, Licensee's license to use the Extract shall terminate and Licensee shall immediately cease all use of the Extract. Licensee shall within thirty (30) days of the date of termination destroy or return to Experian all copies of the Extract in its possession or control, and shall provide to Experian a certification signed by an officer of Licensee evidencing such return or destruction. The provisions of paragraphs 9, 10, 11, 13 and 14(a) shall survive any termination or expiration of this Agreement.

14. Miscellaneous.

a. Audit. During the Term and for one year after the termination of

this Agreement, Licensee shall, upon request, provide to Experian or an auditor designated by Experian access to Licensee's records reasonably pertaining to Licensee's compliance with the terms of this Agreement.

b. Publicity. Licensee will not release information concerning this Agreement without the consent of Experian. Nothing herein, however, shall limit Licensee from making disclosures required by law or regulation.

c. Relationship of the Parties. The parties acknowledge that the relationship between Experian and Licensee shall be construed solely as that of independent contractors. The parties further acknowledge that any and all rights not expressly granted pursuant to this Agreement are reserved to the respective party originally holding such rights and that neither party shall have any right, power or authority to in any way obligate the Other to any contract, term or condition not set forth herein.

d. Notices. All notices and other communication required or permitted to be given under this Agreement shall be in writing and shall be effective (a) when delivered personally; (b) when transmitted by electronic facsimile device or electronic mail; (c) upon receipt of such notice by Federal Express or other overnight delivery services; or (d) upon deposit in the U.S. Mail, certified or registered mail, postage prepaid and return receipt requested, addressed to the other party at its address set forth below, unless by notice a different address shall have been designated for giving notice hereunder.

For Licensee:

Licensee:	YP.Net / Simple.Net Group
Address:	4840 E. Jasmine #110
City	Mesa
State/Zip Code	AZ, 85205
Attn:	Greg Crane - Director

And to

Licensee:	Law offices of Lewis & Rocca, LLP
Address:	40 N. Central Ave.
City	Phoenix
State/Zip Code	AZ, 85004
Attn:	Randy Papetti

For Experian:
Experian
Business Marketing Solutions group
600 City Parkway West, 10th Floor
Orange, CA 92868

Attn: Mike Green

and to

Experian Information Solutions, Inc
475 Anton Boulevard
Costa Mesa, CA. 92626

Attn: General Counsel

e. Excusable Delays. Neither party shall be liable for any delay or failure in its performance of any of the acts required by this Agreement when such delay or failure arises due to causes beyond the reasonable control of such party. Such causes may include, without limitation, acts of God or public enemies, labor disputes, material or component shortages, supplier failures, embargoes, rationing, acts of local, state or national governments or public agencies, utility or communication failures or delays, fire, flood, epidemics, riots, and strikes. The time for performance of any act delayed by such causes shall be postponed for a period equal to the delay; provided, however, that the party so affected shall give prompt notice to the other party of such delay. The party so affected, however, shall use its best effort to promptly avoid or remove such causes of non performance and to complete performance of the act delayed, whenever such causes are removed.

f. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors. Licensee may assign any of its rights or obligations under this Agreement without the prior written consent of Experian. Notwithstanding the foregoing, however, Licensee may assign its interest and property right in this Agreement, in whole or in part, to a successor of substantially all of its business or of any particular product line for which this Agreement has been entered into by Licensee, and such succession shall include but not be limited to acquisition, merger, change of corporate name or change in the makeup, organization or identity of Licensee so long as such successor agrees to abide by the terms and conditions of this Agreement.

g. Amendment. No statement or writing subsequent to the date of this contract purporting to modify, change or add to the terms and conditions here will be binding unless consented to in writing by duly authorized representatives of Experian and Licensee in a document making specific references to this Agreement.

h. Severability. If any provision of this Agreement Is determined to be invalid or unenforceable, the remaining portions hereof shall not be affected thereby and shall be binding upon the parties hereto and shall be enforceable as though said invalid or unenforceable provision were not contained herein,

i. Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation or construction of this Agreement.

j. Applicable Law. This Agreement shall be governed in all respects by the law of the State of California without giving effect to principles of conflicts of law.

k. Binding Arbitration. If the parties are unable to resolve a dispute arising out of or relating to this Agreement or the parties' respective rights and duties hereunder, then the parties will resolve such dispute in a binding arbitration conducted under the auspices of the American Arbitration Association in Orange County, California.

l. Attorney's Fees. The prevailing party in any legal action brought by one party against the other arising out of the breach or alleged breach of this Agreement shall be entitled, in addition to any other rights or remedies it may have, to reimbursement for its expenses, including court

costs and reasonable attorney's fees,

m. Contract in Entirety. This Agreement sets forth the entire agreement and

understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and understandings of any kind and every nature between them.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

EXPERIAN INFORMATION SOLUTIONS, INC. BY ITS BUSINESS MARKETING SOLUTIONS GROUP	YP.Net, Inc., Simple-Net Group
By: /s/ Roger H. Lisabeth	By: /s/ Dan Couryor
Name: Roger H. Lisabeth	Name: Dan Couryor
Title: V.P. and G.M.	Title: Director
Date: 02/05/03	Date: 1-30-03

EXHIBIT A
TO
DATABASE EXTRACT LICENSE AGREEMENT

Between Experian and YP.Net, Inc.

Dated: February 01, 2003

ITEM NO. 1: DATA ELEMENTS OF EXTRACT

Experian agrees to license to Licensee the following data elements of the Extract on the terms and conditions set forth in the Agreement.

- ---

Company Name

Contact Name and Title

Company Address (including City, State)

Company Phone Number

Company Zip Code

Company SIC Code

SIC Definitions

Geography codes (where available)

- ---

ITEM NO. 2: YP.NET, INC. TELEVERIFIED DATA ELEMENTS

Data elements to be provided to Experian when they are obtained through the televerification of data in the Database or from other sources

- ---

Business Name
Address (City, State, Zip Code)
Contact Name and Title
Telephone Number

Any other fields Licensee collects that Experian deems valuable
- ---

EXHIBIT B
TO
DATABASE EXTRACT LICENSE AGREEMENT

BETWEEN EXPERIAN AND YP.NET, INC.

DATED: FEBRUARY 01, 2003

EXPERIAN QUALITY STANDARDS

Experian prefers to explicit and proactive in defining how we expect data to look and perform. Adhering to the following quality guidelines will ensure that every record being sent to Experian already meets our strict quality standards thus virtually eliminating any errors and the subsequent need to reject said records back to the vendor.

Compliance with the rules and definitions set forth here will warrant that the data being sent to Experian performs as anticipated when loaded to our database. Compliance with these data rules and definitions will also help to ensure timely and accurate payment to the vendors for all their hard work in building the world's premiere business database.

BUSINESS NAME
Business Name: Alpha, Two (2) Characters or more

ADDRESS
- -------

1. Street: Must be a minimum of four characters including spaces. Any character that is not a letter or a number is not acceptable (i.e. no symbols).
   a. The street address must also contain pre-directional, post-directional and suite number if appropriate.
2. City: Must be populated and contain only alpha characters
3. State: Standard U.S. State Abbreviations
4. Zip: Zip 5
5. Minimum acceptable Address criteria consists of either of the following:
   a. Street, City, State and Zip
   b. Street, City, State
   c. Street, City and State
   OR
   d. Street and Zip

PHONE Number

1. The telephone number shall be for business addresses located within the United States only.
2. The telephone number shall consist of a three (3) digit Area Code, a three (3) digit prefix and a four (4) digit suffix.
3. An Area Code must be present in order for the Primary Phone Number to be valid. Any Area Code not currently in service shall not be considered a valid Area Code for the purposes of our data.

PRIMARY PRINCIPAL (CONTACT NAME)

If the acceptable criteria are not met for the Primary Principal name(s), then no information is to be submitted.

Primary Principal Name Acceptable Criteria

(Minimum of Honorific and Full Last Name or First Initial and Full Last Name)

1. First Name, Last Name and Title	John Smith, President
2. First Initial, Last Name and Title	J Smith, President
3. First Initial, Middle Initial, Last Name and Title	J A Smith, President
4. Honorific, First Name, Last Name and Title	Mr John Smith, President
5. Honorific, First Name, Middle Initial, Last Name and Title	Mr John A Smith, President
6. Honorific, First Initial, Last Name and Title	Mr J Smith, President
7. Honorific, First Initial, Middle Initial, Last Name and Title	Mr J A Smith, President
8. Honorific, Last Name and Title	Mr Smith, President
9. Honorific, First Name and Last Name	Mr John Smith
10. Honorific, First Initial and Last Name	Mr J Smith
11. Honorific, First Initial, Middle initial and Last Name	Mr J A Smith
12. First Name and Last Name	John Smith
13. First Initial and Last Name	J Smith
14. First Initial, Middle Initial and Last Name	J A Smith

Unacceptable Combinations for Primary Principal Name

1. First Name and Title	John, President
2. Last Name and Title	Smith, President
3. First Name, Last Initial and Title	John S, President
4. First Name, Middle Initial, Last Initial and Title	John A S, President
5. First Initial, Middle Initial and Title	J A, President
6. First Initial and Middle Initial	JA
7. Middle Initial and Last Name	A Smith
8. First Name and Last Initial	John S
9. First Name	John
10. Middle Initial	A
11. Last Name	Smith

Exhibit 10.14

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE, made and entered into this 7th day of January 2003 by and between The Estate of Arthur G. Grandlich, d.b.a. McKellips Corporate Square, Betsy A. Grandlich Co-Personal Representative, Bank One Trust Company, Co-Personal Representative, hereinafter referred to as "Lessor", and YP.Net Inc., a Nevada Corporation (formerly known as Renaissance International Group, a Nevada Corporation), hereinafter referred to as "Lessee".

WITNESSETH:

WHEREAS, Lessor leased certain premises in the McKellips Corporate Square building, 4840 East Jasmine Street in the City of Mesa, County of Maricopa, State of Arizona, to Lessee, pursuant to that certain lease dated the 1st day of June, 1998; said Lease and amendment(s) thereto hereinafter collectively referred to as the "Lease", the premises being more particularly described therein; and

WHEREAS, Lessor and Lessee therefore wish to extend said Lease;

NOW THEREFORE, in consideration of these present and the agreement of each other, Lessor and Lessee agree that the said Lease shall be and is hereby amended as of the 7th day of January 2003:

1. The term of the Lease and Landlord's consent shall be extended 36 months with an amended expiration date of the 30th day of June 2006.

2. Base Rent for the Leased Premises shall be payable in monthly installments of;

   July 2003 thru June 2006 @ $9,727.76 + CAM + Rental Tax / Month

3. All other terms and conditions of the Lease dated the 1st day of June 1998 shall remain the same and are confirmed and approved.

IN WITNESS WHEREOF, the Parties hereto have executed this instrument by proper persons thereunto duly authorized.

LESSOR:	LESSEE:
The Estate of Arthur G. Grandlich d.b.a. McKellips Corporate Square 201 W. Apache Trail Apache Junction, Arizona 85220	YP.Net Inc., a Nevada Corporation 4840 E. Jasmine Street, Suite 105 Mesa, Arizona 85205
BY: /s/ Betsy A. Grandlich Betsy A. Grandlich Co-Personal Representative	BY: /s/ David J. Iannini David J. Iannini
Date: 1-14-03	Date: 1/13/03

Bank One Trust Company

BY: /s/ Larry A. Walker

Larry A. Walker
Co-Personal Representative

Date: 1-15-03

Exhibit 10.16

AMENDMENT TO THE STOCK PURCHASE AGREEMENT.

The amendment to Stock Purchase Agreement ("Amendment") is made and entered into on the16th day of March, 1999, by and among RIGL Corporation, a Nevada corporation ("RIGL"), Telco Billing, Inc. a Nevada corporation ("TBI") Morris & Miller, Ltd and Mathew & Markson, Ltd. (collectively "Shareholders").

RECITALS

A. On or about march 16, 1999, a certain Stock Purchase Agreement (Agreement") was executed by the parties above named, which said Agreement is still in full force and effect as TBI and the Shareholders have elected not to declare a default, but the parties hereto acknowledge that RIGL is in substantial and material default pursuant to the terms and conditions of said Agreement in that RIGL has not complied with the provisions of paragraph 1.3.1 of said Agreement.

B. RIGL has requested that the time for performance pursuant to paragraph 1.3.1 of said agreement shall be extended in the manner hereinafter set forth.

C. TBI and the shareholders have agreed to extend the time for performance under paragraphs 1.3.1 of said Agreement subject to and in conformance with the provisions of this Amendment, and not otherwise, but only upon the condition that RIGL shall pay to Mathew & Markson, one of the Shareholders, an "Extension Fee" in the sum of $2,000,000 as hereinafter provided, none of which shall be refundable.

D. Except for the revisions, amendments and additions effected by this Amendment, the said Agreement shall be deemed to be in full force and effect according to its terms, as amended.

Now therefore in consideration of the mutual promises of parties' and other valuable consideration, it is agreed as follows:

1. Recitals. Each and all of the Recitals is hereby represented by the parties hereto to be true and accurate as of the date hereof, and said Recitals are hereby incorporated fully into this Amendment.

2. Extension Fee. RIGL is hereby granted an extension of time, up to but not past 5:00 p.m. on the 16th day of July, 1999, ("Extension Date") in which to pay the Royalty Balance of $5,000,000.00 provided for in said Agreement subject to the following:

a) Concurrently with the execution of this Agreement, RIGL shall pay to Mathew & Markson in cash, cashier's check drawn on a Phoenix, Arizona bank, or by wire transfer to Mathew & Markson pursuant to wiring instructions, the sum of one million dollars ($1,000,000.00) as and for an Extension Fee which extends to RIGL the right to defer payment of the Royalty Balance as provided for herein;

b) The receipt of payment of the Extension Fee by Mathew & Markson shall be deemed to cure RIGL's default of paragraph 1.3.1 of the Agreement, and shall extend the time for RIGL to pay the Royalty Balance of $5,000,000 prior to the expiration of the Extension Date.

C) Upon the receipt of the Extension Fee by Mathew & Markson, the parties agree that paragraph 1.3.1 of the Agreement is hereby deleted in full, and in lieu thereof, the following paragraphs 1.31 through and including 1.3.8 shall be substituted for paragraph 1.3.1 of said Agreement:

1.3.1. On or before 5:00 p.m. on June 16, 1999, RIGL shall have the option to pay directly to Mathew & Markson at such address as Mathew & Markson shall designate in writing, in cash, cashier's check drawn on a Phoenix, Arizona bank, or by wire transfer pursuant to written instructions, the remaining $3,000,000.00 of the Royalty Balance;

1.3.2. In Lieu of the payment provided for in paragraph 1.3.1, on or before 5:00 p.m. on June 16, 1999, RIGL shall have the option of paying to Mathew & Markson the sum of $3,000,000.00 inclusive of the Extension Fee, along with a Promissory Note (the "Note") in favor of Mathew & Markson in the original principal amount of $2,000,000.00, with all outstanding principal due and payable no later than 5:00 p.m. on July 15, 1999. The note shall be in a form satisfactory to Mathew & Markson, and shall be secured by 2,000,000 shares of the restricted common shares of RIGL Corporation. The terms of such security arrangement shall be set forth in a Stock Pledge Agreement on terms and conditions acceptable to Mathew & Markson. The share certificate representing the 2,000,000 shares shall be validly issued, fully paid and non-accessible and shall be accompanied by opinion of counsel for RIGL as to its authenticity and shall be held in escrow by counsel for Mathew & Markson until such time as the Note is fully satisfied or a default occurs under the terms of the Note and or the Stock Pledge;

1.3.3. Upon the payment of either the entire $5,000,000.00 Royalty Balance described in paragraph 1.3.1, or that $3,000,000 portion of the Royalty Balance and delivery of the Note, Stock Pledge and Shares, TBI and Shareholders shall close the transaction contemplated under the Agreement in accordance with paragraph 1.6 therein;

1.3.4. In the event that RIGL shall fail or refuse to perform completely in accordance with the separate provisions of paragraphs 1.3.1 or 1.3.2 of this Amendment, then none of the Extension Fee shall be credited toward the Royalty Balance, and RIGL shall be deemed to have substantially and materially breached the said agreement as herein amended, and the Extension Fee shall be deemed to have been earned by TBI and the Shareholders;

1.3.5. In the event that RIGL shall fully perform pursuant to paragraph 1.3.1, or in the alternative pursuant to paragraph 1.3.2, then and in either of such events the Extension Fee shall be credited toward the payment of the Royalty Balance of $5,000,000.00.

1.3.6. All references to time herein shall be determined to refer to Phoenix local time;

1.3.7. It is the intension of the parties hereto that the Extension Fee shall at no time be repaid to RIGL, but that said Extension Fee shall either be retained by Mathew & Markson on behalf of TBI and the Shareholders as payment for the Extension Fee, or, the Extension Fee shall be applied toward payment of the Royalty Balance and retained by Mathew & Markson for that reason;

1.3.8. No Part of the Extension Fee paid by RIGL shall be derived from the sale or hypothecation of any of the real, personal or intangible property of TBI and/or its affiliates, it being the intent of the parties that only funds at risk by RIGL and/or its affiliates will be used to pay the Extension Fee.

3. Build out allowance. In the event RIGL elects to move forward under paragraph 1.3.2, as additional consideration, RIGL agrees to provide Simple.Net a build-out allowance of $250,000.00 to be used as Simple.Net deems reasonable to build out, furnish and equip office space to be utilized by Simple.Net located at 4840 E. Jasmine Street, Suite 111, Mesa, Arizona 85205. This space is currently leased by RIGL pursuant to a lease dated July 1, 1998. The initial terms of the Lease expires on June 30. 2003. Simple.Net shall have the right to sublease such space from RIGL for the sum of $1.00 per year for the remainder of the initial term, and RIGL warrants to comply with the terms of the July 1, 1996 Lease and pay all rent in a timely manner.

4. Right of Offer. In the event RIGL elects to Move forward under, and complies with the terms of paragraph 1.3.2, RIGL shall have the right to receive notification from the principals of Simple.Net of their intention to sell Simple.Net before Simple.Net is advertised for sale on the general market. If Simple.Net receive and offer(s) to sel, RIGL shall receive notification of such offer(s) and shall have the right to compete against such offer(s) for the right to purchase Simple.Net upon such terms mutually acceptable to the principals of Simple.Net and RIGL. Simple.Net shall have no obligation to accept any such offer from RIGL.

This Amendment has been executed on the day and year first above written.

RIGL

RIGL CORPORATION, a Nevada corporation

By: _____/S/_____
WILLIAM O'NEAL
Its: Sr. Vice President

TBI

TELCO BILLING, INC., an Arizona corporation

By: _____/S/_____
JOSEPH CARLSON
Its: President

SHAREHOLDERS:

Morris & Miller, Ltd.

By: _____/S/_____
CATHERINE THOMAS
Its: Director

Mathew & Markson, Ltd.

By: _____/S/_____
ILSE COOPER
Its: Director

EXHIBIT C

LICENSE AGREEMENT

This EXCLUSIVE LICENSING AGREEMENT ("License") is entered into on this 21st

Exhibit 10.17

2nd AMENDMENT
TO
STOCK PURCHASE AGREEMENT ("AGREEMENT")
DATED
MARCH 16, 1999
BY AND AMONG
RIGL CORPORATION, A NEVADA CORPORATION (NOW NAMED YP.NET, INC.)
("RIGL"), TELCO BILLING, INC., A NEVADA CORPORATION ("TBI"),
MORRIS & MILLER, LTD. AND MATHEW AND MARKSON, LTD., BOTH
ANTIGUA CORPORATIONS (COLLECTIVELY "SHAREHOLDERS")

This Amendment effective September 12th, 2000 amends paragraph 1.4 of said Agreement. YP.Net, Inc. ("YP") and Shareholders hereby agree to modify the Agreement by deleting the entirety of paragraph 1.4 of the Agreement. All other revisions, amendments and agreements shall be deemed to be in full force and effect. This deletion irrevocably rescinds and revokes Shareholders' option and ability to "Put" shares of YP common stock to YP and substitutes therefore the following language in a new paragraph 1.4 as follows:

1.4 Shareholders' Option. Under this Agreement YP grants to each Shareholder, a Ten Million U.S. Dollar ($10,000,000) revolving line of credit ("Revolver") fully secured by the shares of YP common stock owned by Shareholders equal to the amount being borrowed. The value of the stock per share being pledged as security shall be valued at eighty percent (80%) of the last trade prior to the time of the loan request or a value of one dollar ($1) per share whichever is higher. The Revolver may be terminated at any time by the Shareholder and converted into ten (10) year loan at the same interest rate as that of the Revolver and then no further advances shall be eligible. The interest rate on the Revolver, and/or possible subsequent term loan shall be 25 basis points (.25%) above YP's average borrowing rate from institutional lenders as determined by YP's Chief Financial Officer, but in no case lower than eight percent (8%) and shall be set for each advance at the time of the advance request, if made. In addition, the average borrowing rate shall be the average of the rate charged by the aggregate of YP's institutional lenders for the prior 30 day period: (i) no single advance shall exceed One Million U.S. Dollars ($1,000,000"); (ii) no advances of any amount shall be made unless after such advance, there remains available to YP an amount equal to thirty (30) days' operating capital. Operating capital is defined as the cash needed to maintain the business. More clearly defined as those expenses needed to pay for the general operating expenses of the company exclusive of depreciation, taxes, amortization, marketing, expenses or acquisition expenses. More clearly defined as the expenses needed to maintain the business. The calculation of the amount of capital available to pay those expenses would include the parent as well as all subsidiaries and affiliates; cash on hand, cash in reserve, marketable securities, short term notes and certificates of deposit, treasury notes, mutual funds, availability on any credit lines plus any cash reasonable expected during the 30 day period from the loan advance forward. This line shall not expire.

Interest charged shall be paid by the Shareholders quarterly in arrears. However, the shareholders shall have the option of obtaining from YP a mandatory advance for the purpose of paying the interest so long as there is availability on this line or by paying the interest

with collateral stock whoso value is defined herein above, or by tendering payment in cash or cash equivalent. YP shall prepare and provide a statement to the shareholders quarterly. The shareholders shall have 30 days from receipt of the statement to advise YP how they would like to pay the interest. In the event that no advice has been received by YP then YP shall advance the funds against this line to pay the interest in a timely manner.

YP grants and conveys to Shareholders the right to transfer and assign any, part and all Shareholder rights under the Agreement or this Amendment to any of Shareholders' successors and assigns without the consent of YP. Any such transfer and assignment shall, however be subject to all of the terms

and conditions contained in the Agreement and this Amendment.

The above constitutes the entirety of the Amendment.

The parties to the Agreement and to this Amendment agree and consent to this Amendment and signify such by signing in the spaces provided below.

AGREED & ACCEPTED

YP.Net, Inc.

By: /s/ Angelo Tullo

Angelo Tullo,
Chairman

Morris & Miller, Ltd.

By: /s/ Ilse Cooper

Ilse Cooper,
Antigua Management
& Trust Ltd.
Corporate Director

Mathew and Markson, Ltd.

By: /s/ Ilse Cooper

Ilse Cooper
Antigua Management
& Trust Ltd.
Corporate Director

Exhibit 10.19

EXECUTIVE CONSULTING AGREEMENT

This Agreement made effective as of, September 20th, 2002, by and between YP.Net, Inc. of 4840 East Jasmine Street, suite 105, Mesa, Arizona 85205 ("YPNT"), as the party to receive services and Sunbelt Financial Concepts, Inc. of 7579 E. Main Street suite 200 Scottsdale, Arizona 85251 ("Company") as the party who shall be providing the services.

WHEREAS Company has a background in Business Management and Administration and is willing to provide services to YPNT and YPNT desires to have the services provided by Company and;

WHEREAS Company has provided different levels of service to YPNT since February 2000 including that of Chief Executive Officer, Chairman and President and that YPNT has survived and prospered during difficult times under the stewardship of Company. YPNT separately acknowledges those accomplishments, and;

WHEREAS YPNT faces additional challenges caused in part by activities of the former Chief Financial Officer. Such as; The Business Software Alliance, failure to file tax returns when due, EEOC complaints as well as the need to continue YPNT's profitable successes and the need to alert the Investment Community to these successes it is now apparent between the parties that YPNT needs to secure the services of Company for a longer term In whatever capacity or titles the Company is willing to provide those services;

THEREFORE it is agreed that this contract shall supercede all prior agreements between the parties and shall become effective on the date signed below which will have culminated by the recommendation of the Compensation Committee of YPNT. It is further agreed by the parties that;

1. Description of Services. Company will continue to make available its current services as well as the new ones listed below;

   a. The services of a Chief Executive Officer ("CEO"), Chairman and President initially in the person of Angelo Tullo.
   b. The services of an administrative person to assist the person in number 1a above. Initially that person would hold the title of Executive Assistant to the Chairman and Administrative Vice President.

   c. The services of at least 1 part time administrative person, or "Gal/Guy Friday" to assist in all areas of YPNT's business as directed by the Company.
   d. In the event that YPNT determines that another individual should serve in one or more of those positions it is fully a liberty to do so at its own cost. It is clearly understood that the services the Company provides herein are valuable to YPNT no matter the titles the employees of Company are asked to take while providing the services to YPNT. In the case where another is named to any of the titles herein above that Company would continue to provide consulting services on an as needed basis in order to fulfill its obligations hereunder.
   e. The employees herein shall be employees of Company and not of YPNT but shall be able to hold themselves out as Employees of YPNT by the use of their respective titles, and in the course of their duties

with respect to the signing of contracts, etc.

f. The Company duties shall be to monitor and manage the affairs and employees of YPNT such that YPNT maximizes profits and growth and enhances shareholder value by alerting the Investment Community to the successes of YPNT should there continue to be successes.

g. This is not an employment contract of Angelo Tullo or any other employee of Company and the money paid under this contract is payable to Company and is earned by the Company not by Tullo or any of the other employees of Company, who merely work for the Company.

h. Maintain all of the minute books and legal records in a fidiuciary capacity for YPNT.

i. Interact with shareholders, lenders, board members, the investment community at large.

j. Such other tasks as the Board of YPNT may reasonably require of Company or its employees.

2. Performance of Services. Company shall determine the manner in which Services are to be performed and the specific hours to be worked by Company or its employees. YPNT will rely upon Company to work as many hours as may be reasonably needed to fulfill Company's obligations under this Agreement. YPNT specifically acknowledges that Company has other clients and that each of the Company's employees will work on projects both related to and unrelated to YPNT.

3. Payment. YPNT shall pay fees and other compensation to Company for Services under this contract according to the following schedule;

a. Monthly fees of $32,000.00 per month in year one with a 10% increase in each succeeding year, This fee shall be payable monthly, no later than the first day of each month preceding the period during which the Services are to be performed. Services are deemed earned at the moment they are due. Company will not be required to send an invoice for services.

b. Company shall also be paid for attending Board Meetings with at least one individual. Company shall be paid $2000.00 per day for each board meeting or $2,000.00 per quarter whichever is greater, no matter how many of Company's employees attend. This amount shall be raised if a majority of board members whether inside or outside board members receive a larger amount. Company shall not be paid for Board committee work.

c. Company shall also be provided with a 3 Cell Phone allowance for its employees performing services for YPNT.

d. Company can allocate this monthly payment in any manner it instructs YPNT to pay it and to whomever it so designates. It may be used to pay for automobiles in YPNT's name, medical expenses or insurance, mobile phone, etc. so long as the aggregate does not exceed the amounts above.

e. Employee(s) of Company shall be offered participation in any stock option plan approved by the Board of Directors of YPNT that are offered to other executives and employees, whether key or not during the term of this agreement. Any options and or stock obtained pursuant to this plan shall also be held as collateral under the terms of the line of credit above.

4. Expense Reimbursement. Company shall be entitled to reimbursement from YPNT for all "out of pocket" expenses. Examples of some but not all of the reimbursable expenses are; gasoline, travel, hotels, insurance, flight insurance, meals, entertainment for business. In addition, Company and its employees providing services to YPNT may be provided with credit or debit cards so that they pay for expenses incurred while performing services for

YPNT as they occur. Company shall be authorized to approve any and all expenses on YPNT's card without liability to the Company. If Company or employee or principal of Company is the primary signer for the Credit Card provided to Company or anyone else for the benefit of YPNT than Company shall hereby be indemnified for any and all expenses incurred on said card or cards by YPNT or other employees of YPNT who may also be allowed to use the card(s).

5. Stock Compensation. In order to more clearly align the efforts of Company with the Shareholders of YPNT and to reward the Company for its superior past performance on behalf of YPNT's shareholders the Board of Directors of YPNT deems it prudent to award 4 million shares of its Common stock to Company. That Stock is currently valued (as traded on the OTC Electronic Bulletin Board on Friday June 21st, 2002) at 6 cents per share. According to Generally Accepted Accounting Principles and as required by the SEC this compensation would be accounted for at 90% of that value or at the current amount required under the rules. YPNT further acknowledges that it will pay any Federal or State Incomes taxes that the Company may have to pay on this stock award as they may come due to the Company. This stock shall be so encumbered as part of the flex compensation below and as part of the customer acquisition requirement. If YPNT's customer count does not exceed 177,000 customers within 12 months from October 1, 2002 than the stock is forfit in prorata share based on the customer count actually obtained. The base amount for calculations is 100,000 customers, so the

company would have to achieve an increase of 77,000 additional customers during the period. For example; if there were 160,000 customers this could amount to 60,000 additional customers. your would that would be 78% of Goal. So 22% of the stock would be forfit back to YPNT.

6. Guarantee of YPNT obligations. As an accommodation to YPNT the Company or any of its employees may elect to provide personal or corporate guarantees for any indebtedness incurred by YPNT. If they so chose to do so by signing below YPNT hereby indemnifies those Employees of the Company or the Company itself for any loss, claim, or damages suffered by the Company or its employees by way of this guarantee(s).

7. Signing of Documents. As a further accommodation to YPNT the employees of the Company agree to execute documents, SEC Filings, and or to be authorized signers on YPNT's Bank or Financial Accounts as needed. By signing below YPNT hereby agrees to indemnify the Company and its Employees or Agents for any actions they may take on behalf of YPNT or any damages they may sustain for this accommodation.

8. Bonus for previous year's achievements. By prior order of the Board of Directors and as a condition of executing this contract a bonus was awared to Company for its services in the amount of $208,000.00. Said bonus is payable on October 1, 2002 and for both parties shall be expensed or indicated as income in the period beginning October 1, 2002. Further YPNT shall bonus to Company any Federal and/or State Income taxes that may be due by the Company for this bonus when Company files it's 2002 income tax forms.

9. Line of Credit. Under the Previous Contract YPNT provided a line of Credit to Company in the aggregate amount of $200,000.00 fully secured against any and all YPNT stock owned by the Company or by Angelo Tullo. In exchange for this new contract the Company agrees to pay off this line of Credit within 45 days of the signing of this agreement.

10. Flex Compensation. YPNT shall make available to the Company additional

income, which shall be called "Flex-Compensation". The maximum amount that can be immediately drawn upon shall be $220,000.00 (as a base in each fiscal year), except as modified below. However that base shall increase by 10% on each 12-month anniversary thereafter during the term of this contract.

This Flex Compensation is a part and parcel of the Compensation to be paid to the Company by YPNT. However as part of the mutual accommodations between the parties Company agrees not to take all of

the Compensation at one time but that in any event the Company is the final arbiter of when and if YPNT is capable of paying the bonus at that time, except that at all times YPNT shall have sufficient cash on hand or anticipated to cover its next 30 days of operating expenses exclusive of marketing expenses.

Since it is assumed that the entire amount shall be taken in each fiscal year so for accounting purposes the Accountants shall accrue as an expense, in the case of YPNT and as income, in the case of Company 1/12th of the total amount available on a monthly basis or the amount actually taken; whichever is greater.

YPNT is making this Flex Compensation available to the Company as a way to induce the Company to continue to perform services for the entire term of the contract. To insure that the Company does not take the Flex Compensation at the beginning of the term and then resign the Company hereby grants to YPNT a first position lien right on all of the stock granted by the YPNT to either the Company or Angelo Tullo. If the Company takes the Flex Compensation, and resigns it has the choice of either returning the unused flex compensation for that fiscal year and retaining the stock or returning the stock to the company. The Company and Tullo would not be allowed to sell, assign or further transfer this stock without the permission of YPNT, which permission shall not be unreasonable withheld. However, because of the valuable nature of these services YPNT would be obligated to take title of these shares in the event of a valid enforceable lien or judgment against Company that would encumber these shares and by signing below Company warrants that it would not interfere.

By signing below the Company and Tullo agree that the Security Agreement signed last year as part of the Lien of Credit previously offered by YPNT is hereby amended with the provisions on number 8 herein and shall continue as a security agreement for the purposes of this Flex Compensation until amended or changed by the parties, in writing.

11. Support Services. YPNT will provide the following support services for the benefit of Company; office space (2 offices and one cubicle, with the furniture currently inside) and office supplies, 3 telephones, three computers, and personnel to answer one Company telephone number. In the event of termination of this agreement than YPNT will if requested by Company assign the lease for the offices to the Company. Said monthly lease if assigned can-not exceed $500.00 per month till the end of the term of this agreement. Any amount above $500.00 per month would still by the responsibility of YPNT. The computer & general office equipment, excluding phones would be turned over to Company by the payment by the Company to YPNT within 45 days of cancellation in the amount of $3,000.00 in year one, $2,000.00 in years two through 5.

12. Termination. This agreement shall continue until September 30, 2007

whereupon it shall automatically renew for another similar period unless either party notifies the other of its intent not to renew 30 days prior to the renewal date at the address provided for herein for notices.

Company may terminate this agreement at anytime by providing YPNT with a 30-day termination notice, with no penalty to either party.

In the Event of a termination by YPNT for malfeasance, theft or embezzlement in regards to YPNT and while Company is providing services to YPNT and where such malfeasance, theft or embezzlement is proven in a competent court of law to have directly damaged YPNT than all Stock of YPNT received by the Company, then in Company's possession or control shall be surrendered to YPNT.

In the Event of a termination by YPNT for any reason other those listed above than Company shall be entitled to a termination fee equal to the 30 % of the balance of the contract but in any case not less than 12 months fees plus the release of the stock collateral given in number 8 above regarding the flex compensation.

13. Due on Sale Clause. In the event that there is a change in control of YPNT as defined by the United States Securities and Exchange Commission or the Internal Revenue Services of the United Stares of YPNT of the entire company now know as YPNT, Telco Billing or the majority ot YPNT's assets are sold, (excluding a factoring arrangement which is defined herein as a financing agreement) than 30% of the balance of this contract or 12 months worth of fees, whichever is greater becomes immediately due and payable by YPNT to Company, at the Company's option. Further that all debts by Company to YPNT would be forgiven and any liability by YPNT to Company for any tax payments due Company for previous grants hereunder are also due.

14. Relationship of the Parties. It is understood that Company is an independent contractor with respect to YPNT and that it will be providing services of similar kind to others. YPNT will not provide fringe benefits, including health insurance benefits, paid vacation or other employee benefits for the benefit of Company except as paid by Company as provided herein.

15. Employees. Company's employees, who perform services for YPNT under this agreement shall also be bound by the provisions of this Agreement. At the request of YPNT, Company shall provide adequate evidence that such persons are Company's employees, members or agents, (" Company Employees", or "Employees").

16. Injuries. Company acknowledges Company's obligation to obtain appropriate insurance coverage for the benefit of Company (and Company's employees, if any). Company waives any rights to recovery from YPNT for any injuries that Company (and/or Company's employees) may sustain while performing services under this Agreement and that are the result of negligence of Company or Company's employees.

17. Return of Records. Upon termination of this Agreement, Company shall deliver all records, notes, data, memoranda, models and equipment of any nature that are in Company's possession or under Company's control that are YPNT's property or relate to YPNT's business except as retained by other similar hired or employed Directors or Officers of YPNT.

18. Officers and Directors Insurance and Indemnification. YPNT shall maintain officers and directors insurance in amounts deemed necessary by Company and the Directors of YPNT (in no event shall said insurance be less than $2.5 million dollars in face amount) such that YPNT will indemnify Company and its officers, agents and employees against any and all 3rd party claims made against Company as more fully identified in YPNT's Bylaws and Articles of Incorporation, attached hereto and made part of this agreement herein by reference.

19. Default. In the event of a Default by YPNT for non-payment or and other breach of this agreement than YPNT shall pay a Default fee of $50.00 per day for each day until cured. If after 15 days from receipt by written notice of default YPNT has still not cured its default the entire balance of the contract shall become due and payable including any termination penalties. Company shall have the right to sue YPNT for damages and to recover all attorneys' fees.

In the event of a default by Company, YPNT shall notify Company in writing of the nature of the default and Company shall have 15 days to cure said default. Failure to cure the default shall be grounds for the termination of the agreement. All clauses of termination remain in effect. YPNT shall have the right to sue Company for damages and to recover all attorneys' fees.

It is expressly understood that in the event of a death, disability or by some other reason that Angelo Tullo or any other individual then currently providing services to YPNT becomes unable or unwilling to provide services it does not void this contract. Company shall have up to four months to replace the person performing those services with some one or multiple personnel whose aggregate talents are equivalent to those of the person or persons unable or unwilling to perform services. Company is the final arbiter of the ability of its personnel to perform the necessary services. In the event that Company is unable or unwilling to replace those services than YPNT can cancel the contract by releasing the lien on collateral and is not entitled to the return of the flex compensation and by paying a 12 month cancellation fee equal to 12 months fees.

20. Notices: All notices required or permitted under this agreement shall be in writing and shall be deemed delivered when addressed in person and mailed certified mail return receipt requested in the United States Mail and addressed as follows (or to such future addresses that each party shall inform the other in writing during the term of this agreement):

If to YPNT:

YP. Net, Inc.
DeVal Johnson
Secretary
4840 E. Jasmine Street Suite 105
Mesa, Arizona 85205

If to Company:

Sunbelt Financial Concepts, Inc.
Angelo Tullo
President
7579 E. Main Street, suite 100
Scottsdale, Arizona 85251

21. Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This agreement supersedes any prior written or oral agreements between the parties.

22. Confidentiality and non-compete. The employees of Company agree to be bound by the confidentiality and non-compete provisions contained in YPNT's Team member handbook as they may be amended from time to time and as signed by the employees of Company actually providing services to YPNT.

23. Amendment. This agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

24. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable or any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable but that by limiting such provision it would become valid and enforceable, that such provision shall be deemed to be written, construed and enforced as so limited.

25. Waiver of Contractual Right. The failure of either party to enforce any provision of this agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

26. Applicable Law. The laws of the State of Arizona shall govern this agreement.

By signing below we warrant and represent to each other that we have the respective authorities from our respective Corporations to execute this document and acknowledge that the other is relying upon those warranties and representations. Further by signing below we acknowledge and agree that our respective Corporations are hereby irrevocablely bound by the agreements herein;

Party receiving Services:
YP. Net, Inc.

By: /s/ DeVal Johnson

DeVal Johnson
Secretary

Party providing Services:
Sunbelt Financial Concepts, Inc.

By: /s/ Angelo Tullo

Angelo Tullo
President

Exhibit 10.20

EXECUTIVE CONSULTING AGREEMENT

This Agreement made effective as of, September 20th, 2002, by and between YP.Net, Inc. of 4840 East Jasmine Street, suite 105, Mesa, Arizona 85205 ("YPNT"), as the party to receive services and Advertising Management & Consulting Services, Inc. of 4840 E. Jasmine Street, suite 110, Arizona 85205 ("Company") as the party who shall be providing the services.

WHEREAS Company has a background in Business Management, Business Creation, New Product Development, Local Exchange Carrier Billing (LEC Billing), Marketing and Sales, Print Advertising Design is willing to provide services to YPNT and YPNT desires to have the services provided by Company and;

WHEREAS Company has provided different levels of service to YPNT since June 1999 and its predecessor before the merger Telco Billing since 1997 including that of Manager, Director, Director of Operations, Vice President , Marketing and as part of the Management Team of YPNT, YPNT has survived and prospered during difficult times and YPNT separately acknowledges those accomplishments, and;

WHEREAS YPNT faces additional challenges caused in part by activities of the former Chief Financial Officer. Such as; The Business Software Alliance, failure to file tax returns when due, EEOC complaints as well as the need to continue YPNT's profitable successes and the need to alert the Investment Community to these succeses it is now apparent between the parties that YPNT needs to secure the services of Company for a longer term In whatever capacity or titles the Company is willing to provide those services;

THEREFORE it is agreed that this contract shall superceed all prior agreements between the parties and shall become effective on the date signed below which will have culminated by the recommendation of the Compensation Committee of YPNT. It is further agreed by the parties that;

1. Description of Services. Company will continue to make available its current services as well as the new ones listed below;

   a. The services of a Director ("Secretary"), initially in the person of Gregory Crane
   b. The services of a Vice President, Marketing ("Vice President"), initially in the person of Gregory Crane
   c. The services Business and Marketing Development person to assist the person in number 1b above.
   d. In the event that YPNT determines that another individual should serve in one or more of those positions it is fully a liberty to do so at its own cost. It is clearly understood that the services the Company provides herein are valuable to YPNT no matter the titles the employees of Company are asked to take while providing the services to YPNT. In the case where another is named to any of the titles herein above that Company would continue to provide consulting services on an as needed basis in order to fulfill its obligations hereunder.
   e. The employees herein shall be employees of Company and not of YPNT but shall be able to hold themselves out as Employees of YPNT by the use of their respective titles, and in the course of their duties with respect to the signing of contracts, etc.

f. The Company duties shall be to try maintain or improve our current response rates on our direct mail marketing piece(s), look for, create and implement other strategies to build our customer base, find other products we can sell to our existing and new customers, find profitable ways to market for new customers. Find ways to decrease dilution of our existing customer base. Company employees shall work with and supervise YPNT staff to achieve these goals. All expenses for equipment or additional employees or staff shall be borne by YPNT.
g. This is not an employment contract of Gregory Crane or any other employee of Company and the money paid under this contract is payable to Company and is earned by the Company not by Crane or any of the other employees of Company, who merely work for the Company.
h. Maintain and design with the help of YPNT staff and Consultants all direct mail pieces.
i. Interact with shareholders, lenders, board members, and the investment community at large.
j. Help write and approve all public communications of the company to enhance the Company's corporate image and Brand.

k. Such other tasks as the Board of YPNT may reasonably require of Company or its employees.

2. Performance of Services. Company shall determine the manner in which Services are to be performed and the specific hours to be worked by Company or its employees. YPNT will rely upon Company to work as many hours as may be reasonably needed to fulfill Company's obligations under this Agreement. YPNT specifically acknowledges that Company has other clients and that each of the Company's employees will work on projects both related to and unrelated to YPNT.

3. Payment. YPNT shall pay fees and other compensation to Company for Services under this contract according to the following schedule;

a. Monthly fees of $32,000.00 per month in year one with a 10% increase in each succeeding year, This fee shall be payable monthly, no later than the first day of each month preceding the period during which the Services are to be performed. Services are deemed earned at the moment they are due. Company will not be required to send an invoice for services.
b. Company shall also be paid for attending Board Meetings with at least one individual. Company shall be paid $2000.00 per day for each board meeting or $2,000.00 per quarter whichever is greater, no matter how many of Company's employees attend. This amount shall be raised if a majority of board members whether inside or outside board members receive a larger amount. Company shall not be paid for Board committee work.
c. Company shall also be provided with a 2 Cell Phone allowance for its employees performing services for YPNT.
d. Company can allocate this monthly payment in any manner it instructs YPNT to pay it and to whomever it so designates. It may be used to pay for automobiles in YPNT's name, medical expenses or insurance, mobile phone, etc. so long as the aggregate does not exceed the amounts above.
e. Employee(s) of Company shall be offered participation in any stock option plan approved by the Board of Directors of YPNT that are offered to other executives and employees, whether key or not during the term of this agreement. Any options and or stock obtained pursuant to this plan shall also be held as collateral under the terms of the line of credit above.

4. Expense Reimbursement. Company shall be entitled to reimbursement from YPNT for all "out of pocket" expenses. Examples of some but not all of the reimbursable expenses are; gasoline, travel, hotels, insurance, flight insurance, meals, entertainment for business In addition, Company and its employees providing services to YPNT shall be provided with credit or debit cards so that they pay for expenses incurred while performing services for YPNT as they occur. Company shall be authorized to approve any and all expenses on YPNT's card without liability to the Company. If Company or employee or principal of Company is the primary signer for the Credit Card provided to Company or anyone else for the benefit of YPNT than Company shall hereby be indemnified for any and all expenses incurred on said card or cards by YPNT or other employees of YPNT who may also be allowed to use the card(s).

5. Stock Compensation. In order to more clearly align the efforts of Company with the Shareholders of YPNT and to reward the Company for its superior past performance on behalf of YPNT's shareholders the Board of Directors of YPNT deems it prudent to award 1 million shares of its Common stock to Company. That Stock is currently valued (as traded on the OTC Electronic Bulletin Board on Friday June 21st, 2002) at 6 cents per share. According to Generally Accepted Accounting Principles and as required by the SEC this compensation would be accounted for at 90% of that value or at the current amount required under the rules. YPNT further acknowledges that it will pay any Federal or State Incomes taxes that the Company may have to pay on this stock award as they may come due to the Company. This stock shall be so encumbered as part of the flex compensation below and as part of the customer acquisition requirement. If YPNT's customer count does not exceed 177,000 customers within 12 months from October 1, 2002 than the stock if forfit in prorata share based on the customer count actually obtained. The base amount for calculations is 100,000 customers, so the company would have to achieve an increase of 77,000 additional customers during the period. For example; if there were 160,000 customers this could amount to 60,000 additional customers. your would that would be 78% of Goal. So 22% of the stock would be forfit back to YPNT.

6. Guarantee of YPNT obligations. As an accommodation to YPNT the Company or any of its employees may elect to provide personal or corporate guarantees for any indebtedness incurred by YPNT. If they so chose to do so by signing below YPNT hereby indemnifies those Employees of the Company or the Company itself for any loss, claim, or damages suffered by the Company or its employees by way of this guarantee(s).

7. Signing of Documents. As a further accommodation to YPNT the employees of the Company agree to execute documents, SEC Filings, and or to be authorized signers on YPNT's Bank or Financial Accounts as needed. By signing below YPNT hereby agrees to indemnify the Company and its Employees or Agents for any actions they may take on behalf of YPNT or any damages they may sustain for this accommodation.

8. Bonus for previous year's achievements. By prior order of the Board of Directors and as a condition of executing this contract a bonus was awared

to Company for its services in the amount of $35,000.00. Said bonus is payable on October 1, 2002 an for both parties shall be expensed or indicated as income in the period beginning October 1, 2002. Further YPNT shall bonus to Company any Federal and/or State Income taxes that may be due by the Company for this bonus when Company files it's 2002 income tax forms.

9. Flex Compensation. YPNT shall make available to the Company additional income, which shall be called "Flex-Compensation". The maximum amount that can be immediately drawn upon shall be $50,000.00 (as a base in each fiscal year), except as modified below. However that base shall increase by 10% on each 12-month anniversary thereafter during the term of this contract.

This Flex Compensation is a part and parcel of the Compensation to be paid to the Company by YPNT. However as part of the mutual accommodations between the parties Company agrees not to take all of the Compensation at one time but that in any event the Company is the final arbiter of when and if YPNT is capable of paying the bonus at that time, except that at all times YPNT shall have sufficient cash on hand or anticipated to cover its next 30 days of operating expenses exclusive of marketing expenses.

Since it is assumed that the entire amount shall be taken in each fiscal year so for accounting purposes the Accountants shall accrue as an expense, in the case of YPNT and as income, in the case of Company 1/12th of the total amount available on a monthly basis or the amount actually taken; whichever is greater.

YPNT is making this Flex Compensation available to the Company as a way to induce the Company to continue to perform services for the entire term of the contract. To insure that the Company does not take the Flex

Compensation at the beginning of the term and then resign the Company hereby grants to YPNT a first position lien right on all of the stock granted by the YPNT to either the Company or Gregory CraneIf the Company takes the Flex Compensation, and resigns it has the choice of either returning the unused flex compensation for that fiscal year and retaining the stock or returning the stock to the company. The Company and Crane would not be allowed to sell, assign or further transfer this stock without the permission of the YPNT, which permission shall not be unreasonable withheld. However, because of the valuable nature of these Services YPNT would be obligated to take title of these shares in the event of a valid enforceable lien or judgment against Company that would encumber these shares and by signing below Company warrants that it would not interfere.

By signing below the Company and Crane agree that a Security Agreement will be created to evidence this lien.

10. Support Services. YPNT will provide the following support services for the benefit of Company; office space (2 offices, with the furniture currently inside) and office supplies, 2 telephones, two computers, and personnel to answer one Company telephone number. In the event of termination of this agreement than YPNT will if requested by Company assign the lease for the offices to the Company. Said monthly lease if assigned can-not exceed $350.00 per month till the end of the term of this agreement. Any amount above $350.00 per month would still by the responsibility of YPNT. The computer and general office equipment, excluding phones would be turned over to Company by the payment within 45 days of cancellation in the amount of $2,000.00 in year one, $1,000.00 in years two through 5.

11. Termination. This agreement shall continue until September 30, 2007 whereupon it shall automatically renew for another similar period unless either party notifies the other of its intent not to renew 30 days prior to the renewal date at the address provided for herein for notices.

Company may terminate this agreement at anytime by providing YPNT with a 30-day termination notice, with no penalty to either party.

In the Event of a termination by YPNT for malfeasance, theft or embezzlement in regards to YPNT and while Company is providing services to YPNT and where such malfeasance, theft or embezzlement is proven in a competent court of law to have directly damaged YPNT than all Stock of YPNT received by the Company, then in Company's possession or control shall be surrendered to YPNT

In the Event of a termination by YPNT for any reason other those listed above than Company shall be entitled to a termination fee equal to the 30 % of the balance of the contract but in any case not less than 12 months fees plus the release of the stock collateral given in number 8 above regarding the flex compensation.

12. Due on Sale Clause. In the event that there is a change in control of YPNT as defined by the United States Securities and Exchange Commission or the Internal Revenue Services of the United Stares of YPNT of the entire company now know as YPNT, Telco Billing or the majority ot YPNT's assets are sold, (excluding a factoring arrangement which is defined herein as a financing agreement) than 30% of the balance of this contract or 12 months worth of fees, whichever is greater becomes immediately due and payable by YPNT to Company. Further that all debts by Company to YPNT would be forgiven and any liability by YPNT to Company for any tax payments due Company for previous grants hereunder are also due.

13. New Products. All new products designed to be sold to Yellow Page customers of YPNT will be the property of YPNT. Products designed for Company for other clients shall be the property of the other clients, no matter if Company Employees who also perform services for YPNT worked on the project. However, for any products designed by Company, not for a client or for YPNT than YPNT shall be given a first right of refusal to purchase that that product from Company.

14. Relationship of the Parties. It is understood that Company is an independent contractor with respect to YPNT and that it will be providing services of similar kind to others. YPNT will not provide fringe benefits, including health insurance benefits, paid vacation or other employee benefits for the benefit of Company except as paid by Company as provided herein.

15. Employees. Company's employees, if any, who perform services for YPNT under this agreement shall also be bound by the provisions of this Agreement. At the request of YPNT, Company shall provide adequate evidence that such persons are Company's employees, members of agents, (" Company Employees", or "Employees").

16. Injuries. Company acknowledges Company's obligation to obtain appropriate insurance coverage for the benefit of Company (and Company's employees, if any). Company waives ay rights to recovery from YPNT for any injuries that Company (and/or Company's employees) may sustain while performing services under this Agreement and that are the result of negligence of Company or Company's employees.

17. Return of Records. Upon termination of this Agreement, Company shall deliver all records, notes, data, memoranda, models and equipment of any nature that are in Company's possession or under Company's control that are YPNT's [property or relate to YPNT's business except as retained by other similar hired or employed Directors or Officers of YPNT.

18. Officers and Directors Insurance and Indemnification. YPNT shall maintain officers and directors insurance in amounts deemed necessary by Company and the Directors of YPNT (in no event shall said insurance be less than $2.5 million dollars in face amount) such that YPNT will indemnify Company and its officers, agents and employees against any and all 3rd party claims made against Company as more fully identified in YPNT's Bylaws and Articles of Incorporation, attached hereto and made part of this agreement herein by reference.

19. Default. In the event of a Default by YPNT for non-payment or and other breach of this agreement than YPNT shall pay a Default fee of $50.00 per day for each day until cured. If after 15 days from receipt by written notice of default YPNT has still not cured its default the entire balance of the contract shall become due and payable including any termination penalties. Company shall have the right to sue YPNT for damages and to recover all attorney's fees.

In the event of a default by Company, YPNT shall notify Company in writing of the nature of the default and Company shall have 15 days to cure said default. Failure to cure the default shall be grounds for the termination of the agreement. All clauses of termination remain in effect. YPNT shall have the right to sue Company for damages and to recover all attorney's fees.

It is expressly understood that in the event of a death, disability or by some other reason that Gregory Crane. or any other individual then currently providing services to YPNT becomes unable or unwilling to provide services it does not void this contract. Company shall have up to four months to replace the person performing those services with some

one or multiple personnel whose aggregate talents are equivalent to those of the person or persons unable or unwilling to perform services. Company is the final arbiter of the ability of its personnel to perform the necessary services. In the event that Company is unable or unwilling to replace those services than YPNT can cancel the contract by releasing the lien on collateral and is not entitled to the return of the flex compensation and by paying a 12 month cancellation fee equal to 12 months fees.

20. Notices: All notices required or permitted under this agreement shall be

in writing and shall be deemed delivered when addressed in person and mailed certified mail return receipt requested in the United States Mail and addressed as follows (or to such future addresses that each party shall inform the other in writing during the term of this agreement):

If to YPNT:

YP. Net, Inc.
Angelo Tullo
President
4840 E. Jasmine Street Suite 105
Mesa, Arizona 85205

If to Company:

Advertising Management & Consulting Services, Inc.
Gregory Crane.
President
4840 E. Jasmine Street Suite 110
Mesa, Arizona 85205

21. Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This agreement supersedes any prior written or oral agreements between the parties.

22. Confidentiality and non-compete. The employees of Company agree to be bound by the confidentiality and non-compete provisions contained in YPNT's Team member handbook as they may be amended from time to time and as signed by the employees of Company actually providing services to YPNT.

23. Amendment. This agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

24. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable or any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable but that by limiting such provision it would become valid and enforceable, that such provision shall be deemed to be written, construed and enforced as so limited.

25. Waiver of Contractual Right. The failure of either party to enforce any provision of this agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

26. Applicable Law. The laws of the State of Arizona shall govern this agreement.

By signing below we warrant and represent to each other that we have the respective authorities from our respective Corporations to execute this document and acknowledge that the other is relying upon those warranties and representations. Further by signing below we acknowledge and agree that our respective Corporations are hereby irrevocablely bound by the agreements herein;

Party receiving Services:
YP. Net, Inc.

By: /s/ Angelo Tullo

Angelo Tullo
President

Party providing Services:
Advertising Management & Consulting Services, Inc.

By: /s/ Greg Crane

Gregory Crane.
President

Exhibit 10.21

EXECUTIVE CONSULTING AGREEMENT

This Agreement made effective as of, September 20th, 2002, by and between YP.Net, Inc. of 4840 East Jasmine Street, suite 105, Mesa, Arizona 85205 ("YPNT"), as the party to receive services and Advanced Internet Marketing, Inc. of 4840 E. Jasmine Street, suite 110, Arizona 85205 ("Company") as the party who shall be providing the services.

WHEREAS Company has a background in Business Management, Web Design, Print Advertising Design and Corporate Development is willing to provide services to YPNT and YPNT desires to have the services provided by Company and;

WHEREAS Company has provided different levels of service to YPNT since June 1999 and its predecessor before the merger Telco Billing since 1997 including that of Corporate Secretary, Director, Director of Technology, Vice President Corporate Image, Web Designer, Print Design Supervisor and as part of the Management Team of YPNT, YPNT has survived and prospered during difficult times and YPNT separately acknowledges those accomplishments, and;

WHEREAS YPNT faces additional challenges caused in part by activities of the former Chief Financial Officer. Such as; The Business Software Alliance, failure to file tax returns when due, EEOC complaints as well as the need to continue YPNT's profitable successes and the need to alert the Investment Community to these successes it is now apparent between the parties that YPNT needs to secure the services of Company for a longer term In whatever capacity or titles the Company is willing to provide those services;

THEREFORE it is agreed that this contract shall superceed all prior agreements between the parties and shall become effective on the date signed

below which will have culminated by the recommendation of the Compensation Committee of YPNT. It is further agreed by the parties that;

1. Description of Services. Company will continue to make available its current services as well as the new ones listed below;

   a. The services of a Corporate Secretary ("Secretary"), initially in the person of DeVal Johnson.
   b. The services of a Vice President, Corporate Image ("Vice President"), initially in the person of DeVal Johnson.
   c. The services of Web designer to assist the person in number 1b above.
   d. In the event that YPNT determines that another individual should serve in one or more of those positions it is fully a liberty to do so at its own cost. It is clearly understood that the services the Company provides herein are valuable to YPNT no matter the titles the employees of Company are asked to take while providing the services to YPNT. In the case where another is named to any of the titles herein above that Company would continue to provide consulting services on an as needed basis in order to fulfill its obligations hereunder.

e. The employees herein shall be employees of Company and not of YPNT but shall be able to hold themselves out as Employees of YPNT by the use of their respective titles, and in the course of their duties with respect to the signing of contracts, etc.
f. The Company duties shall be to maintain and build a Web site that can be maintained by YP.Net Staff. Company employees shall work with and supervise YPNT staff to achieve this goal. All expenses for equipment or additional employees of staff shall be borne YPNT.
g. This is not an employment contract of DeVal Johnson or any other employee of Company and the money paid under this contract is payable to Company and is earned by the Company not by Johnson or any of the other employees of Company, who merely work for the Company.
h. Maintain and design with the help of YPNT staff and Consultants all direct mail pieces.
i. Interact with shareholders, lenders, board members, and the investment community at large.
j. Help write and approve all public communications of the company to enhance the Company's corporate image and Brand.
k. Such other tasks as the Board of YPNT may reasonably require of Company or its employees.

2. Performance of Services. Company shall determine the manner in which Services are to be performed and the specific hours to be worked by Company or its employees. YPNT will rely upon Company to work as many hours as may be reasonably needed to fulfill Company's obligations under this Agreement. YPNT specifically acknowledges that Company has other clients and that each of the Company's employees will work on projects both related to and unrelated to YPNT.

3. Payment. YPNT shall pay fees and other compensation to Company for Services under this contract according to the following schedule;

a. Monthly fees of $18,000.00 per month in year one with a 10% increase in each succeeding year, This fee shall be payable monthly, no later than the first day of each month preceding the period during which the Services are to be performed. Services are deemed earned at the moment they are due. Company will not be required to send an invoice for services.
b. Company shall also be paid for attending Board Meetings with at least one individual. Company shall be paid $2000.00 per day for each board meeting or $2,000.00 per quarter whichever is greater, no matter how many of Company's employees attend. This amount shall be raised if a majority of board members whether inside or outside board members receive a larger amount. Company shall not be paid for Board committee work.
c. Company shall also be provided with a 2 Cell Phone allowance for its employees performing services for YPNT.
d. Company can allocate this monthly payment in any manner it instructs YPNT to pay it and to whomever it so designates. It may be used to pay for automobiles in YPNT's name, medical expenses or insurance, mobile phone, etc. so long as the aggregate does not exceed the amounts above.
e. Employee(s) of Company shall be offered participation in any stock option plan approved by the Board of Directors of YPNT that are offered to other executives and employees, whether key or not during the term of this agreement. Any options and or stock obtained pursuant to this plan shall also be held as collateral under the terms of the line of credit above.

4. Expense Reimbursement. Company shall be entitled to reimbursement from YPNT for all "out of pocket" expenses. Examples of some but not all of the reimbursable expenses are; gasoline, travel, hotels, insurance, flight insurance, meals, entertainment for business In addition, Company and its employees providing services to YPNT shall be provided with credit or debit cards so that they pay for expenses incurred while performing services for YPNT as they occur. Company shall be authorized to approve any and all expenses on YPNT's card without liability to the Company. If Company or employee or principal of Company is the primary signer for the Credit Card provided to Company or anyone else for the benefit of YPNT than Company shall hereby be indemnified for any and all expenses incurred on said card or cards by YPNT or other employees of YPNT who may also be allowed to use the card(s).

5. Stock Compensation. In order to more clearly align the efforts of Company with the Shareholders of YPNT and to reward the Company for its superior past performance on behalf of YPNT's shareholders the Board of Directors of YPNT deems it prudent to award 1 million shares of its Common stock to Company. That Stock is currently valued (as traded on the OTC Electronic Bulletin Board on Friday June 21st, 2002) at 6 cents per share. According to Generally Accepted Accounting Principles and as required by the SEC this compensation would be accounted for at 90% of that value or at the current amount required under the rules. YPNT further acknowledges that it will pay any Federal or State Incomes taxes that the Company may have to pay on this stock award as they may come due to the Company. This stock shall be so encumbered as part of the flex compensation below and as part of the customer acquisition requirement. If YPNT's customer count does not exceed 177,000 customers within 12 months from October 1, 2002 than the stock if forfit in prorata share based on the customer count actually obtained. The base amount for calculations is 100,000 customers, so the company would have to achieve an increase of 77,000 additional customers during the period. For example; if there were 160,000 customers this could amount to 60,000 additional customers. your would that would be 78% of Goal. So 22% of the stock would be forfit back to YPNT.

6. Guarantee of YPNT obligations. As an accommodation to YPNT the Company or any of its employees may elect to provide personal or corporate guarantees for any indebtedness incurred by YPNT. If they so chose to do so by signing below YPNT hereby indemnifies those

Employees of the Company or the Company itself for any loss, claim, or damages suffered by the Company or its employees by way of this guarantee(s).

7. Signing of Documents. As a further accommodation to YPNT the employees of the Company agree to execute documents, SEC Filings, and or to be authorized signers on YPNT's Bank or Financial Accounts as needed. By signing below YPNT hereby agrees to indemnify the Company and its Employees or Agents for any actions they may take on behalf of YPNT or any damages they may sustain for this accommodation.

8. Bonus for previous year's achievements. By prior order of the Board of

Directors and as a condition of executing this contract a bonus was awared to Company for its services in the amount of $20,000.00. Said bonus is payable on October 1, 2002 an for both parties shall be expensed or indicated as income in the period beginning October 1, 2002. Further YPNT shall bonus to Company any Federal and/or State Income taxes that may be due by the Company for this bonus when Company files it's 2002 income tax forms.

9. Flex Compensation. YPNT shall make available to the Company additional income, which shall be called "Flex-Compensation". The maximum amount that can be immediately drawn upon shall be $30,000.00 (as a base in each fiscal year), except as modified below. However that base shall increase by 10% on each 12-month anniversary thereafter during the term of this contract.

This Flex Compensation is a part and parcel of the Compensation to be paid to the Company by YPNT. However as part of the mutual accommodations between the parties Company agrees not to take all of the Compensation at one time but that in any event the Company is the final arbiter of when and if YPNT is capable of paying the bonus at that time, except that at all times YPNT shall have sufficient cash on hand or anticipated to cover its next 30 days of operating expenses exclusive of marketing expenses.

Since it is assumed that the entire amount shall be taken in each fiscal year so for accounting purposes the Accountants shall accrue as an expense, in the case of YPNT and as income, in the case of Company 1/12th of the total amount available on a monthly basis or the amount actually taken; whichever is greater.

YPNT is making this Flex Compensation available to the Company as a way to induce the Company to continue to perform services for the entire term of the contract. To insure that the Company does not take the Flex Compensation at the beginning of the term and then resign the Company hereby grants to YPNT a first position lien right on all of the stock granted by the YPNT to either the Company or DeVal Johnson. If the Company takes the Flex Compensation, and resigns it has the choice of either returning the unused flex compensation for that fiscal year and retaining the stock or returning the stock to the company. The Company and Johnson would not be allowed to sell, assign or further transfer this stock without the permission of the YPNT, which permission shall not be unreasonable withheld. However, because of the valuable nature of these services YPNT would be obligated to take title of these shares in the event of a valid enforceable lien or judgment against Company that would encumber these shares and by signing below Company warrants that it would not interfere.

By signing below the Company and Johnson agree that a Security Agreement will be created to evidence this lien.

10. Support Services. YPNT will provide the following support services for the benefit of Company; office space (2 offices, with the furniture currently inside) and office supplies, 2 telephones, two computers, and personnel to answer one Company telephone number. In the event of termination of this agreement than YPNT will if requested by Company assign the lease for the offices to the Company. Said monthly lease if assigned can-not exceed $350.00 per month till the end of the term of this agreement. Any amount above $350.00 per month would still by the responsibility of YPNT. The computer & general equipment excluding phones would be turned over to Company by the payment within 45 days of cancellation in the amount of $2,000.00 in year one, $1,000.00 in years two through 5.

11. Termination. This agreement shall continue until September 30, 2007 whereupon it shall automatically renew for another similar period unless either party notifies the other of its intent not to renew 30 days prior to the renewal date at the address provided for herein for notices.

Company may terminate this agreement at anytime by providing YPNT with a 30-day termination notice, with no penalty to either party. In the event of a termination by Company, than Company shall have the option of paying back the line of credit, together with interest on a 3-year

amortization schedule or surrendering the collateral as full payment therein.

In the Event of a termination by YPNT for malfeasance, theft or embezzlement in regards to YPNT and while Company is providing services to YPNT and where such malfeasance, theft or embezzlement is proven in a competent court of law to have directly damaged YPNT than all Stock of YPNT received by the Company, then in Company's possession or control shall be surrendered to YPNT

In the Event of a termination by YPNT for any reason other those listed above than Company shall be entitled to a termination fee equal to the 30 % of the balance of the contract but in any case not less than 12 months fees plus the release of the stock collateral given in number 8 above regarding the flex compensation.

12. Due on Sale Clause. In the event that there is a change in control of YPNT as defined by the United States Securities and Exchange Commission or the Internal Revenue Services of the United Stares of YPNT of the entire company now know as YPNT, Telco Billing or the majority ot YPNT's assets are sold, (excluding a factoring arrangement which is defined herein as a financing agreement) than 30% of the balance of this contract or 12 months worth of fees, whichever is greater becomes immediately due and payable by YPNT to Company. Further that all debts by Company to YPNT would be forgiven and any liability by YPNT to Company for any tax payments due Company for previous grants hereunder are also due.

13. Relationship of the Parties. It is understood that Company is an independent contractor with respect to YPNT and that it will be providing services of similar kind to others. YPNT will not provide fringe benefits, including health insurance benefits, paid vacation or other employee benefits for the benefit of Company except as paid by Company as provided herein.

14. Employees. Company's employees, if any, who perform services for YPNT under this agreement shall also be bound by the provisions of this Agreement. At the request of YPNT, Company shall provide adequate evidence that such persons are Company's employees, members of agents. (" Company Employees", or "Employees").

15. Injuries. Company acknowledges Company's obligation to obtain appropriate

insurance coverage for the benefit of Company (and Company's employees, if any). Company waives ay rights to recovery from YPNT for any injuries that Company (and/or Company's employees) may sustain while performing services under this Agreement and that are the result of negligence of Company or Company's employees.

16. Return of Records. Upon termination of this Agreement, Company shall deliver all records, notes, data, memoranda, models and equipment of any nature that are in Company's possession or under Company's control that are YPNT's [property or relate to YPNT's business except as retained by other similar hired or employed Directors or Officers of YPNT.

17. Officers and Directors Insurance and Indemnification. YPNT shall maintain officers and directors insurance in amounts deemed necessary by Company and the Directors of YPNT (in no event shall said insurance be less than $2.5 million dollars in face amount) such that YPNT will indemnify Company and its officers, agents and employees against any and all 3rd party claims made against Company as more fully identified in YPNT's Bylaws and Articles of Incorporation, attached hereto and made part of this agreement herein by reference.

18. Default. In the event of a Default by YPNT for non-payment or and other breach of this agreement than YPNT shall pay a Default fee of $50.00 per day for each day until cured. If after 15 days from receipt by written notice of default YPNT has still not cured its default the entire balance of the contract shall become due and payable including any termination penalties. Company shall have the right to sue YPNT for damages and to recover all attorneys' fees.

In the event of a default by Company, YPNT shall notify Company in writing of the nature of the default and Company shall have 15 days to cure said default. Failure to cure the default shall be grounds for the termination of the agreement. All clauses of termination remain in effect. YPNT shall have the right to sue Company for damages and to recover all attorneys' fees.

It is expressly understood that in the event of a death, disability or by some other reason that DeVal Johnson or any other individual then currently providing services to YPNT becomes unable or unwilling to provide services it does not void this contract. Company shall have up to four months to replace the person performing those services with some one or multiple

personnel whose aggregate talents are equivalent to those of the person or persons unable or unwilling to perform services. Company is the final arbiter of the ability of its personnel to perform the necessary servicesIn the event that Company is unable or unwilling to replace those services than YPNT can cancel the contract by releasing the lien on collateral and is not entitled to the return of the flex compensation and by paying a 12 month cancellation fee equal to 12 months fees.

19. Notices: All notices required or permitted under this agreement shall be in writing and shall be deemed delivered when addressed in person and mailed certified mail return receipt requested in the United States Mail and addressed as follows (or to such future addresses that each party shall inform the other in writing during the term of this agreement):

If to YPNT:

YP. Net, Inc.
Angelo Tullo
President
4840 E. Jasmine Street Suite 105
Mesa, Arizona 85205

If to Company:
Advanced Internet Marketing, Inc.
DeVal Johnson
President
4840 E. Jasmine Street Suite 110
Mesa, Arizona 85205

20. Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This agreement supersedes any prior written or oral agreements between the parties.

21. Confidentiality and non-compete. The employees of Company agree to be bound by the confidentiality and non-compete provisions contained in YPNT's Team member handbook as they may be amended from time to time and as signed by the employees of Company actually providing services to YPNT.

22. Amendment. This agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

23. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable or any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable but that by limiting such provision it would become valid and enforceable, that such provision shall be deemed to be written, construed and enforced as so limited.

24. Waiver of Contractual Right. The failure of either party to enforce any provision of this agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

25. Applicable Law. The laws of the State of Arizona shall govern this agreement.

By signing below we warrant and represent to each other that we have the respective authorities from our respective Corporations to execute this document and acknowledge that the other is relying upon those warranties and representations. Further by signing below we acknowledge and agree that our respective Corporations are hereby irrevocablely bound by the agreements herein;

Party receiving Services:
YP. Net, Inc.

By: /s/ Angelo Tullo

Angelo Tullo
President

Party providing Services:
Advanced Internet Marketing, Inc.

By: /s/ DeVal Johnson

DeVal Johnson
President

Exhibit 10.22

[GRAPHIC OMITTED]

BUSINESS EXECUTIVE SERVICE, INC.

BUSINESS INCUBATION & LEASING SPECIALIST

MAIL MARKETING MANAGEMENT AGREEMENT

THIS MAIL MARKETING MANAGEMENT AGREEMENT (the "Agreement") is made this 1th day of November, 2001 (the "Effective Date"), by and between Business Executive Services, Inc., a Arizona corporation whose address is 4840 E. Jasmine Street, Suite 110, Mesa, Arizona 85205 ("Consultant") and Telco Billing, Inc., an Nevada corporation with its offices located at 4840 East Jasmine Street, Suite 105, Mesa, Arizona 85205 (the "Company").

WHEREAS, Consultant has experience in mail marketing, invoicing and compliance mailing.

WHEREAS, the Company desires to retain Consultant to advise and assist the Company in such matters on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and Consultant agree as follows:

1. ENGAGEMENT.

The Company hereby retains Consultant, effective as of the date first written above (the "Effective Date") and continuing until termination, as provided herein, to provide the Company with the following services:

Consultant will provide scheduling and completion of all outgoing mail. Company will provide Consultant with all of the hardware necessary for Consultant to perform Consultant's duties.

2. TERM.

This Agreement shall have an initial term of one (1) year (the "Primary Term"), commencing with the Effective Date. At the conclusion of the Primary Term, this Agreement will automatically be extended on an annual basis (the "Extension Period") unless Consultant or the Company shall deliver to the other party written notice terminating the Agreement. Any notice to terminate given hereunder shall be in writing and shall be delivered at least thirty (30) days before the end of the Primary Term or any subsequent Extension Period.

3. TIME AND EFFORT OF CONSULTANT.

Consultant shall allocate time, as it deems necessary to provide the Services. The particular amount of time may vary from day to day or week to week. However, it is expressly understood that

Consultant is not billing Company for the time performed but rather is billing Company based on the number of mail pieces sent each year. Additionally, in the absence of willful misfeasance, bad faith, or reckless disregard for the obligations or duties hereunder by Consultant, Consultant shall not be liable to the Company or any of its shareholders for any act or omission in the course of or connected with rendering the Services, including but not limited to losses that may be sustained in any corporate act in any subsequent Business Opportunity (as defined herein) undertaken by the Company as a result of advice provided by Consultant.

4. COMPENSATION.

The Company agrees to pay Consultant a fee for the Services ("Consulting Fee") as follows:

Consultant shall be paid by Company monthly on the 1st of the month. The rate shall be $.015 per mail piece sent based off the yearly forecast.

Fee based on the projected mailings attached & provided by company. Company shall be billed based on the 12-month average in all cases not to be below a fee of $15,750. Consultant shall provide a quarterly accounting of usage to company.

A late fee of 1.5% will be charged on any payments more than 10 days late. Failure to pay the payment and/or late payments when due can subject the Company to cancellation by Consultant hereunder. If this contract is canceled due to non-payment then Consultant will be eligible for expenses equal to 33% of the amount outstanding for collection costs as well as a termination fee equal to one months billing (at the pervious month's rate).

5. COSTS AND EXPENSES.

All third party and out-of-pocket expenses incurred by Consultant in the performance of the Services shall be paid by the Company, or Consultant shall be reimbursed if paid by Consultant on behalf of the Company, within ten (10) days of receipt of written notice by Consultant, provided that the Company must approve in advance all such expenses in excess of $1,000 per month.

6. PLACE OF SERVICES.

The Services provided by Consultant hereunder will be performed at Consultant's offices except as otherwise mutually agreed by Consultant and the Company.

7. INDEPENDENT CONTRACTOR.

Consultant will act as an independent contractor in the performance of its duties under this Agreement. Accordingly, Consultant will be responsible for payment of all federal, state, and local taxes on compensation paid under this Agreement, including income and social security taxes, unemployment insurance, and any other taxes due relative to Consultant's Personnel, and any and all business license fees as may be required. This Agreement neither expressly not impliedly creates a relationship of principal and agent, or employee and employer, between Consultant's Personnel and the Company Neither Consultant nor Consultant's Personnel are authorized to enter into any agreements on behalf of the Company. The Company expressly retains the right to approve, in its sole discretion, each Asset Opportunity or Business

Opportunity introduced by Consultant, and to make all final decisions with respect to effecting a

transaction on any Business Opportunity.

8. NO AGENCY EXPRESS OR IMPLIED.

This Agreement neither expressly nor impliedly creates a relationship of principal and agent between the Company and Consultant, or employee and employer as between Consultant's Personnel and the Company.

9. TERMINATION.

The Company and Consultant may terminate this Agreement before the expiration of the Primary Term upon thirty (30) days written notice, so long as termination is with mutual written consent. Absent mutual consent, and without prejudice to any other remedy to which the terminating party may be entitled (if any), either party may terminate this Agreement with thirty (30) days written notice under the following conditions:

A. By the Company.

(i). If during the Primary Term of this Agreement or any Extension Period, Consultant is unable to provide the Services as set forth herein for thirty (30) consecutive business days because of illness, accident, or other incapacity of Consultant's Personnel; or,

(ii) If Consultant willfully breaches the duties required to be performed hereunder, or,

B. By Consultant.

(i). If the Company breaches this Agreement or fails to make any payments or provide information required hereunder; or,

(ii). If the Company ceases business or, other than in an Initial Merger, sells a controlling interest to a third party, or agrees to a consolidation or merger of itself with or into another corporation, or enters into such a transaction outside of the scope of this Agreement, or sells substantially all of its assets to another corporation, entity or individual outside of the scope of this Agreement; or,

(iii). If the Company, subsequent to the execution hereof, has a receiver appointed for its business or assets, or otherwise becomes insolvent or unable to timely satisfy its obligations in the ordinary course of business, including but not limited to the obligation to pay the Consulting Fee; or,

(iv). If the Company, subsequent to the execution hereof; institutes or makes a general assignment for the benefit of creditors, has instituted against it any bankruptcy proceeding for reorganization or rearrangement of its financial affairs, files a petition in a court of bankruptcy, or is adjudicated a bankrupt; or,

(v). If any of the disclosures made herein or subsequent hereto by the Company to Consultant are determined to be materially false or misleading.

12. INDEMNIFICATION.

Subject to the provisions herein, the Company and Consultant agree to indemnify, defend and hold each other harmless from and against all demands, claims, actions, losses, damages, liabilities, costs and expenses (including without limitation, interest, penalties and attorneys' fees and expenses) asserted against or imposed or incurred by either party by reason of or resulting from any action by (or the breach of any representation, warranty, covenant, condition, or agreement by) the other party to this Agreement

13. REMEDIES

Consultant and the Company acknowledge that in the event of a breach of this Agreement by either party, money damages would be inadequate, and the non-breaching party would have no adequate remedy at law. Accordingly, in the event of any controversy concerning the rights or obligations under this Agreement, such rights or obligations shall be enforceable in a court of equity by a decree of specific performance. Such remedy, however, shall be cumulative and nonexclusive, and shall be in addition to any other remedy to which the parties may be entitled.

14. MISCELLANEOUS.

A. Subsequent Events Consultant and the Company each agree to notify the other party if, subsequent to the date of this Agreement, either party incurs obligations which could compromise its' efforts and obligations under this Agreement.

B. Amendment This Agreement may be amended or modified at any time and in any manner only by an instrument in writing executed by the parties hereto.

C Further Actions and Assurances. At any time and from time to time, each party agrees, at its or their expense, to take actions and to execute and deliver documents as may be reasonably necessary to effectuate the purposes of this Agreement.

D. Waiver. Any failure of any party to this Agreement to comply with any of its obligations, agreements, or conditions hereunder may be waived in writing by the party to whom such compliance is owed. The failure of any party to this Agreement to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or a waiver of the right of such party thereafter to enforce each and every such provision. No waiver of any breach of or noncompliance with this Agreement shall be held to be a waiver of any other or subsequent breach or noncompliance

E. Assignment Neither this Agreement nor any right created by it shall be assignable by either party without the prior written consent of the other.

F. Notices. Any notice or other communication required or permitted by this Agreement must be in writing and shall be deemed to be properly given when delivered in person to an officer of the other party, when deposited in the United States mail for transmittal by certified or registered mail, postage prepaid; when deposited with a public telegraph company for transmittal; or when sent by facsimile transmission, provided that the communication is addressed:

(i) In the case of the Consultant:

Business Executive Services, Inc.
4840 East Jasmine Street, Suite 110
Mesa, Arizona 85205
Telephone: (480) 860-0011
Facsimile: (480) 860-0800
Attention President

(ii) In the case of the Company:

Telco Billing, Inc.
4840 East Jasmine Street, Suite 105
Mesa, Arizona 85205
Telephone: (480) 654-9646
Facsimile: (480) 654-9727
Attention: President

or to such other person or address designated in writing by the Company or Consultant to receive notice.

G Headings The section and subsection headings in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

H Governing Law This Agreement was negotiated in and is being contracted for in Arizona, and shall be governed by the laws of the State of Arizona, and the United States of America, notwithstanding any conflict-of-law provision to the contrary. The parties hereby consent to the personal jurisdiction of the courts located in the State of Arizona.

I. Binding Effect. This Agreement shall be binding upon the parties hereto and inure to the benefit of the parties, their respective heirs, administrator, executors, successors, and assigns.

J. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and supersedes any and all prior agreements, arrangements, or understandings between the parties relating to the subject matter of this Agreement. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist. No representations, warranties, covenants, or conditions, express or implied, other than as set forth herein, have been made by any party.

K. Severability. If any part of this Agreement is deemed unenforceable, the balance of the Agreement shall remain in full force and effect.

L. Counterparts. A facsimile, telecopy, or other reproduction of this Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, by one or more parties hereto and such executed copy may be delivered by facsimile or similar

instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. In this event, such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties agree to execute an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

M. Time is of the Essence. Time is of the essence of this Agreement and of each and every provision hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date above written.

THE "CONSULTANT"	THE "COMPANY"
BUSINESS EXECUTIVE SERVICES, INC.	TELCO BILLING, INC.
BY: /s/ Joe Susco (President)	BY: /s/ Angelo Tullo, president
Joe Susco, President	Angelo Tullo, CEO/President

Exhibit 10.29

TERMS FOR DELIVERY OF SERVICE

These Terms for Delivery of Service ("Terms") apply to and will be considered a part of any "Customer Order" signed by Customer for Services delivered by Level 3 Communications, LLC ("Level 3"). These Terms (including the specific terms for each Service as attached) are applicable to sales of Service located in, originating or terminating in the United States.

SECTION 1. DEFINITIONS

1.1 AFFILIATE: An entity that now or in the future, directly or indirectly controls, is controlled by or is under common control with a party to these Terms. For purposes of the foregoing, "control" shall mean the ownership of:

(A) fifty percent (50%) or more of the voting power to elect the directors of the company, or

(B) fifty percent (50%) or more of the ownership interest in said entity.

1.2 COLOCATION AREA: The location within a Gateway in which Colocation Space ordered by Customer is located.

1.3 COLOCATION SPACE: The location(s) within the Colocation Area of a Level 3 Gateway where Customer is permitted to colocate communications equipment pursuant to a Customer Order accepted by Level 3.

1.4 COMMITTED DATA RATE: The minimum data rate committed by Customer and set forth in the Customer Order (expressed in Megabits per second (Mbps)).

1.5 CONNECTION NOTICE: Written notice from Level 3 that the Service ordered has been installed by Level 3 pursuant to the Customer Order, and has been tested and is functioning properly.

1.6 CUSTOMER: The person or entity identified as the "Customer" on any Customer Order.

1.7 CUSTOMER COMMIT DATE: The date that Service will be available to Customer, as set forth in the Customer Welcome Letter or such other written notice from Level 3 to Customer.

1.8 CUSTOMER ORDER A request for Level 3 Service submitted by Customer in the form designated by Level 3.

1.9 CUSTOMER PREMISES: The location or locations occupied by Customer or its end users to which Service is delivered.

1.10 CUSTOMER WELCOMELETTER A written communication from Level 3 to Customer informing Customer of Level 3's acceptance of the Customer Order.

1.11 EXCUSED OUTAGE: Any outage, unavailability, delay or other degradation of Service related to, associated with or caused by scheduled maintenance events, Customer actions or inactions, Customer provided power or equipment, any third party, excluding any third party directly involved in the operation and maintenance of the Level 3 network but including, without limitation, Customer's end users, third party network providers, traffic exchange points controlled by third parties, or any power, equipment or services provided by third parties, or an event offeree majeure as defined in Section 7.1.

1.12 FACILITIES: Property owned or leased by Level 3 and used to deliver Service, including terminal and other equipment, wires, lines, ports, routers, switches, channel service units, data service units, cabinets, racks, private rooms and the like.

1.13 GATEWAY: Buildings owned or leased by Level 3 for the purpose of, among others, locating and colocating communications equipment

1.14 LOCAL LOOP: The connection between Customer Premises and the Level 3 intercity backbone network.

1.15 OFF-NET: Traffic that originates from or terminates to any location that is not on the Level 3 network.

1.16 OFF-NETSEND TRAFFIC: Send Traffic that terminates to any location that is not on the Level 3 network.

1.17 ON-NET: Traffic that originates from and terminates to a location that is on the Level 3 network.

1.18 ON-NET SEND TRAFFIC: Send Traffic that terminates to a location that is on the Level 3 network.

1.19 ON-NET INTRACITY SEND TRAFFIC: On-Net Send Traffic that does not transit Level 3's long haul transmission facilities.

1.20 PROTECTED: (3)Link(SM) Private Line Service that includes a protection scheme that allows traffic to be re-routed in the event of a fiber cut or equipment failure.

1.21 RECEIVE TRAFFIC: Traffic from any origination point that is received by Customer from the Level 3 network.

1.22 REMOTE HANDS: Basic on-site, first-line maintenance and support consistent with Level 3's then current Remote Hands Service Policy and Managed installation Policy, as amended by Level 3 from time to time, which are available to Customer upon request.

1.23 REVENUECOMMITMENT: A commitment by Customer to order and pay for a minimum volume of Services during an agreed term, as set forth in a Customer Order

1.24 SEND TRAFFIC: Traffic from any origination point that is sent by Customer onto the Level 3 network.

1.25 SERVICE: Any service offered by Level 3 pursuant to a Customer Order, including supplying Colocation Space.

1.26 SERVICE COMMENCEMENT DATE: The first to occur of:

(A) the date upon which Customer acknowledges that the Service has been installed and is functioning properly; or

(B) the date set forth in any Connection Notice unless Customer notifies Level 3 that the Service is not functioning properly as provided in Section 3.1 (or, if two or more Services are designated as "bundled" or as having a "sibling relationship" in any Customer Order, the date set forth in the Connection Notice for all such Services); or

(C) the date Customer begins using me Service.

1.27 SERVICE TERM: The duration of time (measured starting on the Service Commencement Date) for which Service is ordered, as specified in the Customer Order. The Service Term shall continue on a month-to-month basis after expiration of the stated Service Term, until terminated by either Level 3 or Customer upon thirty (30) days' written notice to the other.

1.28 SUBMARINE: Any Service that transits any portion of Level 3's under-sea network in the Atlantic or Pacific Oceans.

1.29 TERRESTRIAL: Any Service that generally transits Level 3's land-based network (with limited water crossings, including, without limitation, bay and channel crossings) and does not in any way transit Level 3's under-sea network in the Atlantic or Pacific Oceans.

1.30 UNPROTECTED: (3)Link(SM) Private Line Service that does not include a protection scheme that would allow traffic to be re-routed in the event of a fiber cut or equipment failure.

SECTION 2. DELIVERY OF SERVICE

2.1 SUBMISSION OF CUSTOMER ORDER(S) To order any Service, Customer may submit a Customer Order requesting Service. Unless otherwise agreed, Customer is not obligated to submit Customer Orders. The Customer Order and its backup detail must include a description of the Service, the nonrecurring charges and monthly recurring charges for Service, applicable Service Term and/or Revenue Commitment or other usage commitment

2.2 ACCEPTANCE BY LEVEL 3. Upon receipt of a Customer Order, if Level 3 determines (in its sole discretion) to accept the Customer Order, Level 3 will deliver a Customer Welcome Letter for the requested Service (or some portion of the Services). Level 3 will become obligated to deliver ordered Service only if Level 3 has delivered a Customer Welcome Letter respecting the Service.

2.3 CREDIT APPROVAL AND DEPOSITS. Customer will provide Level 3 with credit information as requested, and delivery of Service is subject to credit approval. Level 3 may require Customer to make a deposit as a condition to Level 3's acceptance of any Customer Order, or as a condition to Level 3's continuation of Service, The deposit will be held by Level 3 as security for payment of Customer's charges. When Service to Customer is terminated, the amount of the deposit will be credited to Customer's account and any remaining credit balance will be refunded.

2.4 CUSTOMER PREMISES. Customer shall allow Level 3 access to the Customer Premises to the extent reasonably determined by Level 3 for the installation, inspection and scheduled or emergency maintenance of Facilities relating to the Service. Level 3 shall notify Customer at least two (2) business days in advance of any regularly scheduled maintenance that will require access to the Customer Premises or that may result in a material interruption of Service. Customer will be responsible for providing and maintaining, at its own expense, the level of power, heating and air conditioning necessary to maintain the proper environment for the Facilities on the Customer Premises, in the event Customer fails to do so, Customer shall reimburse Level 3 for the actual and reasonable cost of repairing or replacing any Facilities damaged or destroyed as a result of Customer's failure. Customer will provide a safe place to work and comply with all laws and regulations regarding the working conditions on the Customer Premises.

2.5 LEVEL 3 FACILITIES. Except as otherwise agreed, title to all Facilities

shall remain with Level 3. Level 3 will provide and maintain the Facilities in good working order. Customer shall not, and shall not permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise tamper with any Facilities, without the prior written consent of Level 3. The Facilities shall not be used for any purpose other than that for which Level 3 provides them. Customer shall not take any action that causes the imposition of any lien or encumbrance on the Facilities. In no event will Level 3 be liable to Customer or any other person for interruption of Service or for any other loss, cost or damage caused or related to improper use or maintenance of the Facilities by Customer or third parties provided access to the Facilities by Customer in violation of these Terms, and Customer shall reimburse Level 3 for any damages incurred as a result thereof. Customer agrees (which agreement shall survive the expiration, termination or cancellation of any Customer Order) to allow Level 3 to remove the Facilities from the Customer Premises:

(A) after termination, expiration or cancellation of the Service Term in connection with which the Facilities were used; or

(B) for repair, replacement or otherwise as Level 3 may determine is necessary or desirable, but Level 3 will use reasonable efforts to minimise disruptions to the Service caused thereby.

2.6 CUSTOMER-PROVIDED EQUIPMENT. Level 3 may install certain Customer-provided communications equipment upon installation of Service, but Level 3 shall not be responsible for the operation or maintenance of any Customer-provided communication equipment. Level 3 undertakes no obligations and accepts no liability for the configuration, management, performance or any other issue relating to Customer's routers or other Customer-provided equipment used for access to or the exchange of traffic in connection with the Service.

SECTION 3. BILLING AND PAYMENT

3.1 COMMENCEMENT OF BILLING. Upon installation and testing of the Service ordered in any Customer Order, Level 3 will deliver to Customer a Connection Notice. Upon receipt of the Connection Notice, Customer shall have a period of seventy two (72) hours to confirm that the Service has been installed and is properly functioning. Unless Customer delivers written notice to Level 3 within such seventy two (72) hour period mat the Service is not installed in accordance with the Customer Order and functioning properly, billing shall commence on the applicable Service Commencement Date, regardless of whether Customer has procured services from other carriers needed to operate the Service, and regardless of whether Customer is otherwise prepared to accept delivery of ordered Service.

3.2 CHARGES. The Customer Order will set forth the applicable non-recurring charges and recurring charges for the Service. Unless otherwise expressly specified in the Customer Order, any non-recurring charges shall be invoiced by Level 3 to Customer upon the Service Commencement Date. However, in the event such Service requires Level 3 to install additional infrastructure, cabling, electronics or other materials in the provision of the Service, such Customer Order may include (as specified therein) non-recurring charges that are payable by

Customer immediately upon Level 3's acceptance of such Customer Order. In the event Customer fails to pay such nonrecurring charges within five (5) business days following Level 3's delivery to Customer of the Customer Welcome Letter, (i) such failure to pay shall constitute an Excused Outage for purposes of installation of the Service; (ii) Level 3 may issue a revised Customer Commit Date; and (iii) Level 3 may suspend installation of the Service until receipt of such non-recurring charges. If Customer requests and Level 3 approves (in its sole discretion) any changes to the Customer Order or Service after acceptance by Level 3, including, without limitation, the Service installation date or Service Commencement Date, additional non-recurring charges and/or monthly recurring charges not otherwise set forth in the Customer Order may apply.

3.3 PAYMENT OFINVOICES. Invoices are delivered monthly. Level 3 bills in

advance for Service to be provided during the upcoming month, except for charges which are dependent upon usage of Service, which are billed in arrears. Billing for partial months are prorated based on a calendar month. All invoices are due thirty (30) days after the date of invoice. Past due amounts bear interest at a rate of 1.5% per month (or the highest rate allowed by law, whichever is less) beginning from the date first due until paid in full. For Level 3 (3)Voice(SM) Service which terminates on the PSTN (Public Switched Telephone Network) only (see Section 12), Customer will be provided, in addition to its invoice, a summary report describing the total amount due from Customer to Level 3 and the total cost of Customer's recurring fees, non-recurring fees and total usage charges. Usage detail will be provided via FTP format on a daily basis. Customer will also be provided monthly telemanagement reports as follows: a Terminating LATA Summary Report; a Terminating LEC Report; and a Terminating County Summary Report.

3.4 TAXES AND FEES. All charges for Service are net of applicable taxes. Except for taxes based on Level 3's net income, Customer will be responsible for all applicable taxes that arise in any jurisdiction, including, without limitation, value added, consumption, sales, use, gross receipts, excise, access, bypass, franchise or other taxes, fees, duties, charges or surcharges, however designated, imposed on, incident to, or based upon the provision, sale or use of the Service.

3.5 REGULATORY AND LEGAL CHANGES. In the event of any change in applicable law, regulation, decision, rule or order that materially increases the costs or other terms of delivery of Service, Level 3 and Customer will negotiate regarding the rates to be charged to Customer to reflect such increase in cost and, in the event that the parties are unable to reach agreement respecting new rates within thirty (30) days after Level 3's delivery of written notice requesting renegotiation, then (a) Levels may pass such increased costs through to Customer, and (b) to the extent Level 3 elects to do so, Customer may terminate the affected Customer Order without termination liability by delivering written notice of termination no later than thirty (30) days after the effective date of the rate increase.

3.6 DISPUTED INVOICES. If Customer reasonably disputes any portion of a Level 3 invoice, Customer must pay the undisputed portion of the invoice and submit a written claim for the disputed amount. All claims must be submitted to Level 3 within sixty (60) days of receipt of the invoice for those Services. Customer waives the right to dispute any charges not disputed within such sixty (60) day period. In the event that the dispute is resolved against Customer, Customer shall pay such amounts plus interest at the rate referenced in Section 3.3.

3.7 REVENUE COMMITMENT. In the event that Customer makes a Revenue Commitment in any Customer Order, then Customer will be billed for and be responsible to pay the greater of (a) the recurring charges for Service ordered and delivered, or (b) the amount of the Revenue Commitment.

3.8 TERMINATION CHARGES. (A) Customer may cancel a Customer Order following Level 3's acceptance of the same and prior to the Customer Commit Date upon prior written notice to Level 3. In the event that Customer does so, or in the event that the delivery of such Service is terminated by Level 3 prior to delivery of a Connection Notice due to a failure of Customer to comply with these Terms, Customer shall pay Level 3 a cancellation charge equal to the sum of (i) in the case of Colocation Space, the costs incurred by Level 3 in returning the Colocation Space to a condition suitable for use by third parties, plus (ii):

(a) any third party cancellation/termination charges related to the installation and/or cancellation of Service;

(b) the non-recurring charges (including any non recurring charges that were waived by Level 3 at the time of the Customer Order) for the cancelled Service; and

(c) as the case may be, (i) one (1) month's monthly recurring charges

for the cancelled Service if written notice of cancellation is received by Level 3 more than five (5) business days prior to the Customer Commit Date, or (ii) three (3) month's monthly recurring charges for the cancelled Service if written notice of cancellation is received by Level 3 five (5) business days or less prior to the Customer Commit Date.

Customer's right to cancel any particular Service under this Section 3.8(A) shall automatically expire and shall no longer apply upon Level 3's delivery to Customer of a Connection Notice for such Service.

(B) In addition to Customer' right of cancellation under Section 3.8(A) above, Customer may terminate Service prior to the end of the Service Term upon thirty (30) days' prior written notice to Level 3, subject to the following termination charges. In the event that after either the Customer Commit Date or Customer's receipt of the Connection Notice for a particular Service (whichever occurs first) and prior to the end of the Service Term, Customer terminates Service or in the event that the delivery of Service is terminated due to a failure of Customer to comply with these Terms, Customer shall pay Level 3 a termination charge equal to the sum of (i) in the case of Colocation Space, the costs incurred by Level 3 in returning the Colocation Space to a condition suitable for use by third parties, plus (ii):

(a) any third party cancellation/termination charges related to the installation and/or termination of Service;

(b) the non-recurring charges (including any non- recurring charges that were waived by Level 3 at the time of the Customer Order) for the cancelled Service, if not already paid; and

(c) the percentage of the monthly recurring charges for the terminated Service calculated from the effective date of termination as (1) 100% of the remaining monthly recurring charges that would have been incurred for the Service for

months 1-12 of the Service Term, plus (2) 50% of the remaining monthly recurring charges that would have been incurred for the Service for months 13 through the end of the Service Term.

3.9 FRAUDULENT USE OF SERVICES. Customer is responsible for ail charges attributable to Customer incurred respecting Service, even if incurred as the result of fraudulent or unauthorized use of Service; except Customer shall not be responsible for fraudulent or unauthorized use by Level 3 or its employees.

3.10 SERVICE TERM. Except as otherwise set forth herein, Level 3 shall deliver the Service for the entire duration of the Service Term, and Customer shall pay all charges for delivery thereof through the end of the Service Term.

SECTION 4. DISCONTINUANCE OFCUSTOMERORDERS

4.1 DISCONTINUANCE OF CUSTOMER ORDER BY LEVEL 3. Level 3 may terminate any Customer Order and discontinue Service without liability:

(A) If Customer fails to pay a past due balance for Service (other than amounts reasonably disputed under Section 3.6) (i) within three (3) business days after written notice from Level 3 respecting charges invoiced in arrears, or (ii) within seven (7) business days after written notice from Level 3 respecting charges invoiced in advance;

(B) if Customer violates any law, rule, regulation or policy of any government authority related to Service; if Customer makes a material misrepresentation to Level 3 in connection with the ordering or delivery of Service; if Customer engages in any fraudulent use of Service; or if a court or other government authority prohibits Level 3 from furnishing Service;

(C) if Customer fails to cure its breach (other than as addressed in sub-Sections (A), (B), (D) or (E) of this Section 4.1) of any of these Terms or

any Customer Order within thirty (30) days after written notice thereof provided by Level 3;

(D) if Customer files bankruptcy, for reorganization, or fails to discharge an involuntary petition therefore within sixty (60) days; or

(E) if Customer's use of Service materially exceeds Customer's credit limit unless within one (1) day's written notice thereof by Level 3, Customer provides adequate security for payment for Service.

4.2 EFFECT OF DISCONTINUANCE. Upon Level 3's discontinuance of Service to Customer, Level 3 may, in addition to all other remedies that may be available to Level 3 at law or in equity, assess and collect from Customer any applicable termination charge pursuant to Section 3.8.

4.3 DISCONTINUANCE OF CUSTOMER ORDER BY CUSTOMER.

(A) If Level 3's installation of Service is delayed for more than thirty (30) business days beyond the Customer Commit Date for reasons other than an Excused Outage, Customer may terminate and discontinue the affected Service upon written notice to Level 3 and without payment of any applicable termination charge; provided such written notice is delivered prior to Level 3 delivering to Customer the Connection Notice for the affected Service. This Section 4.3(A) shall not apply to any Off-Net Local Loop Service, including, without limitation, (3)Link(SM) Metropolitan Private Line (Off-Net) Service, provisioned by Level 3 through a third party carrier for the benefit of Customer.

(B) Customer may terminate and discontinue affected Service prior to the end of the Service Term without payment of any applicable termination charge if: (i) such Service is Unavailable (as defined below) on two or more separate occasions of more than eight (8) hours each in any thirty (30) day period, and (ii) following written notice thereof from Customer to Level 3, the same Service is Unavailable for more than twelve (12) hours at any time within the ninety (90) day period immediately following said notice. For purposes of the foregoing, "Unavailable" shall mean a total interruption in Service, except for any interruption which is an Excused Outage. The duration of any interruption will commence when Customer reports an outage to the Level 3 Customer Service and Support Organization (1-877-4LEVEL3) and will end when the Service is operative. Customer may only terminate Service which is Unavailable, and must exercise its right to terminate any affected Service under this Section, in writing, within thirty (30) days after the event giving rise to a right of termination hereunder. This Section 4.3(B) shall not apply to Unprotected (3)Link(SM) Private Line Service or (3)Link(SM) Wavelength Service.

(C) In the event Customer elects to cancel the affected Service pursuant to this Section 4.3, Customer shall have no right to, and Level 3 shall have no obligation to pay, any Service Level credit(s) pursuant to Section 15 for the discontinued Service.

SECTION 5. LIABILITIES

5.1 SERVICE INTERRUPTIONS AND DELIVERY. Level 3 provides specific remedies regarding installation and performance of Service as set forth in Section 15 below ("Service Levels "). In the event of a failure to deliver Service in accordance with the Service Levels, Customer's sole remedies are contained in (a) the Service Levels applicable (if any) to the affected Service, and (b) Section 4.3.

5.2 NO SPECIAL DAMAGES. Notwithstanding any other provision hereof, neither party shall be liable for any indirect incidental, special, consequential, exemplary or punitive damages (including but not limited to damages for lost profits, lost revenues or the cost of purchasing replacement services) arising out of the performance or failure to perform under any Customer Order.

5.3 DISCLAIMER OF WARRANTIES. LEVEL 3 MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW,

STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH IN ANY APPLICABLE SERVICE LEVELS.

SECTION 6. PUBLICITY

6.1 PUBLICITY. Neither party shall have the right to use the other party's or its affiliates' trademarks, service marks or trade names or to otherwise refer to the other party in any marketing, promotional or advertising materials or activities. Neither party shall issue any publication or press release relating to any contractual relationship between Level 3 and Customer, except as may be required by law or agreed between the parties in writing.

6.2 DISCLOSURE OF CUSTOMER INFORMATION. Level 3 reserves the right to provide any customer or potential customer bound by a nondisclosure agreement access to a list of Level 3's customers and a description of Service purchased by such customers. Customer consents to such disclosure, including the listing of Customer's name and Service purchased by Customer (financial terms relating to the purchase shall not be disclosed).

SECTION 7. GENERAL TERMS

7.1 FORCE MAJEURE. Neither party shall be liable, nor shall any credit allowance or other remedy be extended, for any failure of performance or equipment due to causes beyond such party's reasonable control. In the event Level 3 is unable to deliver Service as a result of force majeure, Customer shall not be obligated to pay Level 3 for the affected Service for so long as Level 3 is unable to deliver.

7.2 ASSIGNMENT AND RESALE. Customer may not assign its rights and obligations under a Customer Order without the express prior written consent of Level 3, which will not be unreasonably withheld. These Terms shall apply to any permitted transferees or assignees. Customer shall remain liable for the payment of all charges due under each Customer Order. Customer may resell the Service to third party "end users", provided that Customer agrees to indemnify, defend and hold Level 3 harmless from claims made against Level 3 by such end users.

7.3 NOTICES. Notices hereunder shall be deemed properly given when delivered, if delivered in person, or when sent via facsimile, overnight courier, electronic mail or when deposited with the U.S. Postal Service, (a) with respect to Customer, the address listed on any Customer Order, or (b) with respect to Level 3, to: Director, Customer Contracts - Legal Dept, Level 3 Communications, LLC, 1025 Eldorado Boulevard, Broomfield CO 80021. Customer shall notify Level 3 of any changes to its addresses listed on any Customer Order.

7.4 INDEMNIFICATION. Each party shall indemnify the other from any claims by third parties and expenses (including legal fees and court costs) respecting damage to tangible property, personal injury or death caused by such party's negligence or willful misconduct

7.5 APPLICATION OF TARIFFS. Level 3 may elect or be required to file with the appropriate regulatory agency tariffs respecting the delivery of certain Service. In the event that such tariffs are filed respecting Service ordered by Customer, then (to the extent such provisions are not inconsistent with the terms of a Customer Order) the terms set forth in the applicable tariff shall govern Level 3's delivery of, and Customer's consumption or use of, such Service.

7.6 CONTENTS OF COMMUNICATIONS. Level 3 shall have no liability or

responsibility for the content of any communications transmitted via the Service, and Customer shall defend, indemnify and hold Level 3 harmless from any and all claims (including claims by governmental entities seeking to impose penal sanctions) related to such content or for claims by third parties relating to Customer's use of Service. Level 3 provides only access to the Internet; Level 3 does not operate or control the information, services, opinions or other content of the Internet. Customer agrees that it shall make no claim whatsoever against Level 3 relating to the content of the internet or respecting any information, product, service or software ordered through or provided by virtue of the Internet.

7.7 ENTIRE UNDERSTANDING These Terms, including any Customer Order executed hereunder, constitute the entire understanding of the parties related to Service. In the event of any conflict between these Terms and the terms and conditions of any Customer Order, these Terms shall control. These Terms shall be governed and construed in accordance with the laws of the State of Colorado.

7.8 NO WAIVER. No failure by either party to enforce any rights hereunder shall constitute a waiver of such right(s).

7.9 ACCEPTABLE USE POLICY. Customer's use of Service shall at all times comply with Level 3's then-current Acceptable Use Policy and Privacy Policy, as amended by Level 3 from time to time and which are available through Level 3's web site at www.level3.com. Level 3 will notify Customer of complaints received by Level 3 regarding each incident of alleged violation of Level 3's Acceptable Use Policy by Customer or third parties that have gained access to the Service through Customer. Customer agrees that it will promptly investigate all such complaints and take all necessary actions to remedy any actual violations of Level 3's Acceptable Use Policy. Level 3 may identify to the complainant that Customer, or a third party that gained access to the Service through Customer, is investigating the complaint and may provide the complainant with the necessary information to contact Customer directly to resolve the complaint Customer shall identify a representative for the purposes of receiving such communications. Level 3 reserves the right to install and use, or to have Customer install and use, any appropriate devices to prevent violations of its Acceptable Use Policy, including devices designed to filter or terminate access to Service.

7.10 DATA PROTECTION. Level 3 transfers, processes and stores data in and to the United States. Customer consents that Level 3 can transfer, store and process such data in the United States. Level 3 may use anonymous, non-personal data to monitor customer trends and for other internal marketing purposes. This data will not be disclosed to third parties.

SECTION 8. (3) LINK(SM) PRIVATE LINE SERVICE

8.1 APPLICABILITY. This Section is applicable only where Customer orders (3)Link(SM) Private Line Service.

8.2 SERVICES FROM OTHERS. Where necessary for the interconnection of (3)Link(SM) Private Line Service with services provided by others, Customer will provide Level 3 with circuit facility assignment information, - firm order commitment information and the design layout records necessary to enable Level 3 to make the necessary cross-connection between the (3)Link(SM) Private Line Service and Customer's designated carrier. Any delay by Customer in providing such information to Level 3 may delay Level 3's provision of the necessary cross-connection. Notwithstanding any such delay in the provision of the cross-connection, billing for the (3)Link(SM) Private Line Service shall commence on the Service Commencement Date as provided in Section 3.1. Level 3 may charge Customer non-recurring and monthly recurring cross- connect fees to make such connection.

8.3 CONNECTION TO CUSTOMER PREMISES.

(A) Where (3)Link(SM) Private Line Service is being terminated Off-Net at the Customer Premises through an Off-Net Local Loop to be provisioned by Level 3 on

behalf of

Customer, the charges set forth in the customer Order for such Service assumes that such Service will be terminated at a pre-established demarcation point or minimum point of entry (MPOE) in the building within which the Customer Premises is located, as determined by the local access provider. Level 3 may charge Customer additional non-recurring charges and/or monthly recurring charges not otherwise set forth in the Customer Order for such Off-Net Service where the local access provider determines that it is necessary to extend the demarcation point or MPOE through the provision of additional infrastructure, cabling, electronics or other materials necessary to reach the Customer Premises. Level 3 will notify Customer of any additional non-recurring charges and/or monthly recurring charges as soon as practicable after Level 3 is notified by the local access provider of the amount of such charges.

(B) In addition, where (3)Link(SM) Private Line Service is being terminated Off-Net at the Customer Premises through an Off-Net Local Loop to be provisioned by Level 3 on behalf of the Customer, the charges and the Service Term set forth in the Customer Order for such Service assumes that such Off-Net Local Loop can be provisioned by Level 3 through the local access provider selected by Level 3 (and/or Customer) for the stated Service Term. In the event Level 3 is unable to provision such Off-Net Local Loop through the selected local access provider or the selected local access provider requires a longer Service Term than that set forth in the Customer Order, Level 3 reserves the right, regardless of whether Level 3 has accepted the Customer Order, to suspend provisioning of such Off-Net Local Loop and notify Customer in writing of any additional non-recurring charges, monthly recurring charges and/or Service Term that may apply. Upon receipt of such notice, Customer will have five (5) business days to accept or reject such changes. If Customer does not respond to Level 3 within the five (5) business day period, such changes will be deemed rejected by Customer, in the event Customer rejects the changes (whether affirmatively or through the expiration of the five (5) business day period), the affected Off-Net Local Loop will be cancelled without cancellation or termination liability of either party.

SECTION 9. (3) LINK(SM) WAVELENGTH SERVICE

9.1 APPLICABILITY. This Section is applicable only where Customer orders (3)Link(SM) Wavelength Service.

9.2 INTERCONNECTION.

(A) To use the (3)Link(SM) Wavelength Service, Customer must provide to Level 3, at each termination node a SONET or SDH-framed 2.5Gb or 10Gb (or greater, as applicable) signal as more particularly described in Level 3's standard interconnection Specifications and Hand-off Requirements (available to Customer upon request) (Traffic"), which Traffic will thereafter be delivered by Level 3, in like format, to the opposite and corresponding termination node. The demarcation point for the (3)Link(SM) Wavelength Service shall be the Level 3 OSX or fiber termination panel at the termination node. Customer shall be solely responsible for providing all interconnection equipment used both to deliver to or to accept Traffic from Level 3 in the formats described above and for any and all protection schemes Customer chooses to implement respecting the Traffic. For a termination node at a location other than a Level 3 Gateway, Customer shall provide Level 3 with space and power (at no charge to Level 3), as reasonably requested by Level 3, for placement and operation of an OSX, fiber termination panel or other equipment within the Customer Premises.

(B) With respect to construction of Facilities to the Customer Premises and installation, maintenance and repair of facilities within the Customer Premises, Customer shall provide Level 3 with access to and the use of Customer's entrance Facilities and inside wiring, and/or shall procure rights for Level 3 allowing the placement of Facilities necessary for installation of Facilities to deliver the (3)Link(SM) Wavelength Service to the Customer Premises. All costs associated with procuring and maintaining rights needed to obtain entry to the building (and the real property on which the building is located) within which the Customer Premises are located, and costs to procure and maintain rights within such building to the Customer Premises, shall be borne by Customer.

9.3 LEASE TO IRU CONVERSION. At any time during the Service Term, Customer shall

have the right to convert any Terrestrial (3)Link(SM) Wavelength Service provided on a monthly-recurring lease basis into an indefeasible right of use ("IRU") with a new Service Term of five (5) years (commencing on the date of conversion). Such conversion shall be effective on the first day after Customer's delivery to Level 3 of an appropriate Customer Order pursuant to Level 3's then current Wavelengths IRU Agreement reflecting such conversion, which Customer Order must (in order to be effective to convert a lease into an IRU) be accompanied by payment in full of the then applicable five (5) year IRU charges for such (3)Link(SM) Wavelength Service. The five (5) year Service Term for the IRU shall begin at the time of conversion. Upon conversion, Customer shall be released from all future monthly recurring charges under the original lease that would have otherwise accrued after the date of conversion, and the terms of Level 3's then current Wavelengths IRU Agreement shall thereafter govern respecting delivery and use of the IRU. No portion of the charges already paid by Customer to Level 3 for such original lease shall be refunded, rebated or credited.

SECTION 10. (3)CENTER(SM) COLOCATION

10.1 APPLICABILITY. This Section is applicable only where Customer orders Colocation Space.

10.2 GRANT OF LICENSE. Customer is granted the right to occupy the Colocation Space identified in a Customer Order during the Service Term, except as otherwise provided in these Terms. Customer may submit multiple. Customer Orders requesting use of Colocation Space in multiple Level 3 Gateways, each of which shall be governed by the terms hereof. Level 3 retains the right to access any Collocation Space for any legitimate business purpose at any time.

10.3 USE OF COLOCATION SPACE. Customer shall be permitted to use the Colocation Space only for placement and maintenance of communications equipment Customer may access the Colocation Space (and the Gateway and Colocation Area for the sole purpose of accessing the Colocation Space) twenty four (24) hours per day, seven (7) days per week; subject to any and all rules, regulations and access requirements imposed by Level 3 governing such access. Customer hereby agrees, within six (6) months of the Service Commencement Date for Colocation Space, to use the Colocation Space for placement and maintenance of communications or Internet access equipment. Level 3 may, upon forty five (45) days' written notice, reclaim any portion of Colocation Space not being used within such six (6) month period. Customer shall surrender such recaptured Colocation Space and the monthly recurring charges shall be appropriately reduced. No refunds shall be made to Customer

regarding recaptured Colocation Space.

10.4 LEVEL 3 MAINTENANCE. Level 3 shall perform janitorial services, environmental systems maintenance, power plant maintenance and other actions as are reasonably required to maintain the Coloration Area in which the Colocation Space is located in a condition which is suitable for the placement of communications equipment Level 3 shall maintain the Colocation Area in which the Colocation Space is located (but shall not be obligated to maintain the Colocation Space itself) with a relative humidity in the range of 47.5 to 52.5% and a maximum temperature of 78 degrees. Customer shall maintain the Colocation Space in an orderly and safe condition, and shall return the Colocation Space to Level 3 at the conclusion of the Service Term set forth in the Customer Order in the same condition (reasonable wear and tear excepted) as when such Colocation Space was delivered to Customer. EXCEPT AS EXPRESSLY STATED HEREIN OR IN ANY CUSTOMER ORDER, THE COLOCATION SPACE SHALL BE DELIVERED AND ACCEPTED "AS IS" BY CUSTOMER, AND NO REPRESENTATION HAS BEEN MADE BY LEVEL 3 AS TO THE FITNESS OF THE SPACE FOR CUSTOMER'S INTENDED PURPOSE.

10.5 RELEASE OF LANDLORD. If and to the extent that Level 3's underlying leases so require (but only if they so require) Customer hereby agrees to release the landlord (and its agents, subcontractors and employees) from ail

liability relating to Customer's access to the Gateway and the Colocation Area and Customer's use and/or occupancy of the Colocation Space.

10.6 SECURITY. Level 3 will provide and maintain in working condition card readers), scanner(s) and/or other access device(s) as selected by Level 3 for access to the Colocation Area of a Gateway. Customer shall under no circumstances "prop open" any door to, or otherwise bypass the security measures Level 3 has imposed for access to, the Colocation Area. Level 3 will provide a locking device on Customer's Colocation Space, which Customer shall be solely responsible for locking and/or activating such device. In the event that unauthorized parties gain access to the Gateway, Colocation Area and/or the Colocation Space through access cards, keys or other access devices provided to Customer, Customer shall be responsible for any damages caused by such parties. Customer shall be responsible for the cost of replacing any security devices lost or stolen after delivery thereof to Customer. In the event Customer has reason to believe that an unauthorized party has gained access to the Colocation Space, Level 3 will, at Customer's request, make video surveillance records of the Colocation Area reasonably available to Customer for viewing by Customer in the presence of a Level 3 employee. In addition, Level 3 will provide Customer with a copy of the access logs for the Colocation Area and/or the Gateway, as applicable, upon Customer's prior written request

10.7 PROHIBITED ACTIVITIES. Customer shall abide by any posted or otherwise communicated rules relating to use of, access to, or security measures respecting the Gateway, Colocation Area and/or the Colocation Space. Customer's rights of access and use will be immediately terminated in the event Customer or any of its agents or employees are in Level 3's Gateway with any firearms, illegal drugs, alcohol or are engaging in any criminal activity, eavesdropping or foreign intelligence. Persons found engaging in any such activity or in possession of the aforementioned prohibited items will be immediately escorted from the Gateway.

10.8 TERMINATION OF USE. Level 3 shall have the right to terminate Customer's use of the Colocation Space or the Service delivered therein in the event that: (a) Level 3's rights to use the Gateway terminates or expires for any reason; (b) Customer is in default hereof; (c) Customer makes any material alterations to the Colocation Space without first obtaining the written consent of Level 3; or (d) Customer allows personnel or contractors to enter the Gateway, Colocation Area and/or the Colocation Space who have not been approved by Level 3 in advance. With respect to items (b), (c) and (d), unless (in Level 3's opinion) Customer's actions interfere or have the potential to interfere with other Level 3 customers, Level 3 shall provide Customer a written notice and a ten (10) day opportunity to cure before terminating Customer's rights to the Colocation Space.

10.9 REMOVAL OF EQUIPMENT. Within two (2) days following the expiration or termination of the Service Term for any Colocation Space, Customer shall remove all Customer equipment from the Colocation Space. In the event Customer fails to remove the equipment within such two (2) day period, Level 3 may disconnect, remove and dispose of Customer's equipment without prior notice. Customer shall be responsible for any costs and expenses incurred by Level 3 resulting from Level 3's disconnection, removal, disposal and storage of Customer's equipment, for which Customer agrees to pay such costs and expenses and all other charges due and owing fay Customer to Level 3 under these Terms prior to Level 3 returning any Customer equipment still in Level 3's possession. Level 3 shall not be liable for any loss or damage incurred by Customer arising out of Level 3's disconnection, removal, storage or disposal of Customer's equipment

10.10 SUBLICENSES. Customer may sublicense the use of Colocation Space under the following conditions: (a) all proposed sublicensees must be approved, in writing, by Level 3 in Level 3's sole discretion, except Customer may sublicense the use of the Colocation Space to an Affiliate of Customer upon prior written notice to Level 3; (b) Customer hereby guarantees that ail such parties shall abide by the Terms; (c) Customer shall indemnify, defend and hold Level 3 harmless from all claims brought against Level 3 arising from any act or omission of any sublicensee or its agents; and (d) any such party shall be considered Customer's agent and all of its acts and omissions shall be

attributable to Customer for the purposes of these Terms. In the event Customer sublicenses use of the Colocation Space without Level 3's prior written approval, Level 3 may upon ten (10) days' written notice reclaim the sublicensed portion of the Colocation Space. Customer shall surrender such recaptured Colocation Space and shall be subject to termination charges associated with the recaptured Colocation Space as provided in Section 3.8. No refunds shall be made to Customer regarding recaptured Colocation Space.

10.11 CHANGES.

(A) Level 3 reserves the right to change (at Level 3's cost) the location or configuration of the Colocation Space licensed to Customer within the Level 3 Gateway; provided that Level 3 shall not arbitrarily require such changes. Level 3 and Customer shall work in good faith to minimize any disruption in Customer's services that may be caused by such changes in location or configuration of the Colocation Space.

(B) Notwithstanding anything in Section 3.1 to the contrary and unless otherwise agreed in writing by the parties, in the event any Customer Order for Colocation Space is

altered (including, without limitation, any changes in the configuration or build-out of the Colocation Space) at Customer's request after submission and acceptance by Level 3 that results in a delay of Level 3's delivery of such Colocation Space to Customer, billing for such Colocation Space shall commence no later than the original Customer Commit Date.

10.12 INSURANCE. Prior to storage of equipment or occupancy by Customer and during the Service Term, Customer shall procure and maintain the following minimum insurance coverage: (a) Workers' Compensation in compliance with all applicable statutes of appropriate jurisdiction (including Employer's Liability with limits of $500,000 each accident); (b) Commercial General Liability with combined single limits of $1,000,000 each occurrence; and (c) "All Risk" Property insurance covering all of Customer's personal property located in the Gateway. Customer acknowledges that it retains the risk of loss for, loss of (including, without limitation, loss of use), or damage to, Customer equipment and other personal property located in the Level 3 Gateway. Customer further acknowledges that Level 3's insurance policies do not provide coverage for Customer's personal property located in the Level 3 Gateway. Customer shall, at its option, maintain a program of property insurance or self-insurance covering loss of or damage to its equipment and other personal property located in the Level 3 Gateway. Customer's Commercial General Liability policy shall be endorsed to show Level 3 (and any underlying property owner, as requested by Level 3) as an additional insured. Customer shall waive and/or cause its insurance carriers to waive all rights of subrogation against Level 3, which will include, without limitation, an express waiver in all insurance policies. Customer shall furnish Level 3 with certificates of insurance demonstrating that Customer has obtained the required insurance coverages prior to use of the Colocation Space or the storage of equipment in the Gateway. Such certificates shall contain a statement that the insurance coverage shall not be materially changed or cancelled without at least thirty (30) days' prior written notice to Level 3. Customer shall require any contractor entering the Gateway on its behalf to procure and maintain the same types, amounts and coverage extensions as required of Customer above.

10.13 REMOTE HANDS. Customer may order and pay for Level 3 to perform certain limited maintenance services ("Remote Hands") on Customer's equipment within the Colocation Space, which shall be performed in accordance with Customer's directions. "Remote Hands" maintenance services includes power cycling equipment. Level 3 shall in no event be responsible for the repair, configuration or tuning of equipment, or for installation of Customer's equipment (although Level 3 will provide reasonable assistance to Customer in such installation at Customer's request).

10.14 STORAGE OF CUSTOMER EQUIPMENT. Level 3 may, at its option, agree to store equipment which Customer intends to colocate in Customer's Colocation Space for not more than forty-five (45) days prior to the scheduled Colocation Service Commencement Date. Storage of such equipment is purely incidental to the

Services ordered by Customer and Level 3 will not charge Customer a fee for the same. No document delivered as part of such storage shall be deemed a warehouse receipt. Absent Level 3's gross negligence or intentional misconduct, Level 3 shall have no liability to Customer or any third party arising from such storage. In the event Customer stores equipment for longer than forty-five (45) days, Level 3 may, but shall not be obligated to, return Customer's equipment to Customer without liability, at Customer's sole cost and expense.

10.15 PROMOTIONAL SIGNAGE. Customer may display a single promotional sign with Customer's name and/or logo on the outside of any Customer private suite Colocation Space; provided such signage does not exceed 8 inches by 11 inches. All other promotional signage is prohibited.

10.16 POWER. In the event the power utility increases the price paid by Level 3 for power provided to any Colocation Space, Level 3 may pass-through to Customer such price increase upon prior written notice to Customer.

SECTION 11. (3) CONNECT(SM) MODEM SERVICE

11.1 APPLICABILITY. This Section is applicable only where Customer orders (3)Connect(SM) Modem Service (either "Dedicated Service," "Dedicated Service with QuickStart," or Transit Service").

11.2 TYPES OF SERVICE. In the event Customer orders "Dedicated Service," end user traffic will be routed through and aggregated in Level 3's facility, sent to the Customer Premises via a dedicated circuit, and then routed to its final destination by Customer. In the event that Customer orders Transit Services," end user traffic will be routed to Level 3's facility and then routed to its final destination by Level 3 via the Internet Dedicated Service with "QuickStart" will initially be provisioned to Customer in the same fashion as Transit Services, until such time as Level 3 has provisioned the dedicated circuit to send end user traffic from Level 3's facility to the Customer Premises. QuickStart will then be migrated to standard Dedicated Service. For Dedicated Service, the (3)Connect(SM) Private Line Service necessary to support Dedicated Service will be ordered, installed and managed by Level 3. Level 3 cannot and does not guarantee the availability of any port ordered for installation greater than ninety (90) days from the date of submission of the Customer Order.

SECTION 12. (3) CROSSROADS(SM) SERVICE

12.1 APPLICABILITY. This Section is applicable only where Customer orders (3)CrossRoads(SM) Service (which may include Service designated in a Customer Order as "Internet Access Service").

12.2 CHARGES. Customer may elect to be billed based on a fixed rate, "Destination Sensitive Billing", or a Committed Data Rate. The manner of billing selected will be set forth in each Customer Order.

(A) Fixed rate charges or (3)CrossRoads(SM) Services consist of two (2) components: (a) a non-recurring installation charge per port; and (b) a monthly recurring port charge.

(B) Destination Sensitive Billing charges for (3)CrossRoads(SM) Services consist of three (3) components: (a) a non-recurring installation charge per port; (b) a monthly recurring port charge; and (c) monthly usage charges. Customer's usage of (3)CrossRoads(SM) Service (both Send Traffic and Receive Traffic) will be measured and recorded by Level 3 every five minutes. At the end of the month, the top five percent (5%) of the Send Traffic and Receive Traffic samples will be discarded. If the ninety-fifth (95th) percentile Receive Traffic sample shows (3)CrossRoads3 usage greater than the usage shown in the ninety-fifth (95th) percentile Send Traffic sample, then Customer will be billed for the amount of (3)CrossRoads(SM) usage shown in the ninety-fifth (95th) percentile sample for the Receive Traffic. If the ninety-fifth

(95th) percentile sample for the Send Traffic shows (3)CrossRoads(SM) usage greater than the usage shown in the ninety-fifth (95th) percentile Receive Traffic sample, then the total Send Traffic will be categorized as Off-Net Send Traffic, On-Net Send Traffic and On-Net Intracity Send Traffic, and Customer will be billed for the usage shown in the ninety-fifth (95th) percentile sample for each category.

(C) Committed Data Rate charges for (3)CrossRoads(SM) consist of four (4) components: (a) a non-recurring installation charge per port; (b) a monthly recurring port charge; (c) a monthly recurring charge based on the Committed Data Rate; and (d) monthly usage charges to the extent usage in a particular month exceeds tie Committed Data Rate. Customer's usage of (3)CrossRoads(SM) Service (both Send Traffic and Receive Traffic) will be sampled every five (5) minutes for the previous five (5) minute period. At the end of the month, the top five percent (5%) of Send Traffic and Receive Traffic samples shall be discarded. The highest of the resulting ninety-fifth (95th) percentile for Send Traffic and Receive Traffic will be compared to the Committed Data Rate. If the ninety-fifth (95th) percentile of either Send Traffic or Receive Traffic is higher than the Committed Data Rate, Customer will, in addition to being billed for the Committed Data Rate, be billed at this ninety-fifth (95th) percentile level for any usage in excess of the Committed Data Rate at the contracted-for price per Megabit.

SECTION 13. (3)VOICE(SM) TERMINATION SERVICE
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13.1 APPLICABILITY. This Section is applicable only where Customer orders
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(3)Voice(SM) Termination Service (which may include Service designated in a Customer Order as (3)Voice Service).

13.2 SERVICE DESCRIPTION. (3)Voice(SM) Termination Service provides Customer
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with a combined transport and termination rate for the purpose of delivering Customer voice traffic from the Customer Premises to the PSTN (Public Switched Telephone Network). (3)Voice(SM) Termination Service allows Customer to bring voice traffic to Level 3, selecting from a wide range of connectivity options, in a Level 3 supported format (North American SS7, and when Level 3 can support the same, North American II.5ESS PRI). Traffic delivered by Customer in a format not supported by Level 3 will be blocked and will not be delivered by Level 3. Level 3 does not originate any traffic pursuant to (3)Voice(SM) Termination Services and will not accept calls seeking operator services or directory assistance. Other examples of types of calls that are origination in nature, and thus likewise not supported on the Level 3 network, include: 976, 911, 900,800, and 700 calls

13.3 BILLING AND RATES.

(A) Customer will be billed at Level 3's then current (3)Voice(SM) Termination usage rates, billing increments and call minimums, and Level 3 reserves the right to change the same with prior notice to Customer.

(B) For Customer voice traffic in which Level 3 is unable to reasonably determine the origin of such traffic, Level 3 will bill Customer for such traffic at Level 3's interstate rates in proportion to the percentage of interstate use set forth in the Customer Order ("PIU"). Customer hereby certifies that the PIU is true and correct to the best of Customer's knowledge and has been determined in accordance with all applicable laws and regulations. Customer may modify the PIU from time to time upon thirty (30) days' prior written notice to Level 3. Upon Level 3's written request, Customer agrees to provide Level 3 with all reasonable information necessary to verify the accuracy of the PIU as compared to voice traffic delivered by Customer to Level 3. If Level 3 determines that the PIU is inaccurate, Level 3 reserves the right to bill Customer at the appropriate Level 3 rates based upon Level 3's determination of such traffic as interstate or intrastate. Customer agrees to indemnify, defend and hold Level 3 harmless for any claims by third parties (including local access charges for intrastate traffic) resulting from or arising out of Level 3's use of an inaccurate PIU.

(C) The (3)Voice(SM) Termination usage rates are net of any applicable origination charges by third party payphone providers. Customer will be

responsible for (i) all such origination charges, and (ii) tracking any traffic associated with such origination charges in accordance with applicable law or regulation.

SECTION 14. (3) VOICE(SM) ORIGINATION SERVICE

14.1 APPLICABILITY. This Section is applicable only where Customer Orders (3)Voice(SM) Origination Service.

14.2 SERVICE DESCRIPTION.

(A) (3) Voice(SM) Origination Service provides inbound PSTN to IP termination voice services. Customer will be provided direct inward dial (DID) numbers) and a specified number of DS-0 ports ("Ports") as set forth in the Customer Order. Customer (or its end users) may access the Service by dialing a Level 3 provided DID number, after which the voice traffic originated by Customer (or its end users) will be aggregated by Level 3 and will undergo a net protocol conversion by Level 3 to an IP format

(B) If Customer orders "Basic On-Net" (3)Voice(SM) Origination Service, Customer must order, as a separate Service, the Level 3 (3)CrossRoads(SM) Service to transport the media portion of the Customer traffic to a Level 3 On-Net facility. If Customer orders "Basic Off-Net" (3)Voice(SM) Origination Service, the traffic will initially be delivered the same way as Basic On-Net Service, but Customer will obtain, at its own cost, an internet connection from a third party internet service provider that peers with Level 3 to transport the traffic from the Level 3 network to an Off-Net destination. Level 3 shall not be responsible for the service of any such third party providers. In all cases, the traffic will be delivered back to Customer in an IP format, after which the traffic shall be the sole responsibility of Customer.

(C) Unless otherwise agreed, the (3)Voice(SM) Origination Services shall only be ordered and delivered to Customer in the United States.

14.3 CHARGES. For use of (3)Voice(SM) Origination Service (and excluding the charges for any other Service Customer must purchase from Level 3 to use the same), Customer agrees to pay, on a monthly basis: (i) a port charge (the Tort Charge") for each Port ordered; and (ii) a DID charge for each DID number provided to Customer by Level 3. A non-recurring order processing charge and a port installation charge will also apply for each (3)Voice(SM) Origination Service ordered by Customer. All such charges will be stated in the Customer Order.

14.4 PORT COMMITMENT. Each Customer Order for (3)Voice(SM) Origination Service shall state a number of (3)Voice(SM) Origination Service Ports that Customer commits to buy from Level 3 for the duration of stated Service Term (the "Port

Commitment"). The Port Commitment will commence upon the expiration of the Ramp Period (if any) stated in the Customer Order. In any month following an applicable Ramp Period in which Customer fails to meet its Port Commitment Customer will be billed for and will pay Level 3 for the Ports actually used by Customer during the month, plus a shortfall fee equal to the difference between the Port Charges that would have been due had the Port Commitment been satisfied and Customer's actual Port Charges.

SECTION 15. SERVICE LEVELS

15.1 GENERAL. The Services are subject to the following Service Levels, as applicable to the particular Service as specified. In the event Level 3 does not achieve a particular Service Level in a particular month, Level 3 will issue a credit to Customer as set forth below upon Customer's request To request a credit, Customer must contact Level 3 Customer Service within thirty (30) days of the end of the month for which a credit is requested. Level 3 Customer Service may be contacted by calling toll free in the U.S. 1-877-4LEVEL3 (1-

877-453-8353). In no event shall the total amount of credits issued to Customer per month exceed the non-recurring charges ("NRC") and monthly recurring charges ("MRC") for the affected Service.

15.2 (3)LINK(SM) PRIVATE LINE AND (3)LINK(SM) WAVELENGTHSERVICE LEVELS.

The following service levels are applicable where Customer orders (3)Link(SM) Private Line Service or (3)Link(SM) Wavelength Service.

(A) Installation Service Level. (1) Level 3 will exercise commercially reasonable efforts to install any (3)Link(SM) Private Line Service or (3)Link(SM) Wavelength Service on or before the Customer Commit Date specified for the particular Service. This installation Service Level shall not apply to Customer Orders that contain incorrect information supplied by Customer, Customer Orders that are altered at Customer's request after submission and acceptance by Level 3. In the event Level 3 does not meet this Installation Service Level for a particular Service for reasons other than an Excused Outage, Customer will be entitled to a service credit off of the NRC and/or MRC for the affected Service as set forth in the following tables:

<TABLE>
<CAPTION>
For any (3)Link(SM) Private Line Service:

Installation Delay Beyond Customer Commit Date	Service Level Credit
<S>	<C>
1-5 business days	Amount of NRC
6-20 business days	Amount of NRC plus charges for one (1) day of the MRC for each day of delay
21 + business days	Amount of NRC plus one (1) months' MRC

</TABLE>

<TABLE>
<CAPTION>
For any (3)Link(SM) Wavelength Service:

Installation Delay Beyond Customer Commit Date	Service Level Credit
<S>	<C>
1-5 business days	5% of the MRC
6 -20 business days	10% of the MRC
21 + business days	15% of the MRC

</TABLE>

(2) The Installation Service Level and associated credits set forth in sub-Section (1) above shall not apply to Off-Net Local Loop Service, including, without limitation, (3)Link(SM) Metropolitan Private Line (Off-Net) Service, provisioned by Level 3 through a third party carrier for the benefit of Customer. Level 3 will pass-though to Customer any installation service level and associated credit (if applicable) provided to Level 3 by the third party carrier for such Off-Net Local Loop Service.

(B) Availability Service Level for Protected (3)Link(SM) Private Line Service.

(1) The Availability Service Level for Protected (3) Link(SM) Private Line Service delivered over Level 3's network is 99.99% for Protected Terrestrial (3)Link(SM) Private Line Service and 99.9% for Protected Submarine (3)Link(SM) Private Line Service. In the event that any Protected (3)Link(SM) Private Line Service becomes unavailable (as defined below) for reasons other than an Excused

Outage, Customer will be entitled to a service credit off of the MRC for the affected Service based on the cumulative unavailability of the affected Service in a given calendar month as set forth in the following table.

<TABLE>
<CAPTION>

Cumulative Unavailability	Service Level Credit
<S>	<C>
0-5 minutes	No Credit
5:01 minutes - 45 minutes	5% of the MRC
45:01 minutes - 4 hours	10% of the MRC
4:01 - 8 hours	20% of the MRC
8:01 -12 hours	30% of the MRC
12:01 - 16 hours	40% of the MRC
16:01 -24 hours	50% of the MRC
24:01 + hours	100% of the MRC

</TABLE>

For purposes of this Section 15.2, "unavailable" or "unavailability" means the duration of a break in transmission measured from the first often (10) consecutive severely erred seconds ("SESs") on the affected Service until the first of ten (10) consecutive non-SESs. An SES is a second with a bit error ratio of greater than or equal to 1 in 1000.

(2) The Availability Service Levels and associated credits set forth in this Section 15.2(B) shall not apply to Off-Net Local Loop Service, including, without limitation, (3)Link(SM) Metropolitan Private Line (Off-Net) Service, provisioned by Level 3 through a third party carrier for the benefit of Customer. Level 3 will pass-though to Customer any availability service level and associated credit (if applicable) provided to Level 3 by the third party carrier for such Off-Net Local Loop Service.

(3) Without prejudice to Customer's right to service credits pursuant to subsection (1) above, if the (3) Link(SM) Private Line Services are provided in Germany, then the Availability Service Level for such (3)Link(SM) Metropolitan Private Line (Off-Net) Service is 97.5% (based on an annual average) and (3)Link Metropolitan Private Line (On-Net) Service is 99.9% (based on a calendar month).

(C) Availability Service Level for Unprotected (3) Link(SM)Private Line Service and (3) Llnk(SM) Wavelength Service. (1) Inthe event that any Unprotected (3)Link(SM) Private Line Service or (3)Link(SM) Wavelength Service becomes unavailable (as defined in Section 15.2(B) above) for reasons other than an Excused Outage, Customer will be entitled to a service credit off of the MRC for the affected Service based on the cumulative unavailability for the affected Service in a given calendar month as set forth in the following table:

<TABLE>
<CAPTION>

Cumulative Unavailability	Service Level Credit
<S>	<C>
0-24 hours	No Credit
24:01 - 30 hours	2.5% of the MRC
30:01 -36 hours	5% of the MRC
36:01 - 42 hours	7.5% of the MRC

42:01 + hours	10% of the MRC

(2) The Availability Service Levels and associated credits set forth in this Section 15.2(C) shall not apply to Off-Net Local Loop Service, including, without limitation, (3)Link(SM) Metropolitan Private Line (Off-Net) - Service, provisioned by Level 3 through a third party carrier for the benefit of Customer. Level 3 will pass-though to Customer any availability service level and associated credit (if applicable) provided to Level 3 by the third party carrier for such Off-Net Local Loop Service.

15.3 (3)CrossRoads(SM). The following service levels are applicable where Customer orders (3)CrossRoads(SM) Service.

(A) Installation Service Level. Level 3 will exercise commercially reasonable efforts to install any (3)CrossRoads(SM) Service on or before the Customer Commit Date specified for the particular Service. This Installation Service Level shall not apply to Customer Orders that contain incorrect information supplied by Customer or Customer Orders that are altered at Customer's request after submission and acceptance by Level 3. In the event Level 3 does not meet this Installation Service Level for a particular Service for reasons other than an Excused Outage, Customer will be entitled to a service credit equal to the charges for one (1) day of the MRC for the affected Service for each day of delay, up to a monthly maximum credit often (10) days.

(B) Availability Service Level. (1) The Availability Service Level for (3)CrossRoads(SM) Service is 100%. The (3)CrossRoads(SM) Service is considered unavailable if more than one (1) port is unable to send or receive traffic. In the event that the (3)CrossRoads(SM) Service becomes unavailable for reasons other than an Excused Outage, Customer will be entitled to a service credit off of the MRC for the affected Service based on the cumulative unavailability of the affected Service in a given day as set forth in the following table:

<TABLE>
<CAPTION>

Duration of Service Unavailability	Service Level Credit
<S>	<C>
0-15 minutes	1 hour
15:01 minutes - 8 hours	3 hours
8:01 -12 hours	12 hours
12:01 - 16 hours	16 Hours
16:01 - 24 Hours	1 day

</TABLE>

(2) Without prejudice to Customer's right to service credits pursuant to subsection (1) above, if the (3) CrossRoads(SM) Services are provided in Germany, then the Availability Service Level for such (3)CrossRoads(SM) Services on the Local Loop is 97.5% (based on annual average) and On-Net is 99.9% (based on calendar month).

(C) Delay Service Level. The following Delay Service Level is measured as an average one-way delay over a calendar month for traffic on the Level 3 network between Gateways. Delay measurements may be obtained from the Level 3 web site at www.Level3.com. in the event of a delay in excess of the Service Levels set forth below for reasons other than an Excused Outage, Customer will be entitled to receive a service credit equal to the charges for one (1) day of the MRC for the affected Service, up to a monthly maximum credit of one (1) day per calendar month.

<TABLE>
<CAPTION>

Route	Delay Service Level
<S>	<C>
Intra-U.S.	40 ms
Intra-Europe	30 ms
London to New York, NY	40 ms

</TABLE>

(D) Packet Delivery Service Level. The Packet Delivery Service Level for (3)CrossRoads(SM) Service is 99% for On-Net traffic between Gateways. Packet Delivery is the average number of Internet Protocol (IP) packets of information that transit the Level 3 network and are delivered by Level 3 to the intended. On-Net destination in a calendar month. Packet Delivery measurements may be obtained from the Level 3 web site at www.LeveI3.com. In the event Level 3 does not meet the Packet Delivery Service Level for reasons other than an Excused Outage or as a result of any third party local access circuit (whether provisioned by Customer or Level 3), Customer will be entitled to receive a service credit equal to the charges for one (1) day of the MRC for the affected Service, up to a monthly maximum credit of one (1) day per calendar month.

15.4 (3)Connect(SM) Modem. The following service levels are applicable where Customer orders (3)Connect(SM) Modem Service.

(A) Installation Service Level. Level 3 will exercise commercially reasonable efforts to install any (3)Connect(SM) Modem Service on or before the Customer Commit Date specified for the particular Service. This Installation Service Level shall not apply to Customer Orders that contain incorrect information supplied by Customer or Customer Orders that are altered at Customer's request after submission and acceptance by Level 3. In the event Level 3 does not meet this Installation Service Level for a particular Service for reasons other than an Excused Outage, Customer will be entitled to a service credit equal to fifty percent (50%) of the Non-Recurring Charges for the affected Service.

B) Call Success Rate (CSR) Service Level. The CSR Service Level for (3)Connect(SM) Modem Service is 90%*. The CSR is measured by Level 3 as a monthly average across the Level 3 modem network calculated based on the number of IP sessions established against the total sessions attempted. An IP session is established when the modem port is available to send, receive and authenticate traffic. In the event Level 3 does not meet the CSR Service Level for reasons other than an Excused Outage, Customer will be entitled to a service credit off of the MRC for the affected Service as set forth in the following table:

<TABLE>
<CAPTION>

CSR	Credit
<S>	<C>
88 to 89.99%	2.5% of the MRC
85 to 87.99%	5% of the MRC
80 to 84.99%	7.5% of the MRC
< 79.99%	10% of the MRC

<FN>

* The CSR Service Level does not apply to ISDN Service.
</TABLE>

(2) Without prejudice to Customer's right to service credits pursuant to subsection (1) above, if the (3)CrossRoads(SM) Services are provided in Germany, then the Availability Service Level for such (3)CrossRoads(SM) Services on the Local Loop is 97.5% (based on an annual average) and On-Net is 99.9% (based on a

calendar month).

15.5 (3)Center(SM) Colocation. The following service levels are applicable where Customer orders (3)Center(SM) Colocation.

(A) Installation Service Level. This installation Service Level applies to cabinet and private suite Colocation Space ordered in a Gateway. Level 3 will exercise commercially reasonable efforts to install any Colocation Space on or before the Customer Commit Date specified for such Colocation Space. This Installation Service Level shall not apply to

Customer Orders which contain incorrect information supplied by Customer, Customer Orders which are altered at Customer's request after submission and acceptance by Level 3, or Customer Orders which require Level 3 to configure Colocation Space to specifications other than Level 3's standard specifications for Colocation Space (such standard specifications are available to Customer upon request). In the event Level 3 does not meet this Installation Service Level for a particular Colocation Space for reasons other than an Excused Outage, Customer will be entitled to a service credit equal to the charges for one (1) day of the MRC for the affected Colocation Space for each day of delay, up to a monthly maximum credit of four (4) days.

(B) Power Service Level. The Availability Service Level for Level 3 provided power to the Colocation Space is 99.99%. In the event of any power outage for reasons other than Customer actions or omissions, Customer will be entitled to receive a service credit equal to the charges for one (1) day of the MRC for the affected Colocation Space (with a maximum of a one (1) day credit for all outages in any twenty four (24) hour period).

(C) Remote Hands Response Time Service Level. The Response Time Service Level for Remote Hands is as set forth below. This Response Time Service Level is measured from the time Level 3 Customer Service receives and logs Customer's request with all of the necessary information requested by Level 3 Customer Service, until a Level 3 technician first calls Customer in response to the request. In the event Level 3 does not meet the following Response Time Service Level, Customer will be entitled to a service credit equal to the charges for one (1) day of the MRC for the affected Colocation Space (with a maximum of a one (1) day credit for all instances of delay in a day, with a total monthly maximum credit of seven (7) days).

Service Level

Hours of Operation	Response Time
7 a.m. to 7 p.m. (M-F)	30 minutes
Off-hours, holidays & weekends	2 hours

15.6 (3) Center(SM) Intra-Market Colocatiort Connection (lMCC). The following service levels are applicable where Customer orders (3) Center IMCC Service.

(A) Installation Service Level. Level 3 will exercise commercially reasonable efforts to install any (3)Center(SM) IMCC Service on or before the Customer Commit Date specified for the particular Service. This Installation Service Level shall not apply to Customer Orders that contain incorrect information supplied by Customer, or Customer Orders that are altered at Customer's request after submission and acceptance by Level 3. In the event Level 3 does not meet this Installation Service Level for a particular Service for reasons other than an Excused Outage, Customer will be entitled to a service credit equal to the charges for one (1) day of the MRC for the affected Service for each day of delay, up to a monthly maximum credit of four (4) days.

(B) Availability Service Level. The Availability Service Level for (3)

Center(SM) IMCC Service is 96.7%. In the event the (3)Center IMCC Service becomes unavailable for reasons other than an Excused Outage, Customer will be entitled to a service credit off of the MRC for the affected Service based on the cumulative unavailability of the affected Service in a given calendar month as set forth in the following table:

<TABLE>
<CAPTION>

Duration of Service Availability	Level Credit
<S>	<C>
0-24 hours	No Credit
24:01 - 48 hours	10% of MRC
48:01 -72 hours	20% of MRC
72:01 + hours	30% of MRC

</TABLE>

For purposes of this Availability Service Level, (i) "unavailable" or "unavailability" means total interruption in the Service, and (ii) the duration of any unavailability event will commence when Customer reports an outage to the Level 3 Customer Service and Support Organization (1-877-4LEVEL3) and will end when the Service is operative.

YP.net, Inc.
December 3, 2001

ADDENDUM

This Addendum (the "Addendum") made as of the 03 day of Dec, 2001, ("Effective Date") modifies the Level 3 Communications Terms for Delivery of Service, version 6-0. as incorporated by Customer Orders for Usage Based (3)Connect(SM) Modem Services submitted by YP.net, Inc. ('Customer") to Level 3 Communications, LLC ("Level 3") (collectively the Terms). Capitalized terms used but not defined herein shall have the meanings set forth in (he Terms. The terms and conditions contained in this Addendum modify the Terms In the following limited respects:

1. A NEW SECTION 11.3 IS HEREBY ADDED TO PAGE 8 OF THE TERMS AS FOLLOWS:

11.3 USAGE BASED (3)CONNECT(SM) MODEM SERVICE.

(A) Customer may submit Customer Orders to Laval 3 (for acceptance by Level 3) for Level 3 (3)Connect(SM) Managed Modem Service to be charged by Level 3 art a usage basis. The based (3)Connect(SM) Managed Modem Service ordered by Customer pursuant to this Is herein called the "Usage-Based Service", and the Usage-Based Service will be subject provisions set forth below. This Addendum shall not affect any of Customer's (3)Connect(SM) Managed Modem Service existing as of the date of this Addendum (if any), or any existing commitments of Customer.

(B) For any Customer Orders for Usage-Based Service, there shall be no minimum Revenue Commitment from Customer to Level 3.

(C) Customer will be billed and agrees to pay a non-recurring installation charge of $5,000.00 which covers all existing markets (approx. 50) in which Level 3 agrees to deliver Usage-Based Service to Customer (the "Existing markets"). Market is defined as a city in which Level 3 Usage-Based Service. Customer will also be billed in arrears by Level 3, on a monthly basis for to actual usage or Level 3 Usage-Based Service on an hourly basis for all Managed Modem sessions at the ending during the applicable billing month. Customer will be billed for all Existing Markets rate set forth in the chart below (for all hours in the subject month) as such rate corresponds is with Customer's actual usage of Level 3 Usage-Based Service:

MONTHLY HOURS	PRICE PER HOUR
MORE THAN 20,000,000	$ 0.105
5,000,001 TO 20,000,000	$ 0.110
0,000,001 TO 15,000,000	$ 0.115
500.001 TO 10,000,000	$ 0.120
3,000,001 TO 5,000,000	$ 0.110
3,000,000 OR LESS	$ 0.160

Based on the foregoing and byway of example, If Customer were to use 4,000,000 hours of Usage-Based Service in a month, it would be billed $560,000,00 for such Service (4,000,000 hours multiplied by $.140 equals $560,000.00)

The foregoing notwithstanding, beginning three (3) months following the Effective Date hereof, Customer shall be billed for and be liable for the payment of, the greater of 1) Customer's actual usage or 2) twenty-five thousand ($25,000.00) dollars per month.

(D) The applicable hourly rates for Customers actual usage and any applicable non-recurring installation charges for any additional markets (the "Incremental Markets") where Level 3 agrees to provide Usage Based Service within any of those Incremental Markets will be determined by Level 3 and provided to Customer prior to Level 3's delivery of Usage-Based Service to Customer in those Incremental Markets.

(E) Managed Modem sessions will be measured starting with the User ID tier one authentication and ending when the user disconnects from Level 3's Network. Level 3 accounting records will be used to determine the length In time of each subscriber call. At the end of each monthly billing period, the accounting records for said month will be summed to produce the total hours of Usage Based Service in a month.

(F) Customer will not have, nor shall it be entitled to any stated number of dedicated, Level 3 Usage Based (3)Connect(SM) Modem ports. Customer shall, on an ongoing quarterly basis, Level 3 with a non-binding forecast (covering the period, which commences thirty (30) days after and ends one-hundred twenty (120) days after its submission to Level 3) Getting forth Customer's estimated forecasted usage of Level 3 Usage Based Service on a Rate Center by Rate Center (as defined below) basis (which forecast shall include Customer's forecasted traffic patterns). "Rate Center" as used herein shall mean: the specific geographic point (associated with one or more specific NPA-NXX codas and various Wire Centers) being used for billing and measuring Service. For example, a Rate Center will normally include several Wire Centers within its geographic area, with each Wire Center being defined as having one or more NPA-NXXs. The forecast shall be clearly marked as such and shall be delivered via electronic mail to the following individual(s): Jason.Hemmi@level3.com and Jay.Slater@level3.com.

Level 3 shall, within ten (10) business days after receipt of the forecast, inform Customer of any forecasted Usage Based Service Level 3 believes (in good faith) will not be available for delivery at the locations specified within the quarter as requested by Customer. Customer's Initial forecast shall be submitted within fifteen (15) days after its execution of this Addendum.

(G) The Service Level Agreement for the (3)Connect(SM) Modem Service (as set forth 11 of the Terms) shall not apply to the Usage-Based Service.

CUSTOMER ACCEPTANCE	LEVEL 3 ACCEPTANCE
By: /s/ Don M. Reese	By: /s/ Todd C. Coleman
Name: Don M. Reese	Name: Todd C. Coleman
Its: Consultant, DOO	Its: Vice President

Date: 12-03-01

Date: December 4, 2001

Exhibit 10.30

I411.COM
CO-BRANDED SYNDICATION AGREEMENT

THIS CO-BRANDED SYNDICATION AGREEMENT ("Agreement") is entered into as of this 1st day of November, 2000 ("Effective Date"), by and between Intelligenx, Inc. d/b/a i411 Lcom, a Delaware corporation with its principal place of business is located at 14320-D Sullyfield Circle, Chantilly, Virginia 20151 and YP.Net, Inc., a Nevada corporation with its principal place of business located at 4840 East Jasmine Street, Suite 105, Mesa, Arizona 85205 ("YP.Ne ') (each a 'Tqqy", and collectively, the "Parties" to this Agreement).

YP.NET SITES:	CO-BRANDED SITE:	I411 BRAND: POWERED BY i411 Lcorn
www.yp.net	www.i4l Lcom/ypnet	YP.NET BRAND: yp.net and formatives

WHEREAS, i4ll has rights to a database of directory business listings and to proprietary Internet infiustructure technology that allows i4l I to provide affiliated Web sites with customized directory content and fimctionality that allows full text and categorized searching of online data consisting of yellow page business listings that are organized into geographic and product and service categories ('1411 Direc"), and YP.Net wishes to receive a license to use
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and distribute a co-branded i4l 1 Directory in connection with its business.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, i4ll and YP.Net agree as follows intending to be legally bound:

SECTION 1. CO-BRANDED DIRECTORY LICENSEDuring the Term (as defined in Section
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20) and subject to the provisions of this Agreement, i4ll hereby agrees to make available from the Co-Branded Site (as identified in the table above) to YP.Net and its authorized end users (the "End Users") of the YP.Net Site (as identified in the table above) the co-branded i4ll directory as described in Schedule One hereto (the "Co-Branded Directo"). Ile CoBranded Directory shall consist of all
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the business listings in the i4ll Directory and any updates thereto made during the Term. The Co-Branded Directory shall be hosted and served by All or its subcontractors. For that purpose, subject to the provisions of this Agreement, i4l I hereby grants to YP.Net a non-exclusive, non-transferable right and license during the Tenn to permit End Users to access and use the Co-Branded Directory as it is available from the Co-Branded Site only and solely for the personal or internal business use of the End User and not for purposes of resale or, leasing, re-compilation, re-distribution, re-syndication, re-traiismission, time-sharing or use for the benefit of any third-party, except as provided in this agreement.

SECTION 2. CO-BRANDED SITE LICENSE.During the Term and subject to the provisions
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of this Agreement, i4ll hereby agrees to provide the functional Co-Branded Directory as more fully described in Schedule One hereto. The Co-Branded Directory shall depict the i4ll Brand (as identified in the table above) and the YP.Net Brand (as identified in the table above), as well as other symbols, identifiers and "look and feet" as reasonably agreed to by the Parties. The Co-Branded Site shall be accessed by End Users from the YP.Net Site or such other sites controlled by YP.Net and from which redirection to the YP.Net site may be accomplished under applicable laws, through one or more clickable hypertext links positioned throughout the pages of the YP.Net Site. Such link(s) shall point to the Co-Branded Directory (unencumbered by fi-ames or other formatting added by a third-party not affiliated with YP.Net), which shall appear as a result of activating the links. For that purpose, subject to the provisions of this Agreement, Al I hereby grants YP.Net a non-exclusive, non-transferable right and license during the Term to link to, cache and display the Co-Branded Site, solely for the personal or internal business use of the End User and not for purposes of resale or leasing, re-compilation, ,
re-distribution, re-syndication, re-wansmission, time-sharing or use for the benefit of any third-party except as provided in this agreementYP.Net agrees that it shall not, knowingly or intentionally, establish or permit the establishment of any pointers or links between the Co-Branded Site (or any other web site) and the i4l I web site located at www.i4l Lcom. without the prior written approval of i4ll unless otherwise permitted in this Agreement, except

for redirecting a user from different URL addresses

YP.NET SYNDICATION AGREEMENT

controlled by YP.Net to www.yp.net and links from other web sites to www.yp.net. It is the responsibility of YP.Net to ensure that all known redirecting of users/traffic and any framing/linking to the sites involved herein is done in a manner that complies with applicable laws.

SECTION 3. SUBMISSION MODULELICENSE. The Co-Branded Site shall include an online submission module (with "look and feel" as reasonably agreed to by the Parties) accessible from the Co-Branded Site whereby YP.Net (and its authorized agents) and businesses whose information is accessible through the Co-Branded Directory (die "Listed Businesses")may validate available data and/or order Search Visible Storefronts Tm and changes, upgrades, enhancements, additional branding and other customization for their listings (the "SubmissionModule"). For that purpose, subject to the provisions of this Agreement, i4l I hereby grants YP.Net (and its authorized agents) a nonexclusive, non-transferable right and license during the Term to access and utilize, and permit End Users to access and utilize, the Submission Module through the Co-Branded Site or such other sites as described herein, only and solely for the personal or internal business use of YP.Net (and its authorized agents) or the End User and not for purposes of resale or leasing, re-compilation, re-distribution, re-syndication, re-transmission, time-sharing or use for the benefit of any third-party. YP.Net agrees that it shall not~ knowingly or intentionally, use or permit the use of the Submission Module for any other purpose. i411 shall maintain commerce responsibilities and accounting for all transactions conducted through the Submission Module.

SECTION 4. I411 MEMBERSHIP MEDALLION PRODUCT LICENSE.During the Term and subject to the provisions of this Agreement, i41I hereby agrees to make available to YP.Net, as part of the Submission Module, a means of identifying membership, functionality that allows Listing Businesses to add prominence to their listing by placing a unique marking or symbol next to their listing which identifies their membership in a specific community of interest ("Membership Medallions"). Al I will develop the Membership Medallions based on parameters agreed to between i4l 1 and YP.Net. YP.Net and i4l I shall jointly own all rights in and to the Membership Medallions.

SECTION 5. TRADEMARK LICENSE. Subject to the provisions of this Agreement, i4ll grants to YP.Net the nonexclusive, right and license during the Term to use and display the i4ll Brand and other trademarks of i411 identified in Schedule Two hereto (the i4l I Brand and such other trademarks collectively referenced to as the "i4l 1 Trademarks")for the sole purpose of implementing the YP.Net Site branding contemplated by this Agreement, and undertaking jointly with i411 or otherwise as authorized in writing by i4ll efforts to promote and market the relationship created by this Agreement, the Co-Branded Site and the Co-Branded Directory and the products and services of i4l 1. Notwithstanding the foregoing, uses of the i4l I Trademarks by YP.Net are subject to the prior approval of i4l 1, which shall not be unreasonably withheld or delayed. YP.Net agrees that i4l I owns all rights to the Al 1 Trademarks and that all use thereof by YP.Net will inure to the benefit of i4l 1. YP.Net will not challenge i4l I's rights to the A 11 Trademarks or cause or direct any third party to do so.

SECTION 6. RESTRICTIONS. The licenses granted by i4l I under this Agreement do not include the right to sublicense. YP.Net agrees that it may not, knowingly or intentionally, modify or create derivative works from the i411 Directory, the Co-Branded Site, the Co-Branded Directory, the Submission Module or the Membership Medallions without the prior written consent of i4ll. Specifically excluded from the licenses granted by i411 under this Agreement is, without limitation, any use or operation of the i4II Directory, the Co-Branded Directory or the Membership Medallions (i) on or through any Internet site other than the YP.Net Site; and (ii) for use in connection with products configured to be, or

World Wide Web pages specifically designed for, wireless, WAP, Palm, mobile computing, or satellite delivery services or applications. As new technologies from the World Wide Web arise within the Internet and wireless environment, YP.Net may request permission from i4II prior to applying the CoBranded Directory to new uses. i4l 1, upon evaluation of the proposed opportunity, reserves the right to negotiate with YP.Net the terms and conditions of any such additional licenses.

SECTION 7. END USER AND LISTED BUSINESSES TERMS AND CONDITIONS. The Co-Branded Site and the Co-Branded Directory shall be available to End Users and the Submission Module and Membership Medallions shall be available to YP.Net, End Users and the Listed Businesses subject to reasonable terms and conditions of usage established by i4ll and YP.Net agrees that i4ll may require that YP.Net, End Users and Listed Businesses accept such terms on an electronic "clickwrap" basis (that is, by means of terms and conditions presented on an online basis

and which get accepted by the user electronically). YP.Net agrees to post such terms and conditions of usage in the YP.Net Site and to establish a clickable link to the terms and conditions in near proximity to the Co-Branded Directory link on the YP.Net Site. YP.Net may impose other reasonable terms and conditions applicable to use of the Co-Branded Site, Submission Module or Membership Medallions in YP.Net's reasonable discretion.

SECTION 8. YP.NET PARTICIPATION AND LICENSES.YP.Net shall be responsible for (i) hardware and software required to link the YP.Net Site to the Co-Branded Site, (ii) all aspects of the YP.Net Site, and (iii) exercise its reasonable commercial efforts to meet the milestones applicable to YP.Net as described in Schedule One hereof YP.Net shall provide i4ll or its agents in a timely manner, when reasonably requested, artwork for the rendition of the YP.Net Brand which YP.Net desires be used on the Co-Branded Site and the Membership Medallions (if a pre-existing marking is used), as well as other YP.Net content and markings necessary for the Co-Branded Site (collectively, the "YP.Net Contenf').YP.Net also agrees to provide to i4II in a timely manner, any other information, input, feedback, and recommendations reasonably requested by i4ll or its agents regarding the YP.Net-specific elements of the Co-Branded Directory. To the extent use of any YP.Net Content, the Membership Medallions or any component thereof requires a license from any third-party, YP.Net agrees to obtain the necessary rights and licenses in order to permit the activities contemplated by this Agreement. Subject to the provisions of this Agreement, YP.Net hereby grants Al I a non-exclusive right and license during the Term to use, reproduce, distribute, transmit, display and make derivative works based upon any YP.Net content and any logos, names, markings and other symbols provided by YP.Net to i4l 1 solely for purposes of Al I (directly or through its agents and suppliers) (a) meeting its obligations under this Agreement, (b) displaying and distributing the Co-Branded Site, the Co-Branded Directory, the Submission Module and the Membership Medallions, and (c) performing marketing and promotional activities agreed to by Y?.Net. In addition, subject to approval by Y-P.Net, i4l I shall have the right to display, on print or electric format, screen shots or the live Co-Branded Site, the Co-Branded Directory, or the Submission Module, for purposes of promotion and marketing of i4l I products and services.

Subject to the provisions of this Agreement, YP.Net grants to i4l I the non-exclusive, non-transferable right and license during the Term to use and display the YP.Net Brand and other trademarks of YP.Net identified in Schedule Two hereto (the YP.Net Brand and such other trademarks collectively referenced to as the "YP.Net Trademarks")for the sole purpose of implementing the i411 Site branding contemplated by this Agreement, and undertaking jointly with YP.Net or otherwise as authorized in writing by YP.Net efforts to promote and market the relationship created by this Agreement, the Co-Branded Site and the Co-Branded Directory and the products and services of Y?.Net. Notwithstanding the foregoing, uses of the YP.Net Trademarks by i4ll are subject tothe prior approval of YP.Net, which shall not be unreasonably withheld or delayed. i4l 1 agrees that YP.Net owns all rights to the Y?.Net Trademarks and that all use thereof by i4l I will inure to the benefit of YP.Net. i4l I will not challenge

YP.Net's rights to the YP.Net Trademarks or cause or direct any third party to do so.

SECTION 9. PREFERRED POSITION PLACEMENT. During the Term and subject to the provisions of this Agreement, i411 hereby agrees to make available to YP.Net, as part of the Submission Module, a means of providing preferential identification of YP.Net's affiliated enhanced business listings. Each of the YP.Net enhanced listings (each a "Preferred Business")are to be converted into a YP.Net Search Visible StorefrontT11 pursuant to the terms set forth m" Schedule One hereto shall be given preferred position placement in the Co-Branded Directory as well as all other directories in the i411 directory syndicate network. For any set of search results in the Co-Branded Directory and any directory in the i4lI directory syndicate network, Preferred Businesses shall always be listed first (in alphabetical order among Preferred Businesses), before any other Listed Businesses ("Preferred Position Placemene').Any listed business that purchases a Search Visible StorefrontT11 through the Submission Module shall be deemed a Preferred Business and shall be given Preferred Position Placement. All shall make good faith, reasonable commercial efforts to frequently update and index the list of Preferred Businesses.

SECTION 10. IMPLEMENTATION, DELIVERY AND ACCEPTANCE The implementation of the Co-Branded Site shall be in accordance with the Schedule of Project Deliverables contained in Schedule One hereof, as it may be amended by the Parties in writing. i4ll shall exercise its reasonable commercial efforts to make available the Co-Branded Site, the Co-Branded Directory and all other deliverables by the dates indicated in Schedule One hereto. This deadline is subject to YP.Net providing all necessary YP.Net Content and meeting its participation requirements as described in Section 8 above in a timely manner. i4l I shall notify YP.Net of the availability of the Co-Branded Directory and

shall demonstrate to YP.Net at a mutually agreed to time and place the functionality of the Co-Branded Directory. Thereafter, YP.Net shall have the right for a period of five days after first availability of the Co-Branded Site and the Co-Branded Directory to test the functionality and operation thereof and to advise i4l 1 in writing of any apparent errors. i4ll agrees to exercise its best efforts to correct any errors in the functionality and operation. The CoBranded Directory will be deemed accepted by YP.Net on the sixth day after first availability and notification to YP.Net from i4l I of the Co-Branded Site and the Co-Branded Directory, provided no errors are reported to i4l 1, or all errors reported have been corrected to the satisfaction of YP.Net.

SECTION 11. CHANGES AND UPDATES.During the Term, i4l I shall not make changes to the YP.Net-specific elements of the Co-Branded Directory except upon prior consultation with and approval of YP.Net. During the Term, the CoBranded Directory shall be updated on a periodic basis by i4l I as Al I adds to its general database new or changed directory listings, which are relevant to the Co-Branded Site. i4ll shall from time to time make improvements, as it deems necessary, to the functionality. As i411 develops new products and tunctionality for the wired Web, these newly developed features will be deployed for YP.Net at no cost or set-up fee. This preceding sentence applies for features and functionality that are developed by Al I and made available for commercial use pursuant to its planned product development efforts. The Parties may agree, by addendum to this Agreement, upon additional terrns and conditions upon which additional services or functionality may be provided by i4l 1.

During the Term, i4l I may monitor the information residing on or transmitted to the i411 Directory. i4l I reserves the right, upon providing written notice to YP.Net, to temporarily, or permanently, modify, reject, alter, discontinue or delete any information residing on or transmitted to the i4l I Directory through any online submission module the Parties agree and believe to be unacceptable or in violation of (i) any applicable laws, regulations or other governmental requests or (ii) the Terms and Conditions set forth in the Legal Notices of the i4l I website.

SECTION 12. COLLECTION AND USEOF DATA. Al I shall collect data regarding traffic and usage relating to the CoBranded Site and Co-Branded Directory ("Usage Da'). Usage Data and all intellectual property rights relating thereto shall belong to i4l 1. i411 shall share periodically Usage Data with YP.Net, solely for use for the internal business purposes of YP.Net and not for re-sale. Usage Data shall not include any data collected by YP.Net relating to End Users of the YP.Net Site, the property rights of which shall belong to YP.Net. YP.Net and Al I shall consult with each other to develop and post appropriate privacy polices relating to the use of Usage Data.

Section 13. MARKETING AND BRANDING OPPORTUNITIES.The Parties shall exercise good faith and reasonable efforts to undertake joint and individual marketing and branding efforts relating to the Co-Branded Directory and the Parties' respective product and services as described in Schedule One hereto and as other further agreed to by the Parties from time to time.

SECTION 14. CUSTOMIZED SIGNATUREBAR. i4ll shall develop and deploy a customized signature bar for use in YP.Net's e-mail system, as more fully described in Schedule One hereto. The HTML-based product will present a search bar on any e-mail sent from YP.Net, which when used will open a browser window to the Co-Branded Directory and launch a search based on the word(s) entered.

SECTION 15. TRACKING MECHANISM.As more fully described in Schedule One hereto, i411 shall provide YP.Net with a tracking mechanism that enables YP.Net to track the users that log in to the Submission Module and make changes, including the date that the changes are made, and the nature of the change (edit, add, delete) (the "TrackingMechanism"). The Tracking Mechanism shall also include the ability to sort by date and type of change.

SECTION 16. FEES AND REVENUE SHARIN. YP.Net shall pay to i411 the set-up and licensing fees set forth on Schedule One hereto. i411 and YP.Net shall share in advertising revenues on the Co-Branded Site as more fully described in Schedule Three hereof For shared advertising revenues collected by YP.Net through a local exchange carrier ("LEC"),the Parties shall share evenly in the net receipts after deduction of a 45% LEC fee. For advertising revenues that are not collected through LEC billing, the Parties shall share evenly in the gross receipts. Shared advertising revenues shall include Search Visible StorefrontSTM, Membership Medallions, coupons and banner advertisements (all as described more fully in Schedule Three hereto). Revenue sharing shall expressly not apply to GIF graphics or Bronze Search Visible StorefrontSTM, the pricing for which is described in Schedule Three hereto.

There shall be no revenue sharing between the Parties for advertising sold by third parties or submitted from third party websites.

During each year of the Term, if the number of search queries executed in the Co-Branded Directory exceeds 1,000,000, then YP.Net shall pay to i4l I an overage fee in the amount set forth on Schedule Four for such excess number of queries. If incurred, i4l I shall provide written notice to YP.Net in the form of an invoice for the amount due, which shall be accompanied by a report containing such information which is reasonably necessary for the computation of the associated overage fee. Such overage fee shall be paid by YP.Net within 15 days of notification by i4l 1, unless such fee is disputed in good faith by YP.Net. For purposes of this Section 16, a "search query" shall consist of any single request for information transmitted to i4l I servers, software and network equipment, whether such request be for category selections or keyword inputs.

SECTION 17. PAYMENT OF FEES.Allfees and shared revenues under this Agreement shall be paid by either Party by check or direct deposit into the other Party's

account. In the case of the monthly license fee described in Schedule One hereto, YP.Net shall pay to i4l I the first month's license fee on the date of live deployment of the Co-Branded Directory, with all subsequent monthly payments during the Term due on each monthly anniversary of such live deployment date. In the case of shared revenues described in Schedule Three hereto, the collecting Party shall pay the other Parry on the 15 th of the month following receipt of the revenues by the collecting Party. In the case of shared revenues, the Parties agree that accompanying each payment due hereunder it will deliver to the other Party a report containing such information which is reasonably necessary for the computation of the associated payment. The Parties will maintain accurate and complete records concerning the computation and payment of any amount due the other Party for a period of one year from the date of each payment.

All payments due to either Party hereunder shall be paid to either Party in U.S. Dollars. If either Party fails to pay a fee due and owing in a timely manner, such Party agrees to pay late charges on any amounts outstanding for more than 30 days, at the rate of the lesser of one and one-half percent (1.5%) per month or the maximum permitted by law. Balances remaining more than ninety (90) calendar days past due shall give rise to a material breach of this Agreement. Each Party agrees to pay reasonable costs of collection that the other Party incurs in collecting from the other any amounts past due under this Agreement.

SECTION 18. SYNDICATION REFERRALS.i4l I shall pay to YP.Net a referral fee for any syndications sold by i4l I to third-party customers introduced to i4ll by YP.Net. Such syndications may consist of a co-branded arrangement between YP.Net and the third-party customer (powered by i4l 1), a co-branded arrangement between i4lI and the third-party customer, or a private label arrangement for the third-party customer. YP.Net shall use the i4l I pricing model set forth in Schedule Five hereto, or such other pricing model as Al I and YP.Net may agree to in writing. For any syndication sale referred to i4lI as described in this Section 18, YP.Net shall receive a referral fee consisting of 20% of all hifi-astructure Charges and Syndication Fees (as described under the heading Pricing Considerations), or such other fees as i4l I and YP.Net may agree to in writing.

SECTION 19. TERM.The Agreement shall be in effect commencing on the Effective Date and continuing through the day before the two-year anniversary of the date of live deployment of the Co-Branded Directory (the "Initial Term").After expiration of the Initial Term, this Agreement shall be deemed renewed automatically on a year-toyear basis for successive one year periods (each a "Renewal Term")unless terminated by Y-P.Net or i411 upon written notice at least ninety (90) days prior to the expiration of the Initial Term or any Renewal Term, as the case may be (the Initial Term as extended by any Renewal Term shall be referred to as the "Term"). Either Party may terminate this Agreement at any time in the event of a material breach by the other Party that remains uncured after thirty (30) days written notice thereof. Either Party may terminate this Agreement immediately following written notice to the other Party if the other Party becomes or is declared insolvent or BANKRUPT

SECTION 20. OWNERSHIP. Subject to the next sentence, YP.Net acknowledges and agrees that~ as between i411 and YP.Net, i411 owns all right, title, and interest in and to the i411 Directory, the Co-Branded Directory, the Submission Module, the Co-Branded Site and the technology underlying any of them, including all trademarks, copyrights, patent rights, look and feel and other intellectual property rights therein. i4l I acknowledges and agrees

that YP.Net shall retain all rights, title and interest in and to the YP.Net Trademarks, the YP.Net Site and the YP.Net Customer Data and Content.

Upon the expiration or termination of this Agreement, YP.Net shall remove any and all links from the YP.Net Site to the Co-Branded Site and/or the Co-Branded Directory and each Party shall cease using the trademarks, service marks and/or trade names of the other except, as the Parties may agree in writing, or to the

extent permitted by applicable law.

Any content that is changed, enhanced, or improved by End Users or YP.Net, or through joint efforts of i4l I and YP.Net, shall be jointly owned by Al I and YP.Net so that each Party can use such information during and after the Term of this Agreement, provided that YP.Net shall not use it during the Tenn to create a product that competes with the Co-Branded Directory.

SECTION 21. REPRESENTATIONS AND WARRANTIES.

i4l I represents and warrants that (i) to the best of i4l I's knowledge, the i4ll Trademarks, i4l I Directory, the CoBranded Directory, the Co-Branded Site, the Submission Module, and the other products and services provided by i4II hereunder do not infringe or misappropriate the intellectual property, privacy, or other proprietary rights of third parties, (ii) to the best of i4l I's knowledge, the i4l I Directory, the Co-Branded Directory, the Co-Branded Site, the Submission Module, and the other products and services provided by i411 hereunder do not include any virus, time bomb, back door, or other device for disabling the Co-Branded Directory or Co-Branded Site or the hardware used to operate or access the Co-Branded Directory and Co-Branded Site or for surreptitiously collecting personal information from users who access the Co-Branded Directory and Co-Branded Site.

YP.Net represents and warrants that (i) to the best of its knowledge, it is not subject to any written agreement, written directive, memorandum of understanding or order with or by any court or governmental authority restricting in any material respect its operation or requiring any materially adverse actions by YP.Net; (ii) it is in compliance in all material respects with all applicable laws and regulations and is not in default in any material respect with respect to any material order applicable to YP.Net, including YP.Net's commitmentto be

compliant with any order issued by the Federal Trade Commission or the Arizona State's Attorney general with respect to YP.Net's business practices, (iii) as of the date hereof, there is no Litigation (as defined below) pending, or to the knowledge of YP.Net, threatened against YP.Net, except that a matter pending before the Arizona State's Attorney General has been settled in principle but YP.Net has not entered into a final order with respect thereto and, accordingly, the matter may still be considered pending and is an exclusion from the representation made above. During the Term, YP.Net agrees to promptly notify i411 of any Litigation pending or, to the knowledge of YP.Net, threatened against YP.Net. "Litigation" means any suit, action, arbitration, cause of action, claim, complaint, criminal prosecution, investigation, demand letter, governmental or other administrative proceeding, whether at law or in equity, before or by any court or governmental authority, including the Federal Trade Commission, or before any arbitrator.

Each Party represents and warrants to the other Party that: (i) such Party has the full corporate right power and authority to enter into this Agreement, to grant the Agreement licenses granted hereunder and to perform the acts required of it hereunder; and (ii) the execution of this Agreement by such Party, and the performance by such Party of its obligations and duties hereunder, do not and shall not violate any agreement to which such Party is a party or by which it is otherwise bound or any applicable law.

ASIDE FROM THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, WITH RESPECT TO THE CO-BRANDED DIRECTORY AND THE CO-BRANDED SITE, EACH PARTY SPECIFICALLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTY OF TITLE OR NON-INFRINGEMENT. MOREOVER, All EXPRESSLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE DIRECTORY LISTINGS IT USES AS THE BASIS FOR THE CO-BRANDED CONTENT AND WITH RESPECT TO ANY INFORMATION PROVIDED BY YPNET OR ANY LISTED

BUSINESS. i411 MAKES NO REPRESENTATION THAT OPERATION OF THE CO-BRANDED SITE WILL BE UNINTERRUPTED OR ERROR-FREE OR THAT ALL ERRORS CAN BE CORRECTED. i4II MAKES NO REPRESENTATION THAT AT ANY TIME IT CAN SUPPORT A LEVEL OF END USER TRAFFIC ON THE CO-BRANDED WEB SITE AND CO-BRANDED WIRELESS SITE IN EXCESS OF THE LEVEL OF END USER TRAFFIC THAT CAN BE SUPPORTED BY ITS THEN-EXISTING SERVER

SYSTEM.

SECTION 22. CONFIDENTIALI. Each Parry agrees (i) that it shall not disclose to any third party or use any Confidential Information disclosed to it by the other except as expressly permitted in this Agreement and (ii) that it shall take all reasonable measures to maintain the confidentiality of all Confidential Information of the other Party in its possession or control. "Confidential Information" includes information about the disclosing Party's (or its suppliers") business or activities, which shall include all business, financial, technical and other information of a Party marked or designated by such Party as "confidential" or "proprietary." Confidential Information shall not include information that is in or enters the public domain without breach of this Agreement or the receiving Party knew prior to receiving such information from the disclosing Party. Without the need for marking, the Parties agree the royalty reports provided by i4l I to YP.Net pursuant to this Agreement and the terms of this Agreement shall be deemed to be the Confidential Information of Al 1. Notwithstanding the foregoing, each Party may disclose Confidential Information (i) with prior notice to the other, to the extent required by a court of competent jurisdiction or other governmental authority or otherwise as required by law or (ii) on a "need-to-know" basis under an obligation of confidentiality to its legal counsel, accountants, banks and other financing sources and their advisors.

Each Party agrees that the terms and conditions of this Agreement, including all Exhibits and schedules hereto, and any policies, business practices, plans and methods not in the public domain which may be known or disclosed by either Party to the other as a result of this Agreement will be held in confidence and not disclosed to any third party for any reason.

SECTION 23. LIMITATION OF LIABILI. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY, OR THEIR RESPECTIVE STOCKHOLDERS, OFFICERS, DIRECTORS OR AFFILIATES BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS) ARISING FROM OR OTHERWISE RELATED TO BREACH OF THIS AGREEMENT, YPNET'S USE OR INABILITY TO USE THE CO-BRANDED SITE OR SYNDICATED CONTENT, OR ANY CAUSE OF ACTION WHATSOEVER INCLUDING BUT NOT LIMITED TO CONTRACT, WARRANTY, STRICT LIABILITY, OR NEGLIGENCE, EVEN IF THE PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

THE LIABILITY OF EITHER PARTY UNDER THIS AGREEMENT SHALL IN NO EVENT EXCEED THE AMOUNTS PAID OR OWING UNDER THIS AGREEMENT.

SECTION 24. INDEMNIFICATION.

i4l I agrees, at its expense, to indemnify, defend and otherwise hold YP.Nct harmless from any costs (including reasonable attorney's fees) and damages awarded to third parties arising from or related to (i) any third-party claim that i4l I's technology, i4l I Trademarks, the i4l 1 Web site, any i4l I Brand or marks placed on the Co-Branded Site or Co-Branded Directory, or any i411 Brand or marks provided to YP.Net by i411 for placement upon the YP.Net Site, infringe upon any patent, copyright, trademark, trade secret or other proprietary right of any third party; or (ii) any third-party (including governmental entity or agency) claim against i4l 1, including without limitation, any action against i4l I alleging deceptive trade or advertising practices

YP.Net agrees, at its expense, to indemnify, defend and otherwise hold i411 harmless from any costs (including reasonable attorney's fees) and damages awarded to third parties arising from or related to (i) any third-party claim that any YP.Net's Brand, YP.Net Content, YP.Net Trademarks or marks placed on the Co-Branded Site or CoBranded Directory, or any YP.Net Brand or marks provided to i411 by YP.Net for placement upon the i4ll Site, infiringe upon any patent, copyright, trademark, trade secret or other proprietary right of any third party; or (ii) any third-party (including governmental entity or agency) claim against YP.Net, including without limitation, any action against YP.Net alleging deceptive trade or advertising practices.

Each Party's obligation to indemnify the other Party requires that the indemnified Party promptly notify the indemnibjing Party of any claim as to which indemnification will be sought and provide the indemnifying Party with the right to solely defend and settle such claim, with the reasonable assistance of the indemnified Party. The indemnifying Party shall have exclusive control over the defense and is not bound to any settlement without prior consent.

SECTION 25. GENERAL.

Arbitration. In the event of disputes between the Parties arising from or concerning in any manner the subject matter of this Agreement, other than disputes involving rights to intellectual property and confidential information, the Parties shall refer the dispute(s) to the American Arbitration Association in the State and county where the party who is not commencing the arbitration (the equivalent of the defendant) resides, for resolution through binding arbitration by a single arbitrator agreed upon by the Parties pursuant to the American Arbitration Associations rules applicable to commercial dispute. If the Parties cannot agree upon an arbitrator within thirty (30) days, then the Parties agree that a single arbitrator shall be appointed by the American Arbitration Association. The arbitrator may award attorney's fees and costs as part of the award.

(b) Counterparts; Amendment. This Agreement may be executed in counterparts (including facsimile counterparts), each of which shall serve to evidence the Parties' binding agreement. This Agreement may only be modified or amended, or any rights under it waived, by a written document executed by both Parties. Any Schedule not available at the time this Agreement is executed shall be agreed upon, initialed, and attached by the Parties as soon after execution as is practicable, but failure to attach any Schedule shall not affect the validity of this Agreement unless the Parties are in material disagreement as to the contents of any unattached Schedules.

(c) Force Mai. Any delay in or failure of performance by either Party under this Agreement shall not be considered a breach of this Agreement and shall be excused to the extent caused by any occurrence beyond the reasonable control of such Party including, but not limited to, acts of God, power outages, governmental restrictions, or any act or failure to act by the other Party or such other Party's employees, agents or contractors.

(d) Assignment. Neither Party shall voluntarily or by operation of law assign, give, transfer, license, or otherwise transfer all or any part of its rights, duties, or other interests in this Agreement ("Assignin'), without the other Party's prior written consent, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, this Agreement and its benefits and burdens (i) may be assigned by either Party with notice and the written consent of the other Party (such written consent not to be unreasonably withheld) to any person or entity acquiring that Party by merger or acquiring all or substantially all of that Party's assets; and (ii) may be assigned by either Party with notice and the written consent of the other Party (such written consent not to be unreasonably withheld) to any majority-owned subsidiary that provides directory services in the United States.

(e) Binding on Successors and Assign. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their permitted successors and assigns, including any temporary or permanent receivers or receiverships and government or bankruptcy trustees.

(f) Governing L. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, notwithstanding the actual state or country of residence or incorporation of i4l I or YP.Net.

(g) Relationship of Parties. The Parties are independent contractors and shall

have no power or authority to assume or create any obligation or responsibility on behalf of each other. This Agreement shall not be construed to create or imply any partnership, agency or joint venture.

(h) Severabili. In the event that any of the provisions of this Agreement are held to be unenforceable by a court or arbitrator, the remaining portions of the Agreement shall remain in full force and effect.

YP.NET SYNDICATION AGREEMENT

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(i) Waiver. The waiver or failure of either Party to exercise in any respect any right provided for in this Agreement shall not be deemed a waiver of any ftirther right under this Agreement.

j) Survival. Theprovisions concerning proprietary rights, confidentiality, indemnity, disclaimers of warranty, limitation of liability, termination, and governing law shall survive termination of this Agreement.

(k) EntireAgreement.Except for the Mutual Non-Disclosure Agreement, dated as of September 6, 2000, between the Parties, this Agreement constitutes the entire understanding between the Parties hereto and their affiliates with respect to its subject matter and supersedes all prior or contemporaneous agreements, representations, warranties and understandings of such Parties (whether oral or written). No promise, inducement, representation or agreement, other than as expressly set forth herein, has been made to or by the Parties hereto. This Agreement and its schedules hereto may be amended only by written agreement, signed by the Parties to be bound by the amendment. Parole evidence and extrinsic evidence shall be inadmissible to show agreement by and between such Parties to any term or condition contrary to or in addition to the terms and conditions contained in this Agreement.

Notice. Any notice under this Agreement shall be in writing and delivered by e-mail or facsimile, and one or more of the following: personal delivery, express courier, or certified or registered mail, return receipt requested, at the addresses stated below, or such other address as that party may specify in compliance with this section. Notice shall be deemed given the day following the date of receipt of the e-mail or facsimile at:

To YP.Net: Daniel Madero
Director of Operations / Technology
YPNET
4840 E. Jasmine Street
Mesa, AZ 85205
Fax: (480)654-9727
E-mail: dan.madero@yp.net

With copy to: Randy Papetti
Legal Counsel
Lewis and Roca
40 N. Central Avenue
Phoenix, AZ
Fax: (602) 734-3865
E-mail: rpapetti@lrlaw.com

To i4l 1:

lqbal A. Talib
President and Chief Executive Officer
Intelligenx, Inc. d/b/a i4l Lcom
14320-D Sullyfield Circle
Chantilly, Virginia 20151
Fax: (703) 631-1277
E-mail: italib@i4l Lcom

With copy to: Lars 0. Scofield
Vice President and Legal Counsel

Intelligenx, Inc. d/b/a Al Lcom
14320-D Sullyfield Circle
Chantilly, Virginia 20151
Fax: (703) 631-1277
E-mail: Iscofield@i4l Lcom

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date set forth above.

YP.NET, INC.

By: /s/ Daniel Madero

Name: Daniel Madero
Title: Director of Operations

INTELLIGENX, INC.

By: /s/ Azim Tejani

Name: Azim Tejani
Title: Chief Operating Officer

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SCHEDULE ONE

Project Objectives and Deliverables (SCOPE)

1. Deploy Co-Branded Directory at www.yp.net

Deployed Co-Branded Directory

i4l I to provide data formatting requirements (TBD). YP.Net to provide look and feel specifications (TBD). YP.Net to provide formatted data (TBD) Integration of YP.Net enhanced listings into YP.Net Search Visible Storefronts"' (TBD).

- - Beta Deployment of Co-Branded Directory (TBD)

- - Live Deployment of Co-Branded Directory (30 Days after the execution ofthe definitive agreement).

2. Deploy a co-branded Submission Module

accessible at YP.Net Site that allows YP.Net, its agents, and businesses to validate information and enhance directory listings on-line.

3. Deploy a customized signature bar for YP.Net's e-

mail system that interacts with the co-branded directory.

4 Deployed Submission Module

YP.Net to provide look and feel specifications (TBD). Beta deployment ofcustomized submission module (30 days after live deployment of Co-Branded Directory).

a Deployed YP.Net Signature Bar

YP.Net to Provide look and feel specifications (10/27/00)

Live Deployment of tool to add signature bar (10 days after live deployment ofthe Co-Branded Site).

4. Deploy reporting mechanism that enables YP.Net

to track changes that are made online including the nature of the change (edit, addition, deletion).

Deployed Tracking Mechanism

YP.Net to provide specifications (10/27/00)

Beta deployment of reporting mechanism (30 days after deployment of Submission Module).

Live Deployment (10 days after beta deployment)

Pricing Considerations

1. SET-UP FEE (ONE TIME)

For integration of YP.Net merchant information and development of customized co-branded directory, online submission module, e-mail signature bar and mechanism for reporting on changes made online.

S 35,000 (due upon execution of this Agreement)

2. LICENSE (MONTHLY)

UNLIMITED customized YP.Net Search Visible Storefronts'm (enhanced listings as described in schedule two) plus up to I million queries.

$ 15,000 / month

Amount Due Upon Execution of Agreement: $ 35,00

SCHEDULE TWO

TRADEMARKS

i4ll Trademarks:

i4l Lcom
i4ll

YP.Net Trademarks:

[to be completed]

SCHEDULE TE0?.EE

REVENUE SHARING ARRANGEMENT

.. Price / month TBD

Price TBD

0 $5-500 /cpm
* Depends on Traffic

50%150%

50% / 50% (if directly billed). IfLEC –billed, then 50/50 after 45% selling cost

50% / 50% (if directly billed). IfLEC –billed, then 50150 after 45% selling cost

Price TBD

50% / 50% (if directly billed). IfLEC –billed, then 50150 after 45% selling cost

See Schedule Five for definition and pricing model for Syndication

For syndications refered to i4l I by YP.Net YP.Net will receive 20% of the first year's Infi-astructure and Syndication fee.

Y-P.Net Search Visible Storefronts TM

BASIC LISTING + Prefered Placement Telephone Number 2 Fax Number E-Mail Link Web Link I Web Link 2 Hours of Operation 50 Word Business Description Brands, Product and Service Function

Company Name Address Line I Address Line 2 City, State, Zip Telephone Number I Product and Service Categories Geographic Location Categories Map and Driving Directions (to extent offered by Mapquest)

Free

Revenue to i4l I included in monthly license fee

BRONZE+ GIF

Price TBD (S2.50 to i4l I per GIF per month)

SILVER +
Additional Words (500 Max)
Additional Graphic Image (2 Total)
Steaming Audio and Video

Price TBD (50% / 50% (if directly billed). If LEC - billed, then 500/a/50% after 45% sefling cost)

SCHEDULE FOUR

OVERAGE FEES

0-299,999
300,000-999,999
1,000,000-1,999,999
2,000,000-4,999,999
5,000,000+

$10,000 $20,000 $30,000 S60,000 S60,000 + $.012 per query

Overage Fees are to be calculated annually, and are not cumulative. That is, if the number of excess queries falls within the tier of 5,000,000 +, the Overage Fee is $60,000 plus the calculated incremental amount.

If the number is between 1,000,000 and 1,999,999, the Overage Fee is $30,000 only.

SCHEDULE FIVE

PRICING MODEL FOR SYNDICATIONS TO THIRD PARTIES

This schedule refers to syndication defined as distribution to other web sites for display to their end users of records that already exist in the i4l I database that are organized into a defined product or service category or a defined location category or a combination thereof "Syndication", as it is used in this agreement, does not refer to the collection and integration of any third-party data.

1. Set-Up Fee

2. INFRASTRUCTURE CHARGE (ANNUAL)

3. SYNDICATION FEE (ANNUAL)

Based on requirements

Based on annual traffic expectations:

Up to 299,999 queries: $10,000
- ------------------------

300,000 - 999,999 queries: $20,000
- -------------------

1,000,000 - 4,999,999 queries: $30,000
- ----------------------

5 million + queries: $60,000 + S.0 12 per query

Based on Number of Listings

Up to 99,999 Listings: $5,000
- ------------------------

100,000-4,999,999 Listings: $10,000
- --------------------------

5 million listings+: $25,000

Syndication and Infrastructure Fees are not cumulative. That is, if the number of expected queries falls within the tier of 5,000,000 +, the Infrastructure Fee is $60,000 plus the calculated incremental amount.

Exhibit 10.31

FIN0VA
FINANCIAL INNOVATORS

Via: FEDERAL EXPRESS
- --------------------

February 8, 2001

Mr. Angelo Tullo
President & Chief Executive Officer
TELCO BILLING, INC.
4840 East Jasmine Street, Suite 105
Mesa, AZ 85205

FINOVA CAPITAL CORPORATION COMMERCIAL SERVICES

355 SOUTH GRAND AVENUE SUITE 2500 LOS ANGELES, CA 90071

TEL 213253 1600 FAX 213 625 3155

Re: FORBEARANCE LETTER AGREEMENT RE EVENTS OF DEFAULT UNDER LOAN AND SECURITY AGREEMENT DATED AUGUST 31, 1999 (AS AMENDED FROM TIME TO TIME, THE "LOAN AGREEMENT"; CAPITALIZED TERMS USED HEREIN SHALL HAVE THE MEANINGS GIVEN IN THE LOAN AGREEMENT UNLESS OTHERWISE DEFINED) BETWEEN TELCO BILLING, INC. ("BORROWER") AND FINOVA CAPITAL CORPORATION ("FINOVA") AS SUCCESSOR BY MERGER TO FREMONT FINANCIAL CORPORATION

Dear Mr. Tullo:

This Amendment to Forbearance Letter Agreement (this "Agreement") is being entered into by and between FINOVA and Borrower with reference to the following:

A. On or about August 31, 1999, Borrower and FINOVA entered into a $3,000,000 credit facility (the "Credit Facility"), as evidenced by the Loan Agreement, consisting of a revolving credit line up to a maximum amount of $3,000,000. In connection with the Credit Facility, YP. Net, Inc., formerly known as RIGL Corporation, ("Guarantor") executed a Continuing Guaranty ("Guaranty") dated August 31, 1999, in favor of FINOVA, guarantying all Obligations.

B. The Loan Agreement, the Guaranty and all other Loan Documents are collectively referred to herein as the "Loan Documents".

C. Certain Events of Default occurred under the Loan Agreement and FINOVA agreed to forbear from exercising its rights and remedies in exchange for certain concessions from Borrower as more fully described in that certain Letter Agreement dated August 4, 2000 between FINOVA and Borrower ("Forbearance Agreement").

D. Pursuant to the Forbearance Agreement, FINOVA agreed to forbear from exercising its rights and remedies, subject to the conditions set forth in the Forbearance Agreement, until October 3, 2000. Such forbearance period was subsequently amended by various letter amendments until February 7, 2001.

E. Borrower has requested FINOVA to further extend the forbearance period for an additional period of time to allow Borrower additional time to obtain financing sufficient to fully repay the Obligations. FINOVA is willing to extend the forbearance period under the terms of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, FINOVA and Borrower agree as follows:

1. Acknowledszement of FactualRecitals. The parties acknowledge the truth, accuracy and validity of the foregoing factual recitals and incorporate the same into this Agreement.

Acknowledgment of Validity and Enforceabilily of Loan Documents and Obligations. Borrower acknowledges and agrees that the Loan Agreement and other Loan Documents are valid and enforceable according to their terms. As of February 07, 200 1, the total amount of the outstanding principal balance of the Revolving Advances is approximately $747,529.03 plus all accrued but unpaid interest, fees and charges.

3. Acknowledgment of Validily of Security Interest.Borrower acknowledges the validity of FINOVA's security interest in the Collateral and acknowledges that the Collateral continues to secure all of the Obligations.

4. Acknowledgment of Defaults.Borrower acknowledges that Events of Default exist under the Loan Documents and that, but for this Agreement, FINOVA could exercise all of its rights available thereunder or at law or in equity.

5. No Defenses. Borrower acknowledges that it has no valid offset or defense to the Obligations now or hereafter owing under the Loan Agreement, nor does Borrower have any valid claim against FINOVA and, thbrefore, admits and confirms that it does not have any legal right or theory on which to invoke or obtain any legal or equitable relief to abate, postpone or terminate FINOVA's enforcement of its rights to repayment of Obligations now or hereafter owing under the Loan Agreement and specifically waives and relinquishes any such right to legal or equitable relief to cause any abatement, postponement or termination of any enforcement proceedings commenced by FINOVA.

6. Reaffirmation of Loan Documents. Borrower and, where applicable, Guarantor, each reaffirms and ratifies the terms of the Loan Documents in all respects. Except as specifically provided herein, Borrower acknowledges that nothing in this Agreement shall (a) be construed to limit or restrict FINOVA from exercising its rights and remedies under the Loan Documents with respect to any other defaults thereunder or with respect to any default by Borrower in the performance of its obligations hereunder, or (b) relieve or release Borrower from any of the obligations, covenants or provisions required to be performed or observed under the Loan Documents or hereunder.

7. Forbearance.

(a) Forbearance Period. Provided Borrower performs all terms and conditions in this Agreement, and no Events of Default other than those referenced in the Default Letters (as defined in the Forbearance Agreement) shall have occurred under the Loan Agreement, FINOVA shall forbear from exercising its rights and remedies under the Loan Documents until March 9, 2001 (the "Forbearance Termination Date"). Upon the earliest to occur of (i) the Forbearance Termination Date, (ii) the occurrence of an Event of Default or (iii) a breach by Borrower of the terms and conditions of this Agreement, all Obligations shall be immediately due and payable and FINOVA may resort to all rights and remedies available under the Loan Documents, at law and/or in equity.

(b) Forbearance Terms. During the period this Agreement is in effect, the following terms shall apply:

(i) Section 2.1A of the Loan Agreement shall be deleted in its entirety and replaced with the following:

A. REVOLVING ADVANCES. Upon request of Borrower made at any time during the

term hereof and so long as no Event of Default exists, FINOVA shall, at its sole discretion, make advances (Revolving Advances) to Borrower in an amount equal to (a) fifty percent (50%) of the aggregate outstanding amount of Eligible Accounts; provided, however, that in no event shall the aggregate amount of the outstanding Revolving Advances be greater than the sum of Seven Hundred Fifty Thousand Dollars ($750,000) (the Revolving Advance Limit). FINOVA may reduce its advance rates on Eligible Accounts, reduce the Revolving Advance Limit, or establish resetves with respect to borrowing availability if FINOVA determines, in its sole discretion, that there has occurred, or is likely to occur, an impairment of the prospect of repayment of all or any portion of the Obligations, the value of the Collateral or the validity or priority of FINOVA's security interests in the Collateral.

(ii) No less than one week before the beginning of each month, Borrower shall provide FINOVA with a monthly budget for the next month setting forth in detail, on a week by week basis, all of the expenses to be paid by Borrower during the next month and such other information as FINOVA shall request. Revolving Advances will only be made by FINOVA to Borrower to the extent necessary to fund the items on such budgets which are permitted to be paid pursuant to the Loan Agreement and which FINOVA is satisfied are necessary for Borrower to conduct its daily operations.

(iii) Interest on the outstanding Obligations shall continue to accrue at the default rate as provided in Section 2.5A of the Loan Agreement.

8. Conditions Precedent. FINOVA's agreement to enter into this Agreement and grant the forbearance provided herein is expressly conditioned on Borrower executing and delivering this Agreement to FINOVA and causing Guarantor to execute and deliver an acknowledgment and reaffirmation of the Guaranty and the release provided herein, on or before 5:00 p.m. California time on February 8, 2000.

9. Default. Failure by Borrower to comply with all terins and conditions of this Agreement shall constitute a default hereunder, following which FINOVA may, without notice to Borrower, resort to all rights and remedies available under the Loan Documents, at law and/or in equity, including without limitation the liquidation of all Collateral. Borrower agrees that, upon such event of default, Borrower shall cooperate with FINOVA in orderly liquidating the Collateral and in the exercise of all of FINOVA's rights as a secured lender.

10. No Further Forbearance. Borrower acknowledges FINOVA is not obligated to grant further extensions beyond the Forbearance Termination Date and that no such commitment has been communicated.

11. RELEASE. BORROWER AND GUARANTOR, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, REPRESENTATIVES, EMPLOYEES, PREDECESSORS, SUCCESSORS, AGENTS AND ASSIGNS (COLLECTIVELY, "RELEASING PARTIES") EACH HEREBY RELEASE, REMISE AND FOREVER DISCHARGE FINOVA, AND ITS OFFICERS, DIRECTORS, EMPLOYEES, PREDECESSORS, SUCCESSORS, AGENTS AND ASSIGNS (COLLECTIVELY "RELEASED PARTIES"), FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, CAUSE OR CAUSES OF ACTION HERETOFORE ARISING OUT OF, OR CONNECTED WITH OR INCIDENTAL TO THE LOAN AGREEMENT OR ANY LOAN DOCUMENTS. THIS GENERAL RELEASE IS INTENDED TO BE A FUN AND COMPLETE RELEASE OF ANY SUCH CLAIMS, DEMANDS, ACTIONS, CAUSE OR CAUSES OF ACTION CONNECTED IN ANY WAY TO THE LOAN AGREEMENT AND WHICH HAVE HERETOFORE ARISEN.

RELEASING PARTIES EACH ACKNOWLEDGE AND AGREE THAT THEY ARE AWARE THAT THEY MAY HEREAFTER DISCOVER CLAIMS PRESENTLY UNKNOWN OR UNSUSPECTED, OR FACTS IN ADDITION TO OR DIFFERENT FROM THOSE WHICH THEY NOW KNOW OR BELIEVE TO BE TRUE. NEVERTHELESS, IT IS THE INTENTION OF THE RELEASING PARTIES, AND EACH OF THEM, THROUGH THIS AGREEMENT, TO FULLY, FINALLY AND FOREVER RELEASE ALL SUCH MATTERS AND CLAIMS RELATIVE THERETO, WHICH DO NOW EXIST, MAY EXIST, OR HERETOFORE HAVE EXISTED. IN THIS REGARD, RELEASING PARTIES SPECIFICALLY WAIVE THE BENEFIT OF THE PROVISIONS OF SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA, WHICH PROVIDES: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM' MUSTHAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE

DEBTOR."

/s/ DM — /s/ AT

Borrower's Initials — Guarantor's Initials

12. Fee. In consideration of the extension to the forbearance period granted hereby, Borrower shall pay to FINOVA a fee of shall be fully earned and due and payable on the date hereof.

13. Representations and Warranties of Borrower and Guarantor.To induce FINOVA to execute and deliver this Agreement, each of Borrower and Guarantor represent and warrant that:

(a) The execution, delivery and performance by Borrower and Guarantor, as the case may be, of this Agreement, and all documents and instruments delivered in connection herewith and therewith have been duly authorized; and

(b) Neither the execution, delivery or performance of this Agreement or any of the documents or instruments delivered in connection herewith or therewith nor the consummation of the transactions contemplated hereby or thereby does or shall contravene, result in a breach of, or violate (i) any provision of Borrower's or Guarantor's corporate charter or bylaws or other governing documents, (ii) any law or regulation or any order or decree of any court or any governmental instrumentality or (iii) any indenture, mortgage, deed of trust, lease agreement or other instrument to which Borrower or Guarantor is a party or by which any of their property is bound.

14. Miscellaneous.

(a) This Agreement, the Forbearance Agreement and the Loan Documents constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supercedes any prior oral or written agreements concerning the same. Except as expressly amended hereby, all of the terms of the Loan Agreement, the Forbearance Agreement and other Loan Documents remain in full force and effect.

(b) In the event any legal action is commenced to enforce or interpret any provision of this Agreement, the prevailing party in such legal action, as determined by a court of competent jurisdiction, shall be entitled to receive from the other party the prevailing party's reasonable attorneys' fees and court costs.

(c) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same document.

(d) The parties have retained, or have had the opportunity to retain, counsel to represent them in the transactions contemplated in this Agreement, have read and understand this Agreement and, therefore, the principle of construction against draftsmen shall have no application in the interpretation of this Agreement.

(e) GOVERNING LAW; WAIVERS. THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ENFORCEMENT OF THE OBLIGATIONS, SHALL BE

INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE CONFLICT OF LAWS RULES) OF THE STATE OF CALIFORNIA GOVERNING CONTRACTS TO BE PERFORMED ENTIRELY WITHIN SUCH STATE. BORROWER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF LOS ANGELES IN THE STATE OF CALIFORNIA OR, AT THE SOLE OPTION OF FINOVA, IN ANY OTHER COURT IN WHICH FINOVA

SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. BORROWER WAIVES ANY OBJECTION OF FORUM NON CONVENIENS AND VENUE. BORROWER FURTHER WAIVES ANY RIGHT IT MAY OTHERWISE HAVE TO COLLATERALLY ATTACK ANY JUDGMENT ENTERED AGAINST IT.

(f) MUTUAL WAIVER OF RIGHT TO JURY TRIAL. FINOVA AND BORROWER EACH HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO: (i) THIS AGREEMENT; (ii) ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN FINOVA AND BORROWER; OR (iii) ANY CONDUCT, ACTS OR OMISSIONS OF FINOVA OR BORROWER OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH FINOVA OR BORROWER; IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

(g) The invalidity, illegality, or unenforceability of any provision in or obligation under this Agreement in any jurisdiction shall not affect or impair the validity, legality, or enforceability of the remaining provisions or obligations under this Agreement or of such provision or obligation in any other jurisdiction.

(h) Each of the Borrower and Guarantor agrees to take all further actions and execute all further documents as FINOVA may from time to time reasonably request to carry out the transactions contemplated by this Agreement.

THEREFORE, the parties have entered into this Agreement on the date first written above.

TELCO BILLING, INC.

By: /s/ Daniel Madero

Name: Daniel Madero

Title: Director of Operations/Secretary/Treasurer

FINOVA CAPITAL CORPORATION

By: /s/ A. M. Ghole

Name: A. M. Ghole

Title: Vice President

Guarantor's Acknowledgment

The undersigned Guarantor consents and agrees to the terms of this Agreement and reaffirms and restates in all respects the Continuing Guaranty executed in connection with the Loan Agreement and agrees that it remains unconditionally liable for the prompt payment and performance of all of the Liabilities (as defined in such Continuing Guaranty), without defense, claim, counterclaim or setoff of any nature.

YP. NET, INC.

By: /s/ Angelo Tullo

Name: Angelo Tullo

Title: Chairman

Exhibit 10.32

SE G. MARTIN SECURITIES LLC

March 9, 2001

Mr. Angelo Tulle
Chairman
YP.NET, INC.
4840 East Jasmine Street, Suite 105
Mesa, Arizona 85205

Dear Mr. Tullo:

This will confirm the arrangements, terms and conditions pursuant to which S.G. Martin Securities LLC ("Advisor") has been retained to serve as an investment banker to YP.NET, INC. (the "Company") for a one (l}year period commencing on the date hereof, subject to the termination provisions set forth in Paragraph 2 hereof. For good and valuable consideration, the sufficiency of which is hereby acknowledged, the undersigned hereby agree to the following terms and conditions:

1. Duties of Advisor. Advisor shall, as more fully set forth below in this Paragraph 1, assist the Company in formulating, initiating and implementing the Company's strategic business and capital formation plans and programs. Without limiting the generality of the foregoing, Advisor agrees to:

   (a) undertake, in conjunction with the Company, an evaluation and analysis of the business operations; strategic business plan; corporate, capital and shareholder structures; management (and together with the Company's Board of Directors, "Management"); financial condition; prospects; and capital requirements of the Company;

   (b) assist the Company in its presentation to the brokerage community and the introduction to security firms and brokers other than S.C Martin;

   (c) assist in preparation and filing of Form 15C2-ll;

   (d) develop the capital formation strategy and program necessary to fund and facilitate the Company's strategic plan and, assist the Company in effectuating the specific financing, business combination, or series of transactions (Individually the "Transaction" and together the "Transactions")determined pursuant to discussions between the Company and Advisor; and

   (e) be available on request, on appropriate notice, to meet with the Company's Management and/or Board of Directors to discuss, as appropriate, the Company's strategic plan and a Transaction.

1025 OLD COUNTRY ROAD, SUITE 302N WESTBURY, NY 11590 TEL. (800) 563-0090 TEL. (516) 869-090O FAX (516) 869-1244

The services described in Paragraph 1 may be rendered by Advisor without any direct supervision by the Company and at such time and place in such manner (whether by conference, telephone, letter or otherwise) as Advisor may reasonably determine.

2. Term. The term of Advisor's engagement hereunder shall extend for up to twelve (12) months commencing on the date hereof (the "Term"), however; can be terminated by either party upon 60 days written notice.

3. Compensation and Expense Reimbursement.

(a) A non-refundable retainer of $12,500.00 and 25,000 shares of common stock payable and issued to S.G. Martin Securities no later than 10 days after the execution of this Agreement;

(b) $5,000.00 per month due on the first of each month, commencing from the 1st month proceeding the execution of this Agreement and continuing monthly thereafter, for the term of this Agreement with the final 2~ month's payments to be deducted from the retainer;

(c) A warrant, to vest quarterly during the term of this Agreement, to purchase 50,000 shares of common stock of the Company at an exercise price of $0.50 per share. (All warrants issued to S.G. Martin Securities pursuant to the terms of this Agreement shall be exercisable for a period of five (5) years and have demand and piggy-back registration rights). As approved by the Board; and

(d) Advisor shall be promptly reimbursed for all reasonable out-of-pocket expenses incurred in connection with its engagement hereunder not to exceed $500.00 without prior approval.

4. No Agency Authority. The Advisor shall have and shall not hold itself out as having any authority to act as agent for the Company or bid it in any way.

5. Company's Responsibilities, Representations and Warranties.

In connection with S.G. Martin Securities engagement, the Company will furnish S.G. Martin Securities with any information concerning the Company that S.C Martin Securities reasonable deems appropriate and will provide S.G. Martin Securities with access to the Company's officers, directors, accountants, counsel and other advisors. The Company represents and warrants to S.G. Martin Securities that all such information concerning the Company, does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are made. The Company represents and warrants to S.G. Martin Securities that any financial projections or forecasts provided to S.G. Martin Securities are "forward looking statements" as that term is used in Section 21E of the Securities Exchange Commission Act of 1934 and represent the best currently available estimates by the management of the Company of the future financial performance by the Company (or its business) and are based upon reasonable assumptions. The Company acknowledges and agrees that S.G. Martin Securities will be using and relying upon such information supplied by the Company and its officers, agents and others and upon any other publicly available information concerning the Company without any independent investigation or verification thereof or independent appraisal by S.G. Martin Securities of the Company or its business or assets; and

6. Available Time. Advisor shall make available such time as it, in its reasonable discretion, shall deem appropriate for the performance of its obligations under this Agreement.

7. Relationship. Nothing herein shall constitute Advisor as an employee or agent of the Company, except to such extent as might hereinafter be agreed upon in writing for a particular purpose. Except as might hereinafter be expressly agreed, Advisor shall not have the authority to obligate or commit the Company in any manner whatsoever.

8. Confidentiality Relating to this Agreement. Neither the Company nor

Advisor shall disclose (except to its partners, accountants and attorneys), without specific consent from the other party, any information relating to this Agreement or any Transactions contemplated hereby, including without limitation, the existence of this Agreement.

9. Assignment. This agreement shall not be assignable by any party except to successors to all or substantially all of the business of either party for any reason whatsoever without the prior written consent of the other party, which consent may not be unreasonably withheld by the party whose consent Is required.

10. Amendment. This Agreement may not be amended or modified except in writing signed by both parties.

11. Governing Law. This Agreement shall be deemed to have been made and delivered in New York City, and both this agreement and the transactions contemplated hereby shall be governed as to validity, interpretation, construction, effect, and in all other respects by the internal laws of the State of New York.

Advisor is delighted to accept this engagement and looks forward to working with you on this assignment. Please confirm that the foregoing correctly sets forth our agreement by signing this enclosed duplicate of this letter in the space provided and returning it, whereupon this letter shall constitute a binding agreement as of the date first above written.

Very truly yours,

S.G. MARTIN SECURITIES LLC

By: /s/ Stephen J. Drescher

Stephen J. Drescher
Director of Corporate Finance

AGREED AND ACCEPTED AS OF
THE DATE FIRST ABOVE WRITTEN:

YP.NET, INC.

By: /s/ Angelo Tullo
- ---
Angelo Tullo Chairman

<TABLE>
<CAPTION>

Exhibit 10.33

BILLING AND RELATED SERVICES AGREEMENT

between

ACI COMMUNICATIONS, INC.

and

YP.NET, INC.

ACI Communications, Inc.
9255 Corbin Avenue
Northridge, California 91324

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SCHEDULES:

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BILLING AND RELATED SERVICES AGREEMENT

This Billing and Related Services Agreement (the "Agreement"), dated as of September 1, 2001 (the "Effective Date"), is between ACI Communications, Inc., a Delaware corporation ("Aff'), and YP.Net, Inc., a Nevada corporation ("Customer").

RECITALS:

WHEREAS, ACI is a party to various B&C Contracts (as defined below);

WHEREAS, Customer provides various telecommunications services directly or indirectly to End Users (as defined below) and desires to utilize the B&C Contracts to bill End Users for certain of such services provided by Customer and such other services as may be offered by ACI; and

WHEREAS, ACI desires to assist Customer, through the use of its B&C Contracts and other information technology capabilities, in billing End Users and providing other services, all upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. AGREEMENT AND TERM

Section 1.01 Agreement
During the Term (as defined below), ACI will provide to Customer, and Customer will purchase from ACI, the Services, all upon the terms and subject to the conditions set forth in this Agreement.

Section 1.02 Term and Renewal

(a) The term of this Agreement shall be for thirty-six (36) calendar months commencing on the first day a Message is forwarded to ACI by Customer for Services (the "Services Commencement Date") (the "Terrrf'). On or after the Effective Date, Customer will subrnit its Messages (as defined below) and

related data to ACI for Services under this Agreement and ACI will, during the Term, be the provider of such Services to Customer. The last day of the Term as so determined will be referred to as the expiration date ("Expiration Date").

(b) Notwithstanding the provisions of Section 1.02(a), the Term will automatically be extended for successive one-year periods after the Expiration Date unless either of the parties notifies the other party in writing at least ninety (90) days prior to the Expiration Date, or at least ninety (90) days prior to the end of any such one-year extension period, as the case may be, that the Term will not be so extended.

ARTICLE 11. DEFINITIONS

Section 2.01 Definitions

As used in this Agreement (including the Schedules attached to this Agreement), the terms set forth below will have the following respective meanings and will be equally applicable to both the singular and plural forms of the terms defined:

"ACI" has the meaning set forth in the preamble of this Agreement.

"ACI Software" means any Software that is owned by ACI (and not proprietary to any other party), including but not limited to the ProAct software, and operated by ACI in connection with the providing of Services pursuant to Section 6.01 of this Agreement.

"Additional Services" has the meaning set forth in Section.3.01.

"Agreement" has the meaning set forth in the preamble hereof.

"Approved Message Format" has the meaning set forth in Section l(c) of Schedule 3.01.

"B&C Contract" means any contract or agreement to which ACI is a party relating to billing and collection services.

"B&C Processor" means a LEC (as defined below) or other entities with which ACI has a B&C Contract.

"B&C Processor-Calculated Taxes" has the meaning set forth in Section 3(a) of Schedule 3.01.

"B&C Processor Fees" means any fee charged by a B&C Processor.

"B&C Processor Policies" means those current and revised policies required by the B&C Processors on ACI and required of ACI's customers.

"Base Index" has the meaning set forth in Section 4.03.

"Billable Messages" means those Messages that: (i) consist of telephone calls to be billed to telephone numbers having NPA area code numbers and NXX code prefix numbers that (a) are listed on ACI's then current On-Net File and (b) have not been rejected by ACI and (c) are in an acceptable calltype, as identified in Schedule 2.01 hereto; or (ii) any other service(s) provided to End Users which are billed to an End User by the B&C Processors and which have been approved for billing by the applicable B&C Processor and ACI. Notwithstanding the foregoing, Messages that do not otherwise meet the tenns of this Agreement will not be accepted by ACI for billing.

"Billing Services" has the meaning set forth in Section 3.01.

"Billing Services Charges" has the meaning set forth in Section 4.01.

"Billing-Related Services" has the meaning set forth in Section 3.01.

"Billing-Related Services Charges" has the meaning set forth in Section 4.01.

"Business Day" means any day except a Saturday, Sunday, or other day on which

national banking associations in Los Angeles, California are authorized or required by law to close.

"Certifications" has the meaning set forth in Section 5.04.

"Complaint Processing Services" has the meaning set forth in Section 2 of Schedule 3.02.

"Confidential Information" has the meaning set forth in Section 6.03.

"CPI" has the meaning set forth in Section 4.03.

"Current Index" has the meaning set forth in Section 4.03.

"Customer-Calculated Taxes" has the meaning set forth in Section 2(a) of Schedule 5.01.

"Customer Data" means the data specific to the business, customers, and End Users of Customer with respect to which Services are to be provided under this Agreement.

"Customer Representative" has the meaning set forth in Section 5.06.

"Data Files" has the meaning set forth in Section l(e) of Schedule 3.01.

"Deduction" has the meaning set forth in Section 2(f) of Schedule 3.0l

"Disbursements" has the meaning set forth in Section 2(b) of Schedule 3.01.

"Effective Date" has the meaning set forth in the preamble of this agreement.

"End User" means the ultimate customer of the telephone or information services provided by Customer.

"Equipment" has the meaning set forth in Section 4 of Attachment I to Schedule 3.0 1

"Expiration Date" has the meaning set forth in Section 1.02(a).

"FCC" means the Federal Communications Commission.

"Foreign Intrastate Taxes" means all local and state intrastate levies, surcharges, taxes, or tax-like charges applicable to each Message that originates and terminates within the same state and that is billed to an End User residing in any other state.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof and any entity exercising executive, judicial, regulatory, or administrative functions of or pertaining to government (including, without limitation, the FCC and any PUC (as defined below)).

"Inquiry Services" has the meaning set forth in Section I of Schedule 3.02.

"Late Payment Rate" means an annual rate of interest equal to the lesser of (a) 4% per annum more than the prime rate established from time to time by Citibank, N.A., New York, New York, or (b) the maximum rate of interest allowed by applicable law.

"Laws" has the meaning set forth in Section 5.04.

"LEC" means any Bell Operating Company, independent local exchange company, or provider of local telephone services that is a party to a B&C Contract through which ACI is able to provide Billing Services.

"License" means the license granted during the Term by ACI to Customer pursuant to Section I of Attachment 2 to Schedule 3.01.

"Licensed Program" means the ProAct program licensed to Customer by ACI.

"Message" means a call record for direct dialed calls, operator-assisted third party calls, collect calls, telephone calling card calls, person-to-person

calls, and such other legally permitted telephone calls and services as the parties may mutually agree, each of which was originated by an End User through Customer.

"Minimum Message Requirement" means the obligation of Customer to submit to ACI for billing at least the number of Billable Messages each month during the Term specified in Section l(b) of Schedule 4.01.

"On-Net File" means the listing from time to time of (a) NPA area code numbers and NXX prefix numbers and (b) Special Calling Card Numbers applicable to the LECs.

"Person" means any individual, corporation, partnership, joint venture, association, trust, or any other entity or organization of any kind or character, including a Governmental Authority.

"PUC" means the public utility commission, public service commission, or similar commission or agency of any state exercising authority over telecommunications services.

"Refund" has the meaning set forth in Section 2(f) of Schedule 3.01.

"Rejected Messages" has the meaning set forth in Section l(d) of Schedule 3.01.

"Remittances" has the meaning set forth in Section 2(a) of Schedule 3.01.

"Reserve" means the reserve for bad debts established by ACI upon expiration or termination of this Agreement pursuant to Section 2(c) of Schedule 3.01.

"Reserve Event" has the meaning set forth in Section 2(c) of Schedule 3.01.

"Returned Messages" has the meaning set forth in Section l(f) of Schedule 3.01.

"Services" means the services to be provided by ACI pursuant to this Agreement, consisting of the Billing Services, the Billing-Related Services, and the Additional Services.

"Services Commencement Date" has the meaning set forth in Section 1.02(a).

"Software" means: (a) computer programs, including without limitation software, application programs, operating systems, files, and utilities; (b) supporting documentation for such computer programs, including without limitation input and output formats, program listings, narrative descriptions, and operating instructions; and (c) the tangible media upon which such programs and documentation are recorded, including without limitation hard copy, tapes, and disks.

"Special Calling Card Numbers" means non-line number-based calling card numbers applicable to the LECs from time to time.

"Special Service Message" has the meaning set forth in Section 1(h) of Schedule 3.01.

"Sub-CIC" has the meaning set forth in Section l(g) of Schedule 3.01.

"System" has the meaning set forth in Section 4(a) of Schedule 3.01.

"Taxes" means any taxes, however designed or levied, based upon amounts payable to ACI pursuant to this Agreement, including state, local and federal taxes, and any taxes or amounts in lieu thereof paid or payable by ACI in respect of the foregoing, exclusive, however, of franchise taxes, taxes based on the net income of ACI and taxes on any property owned or leased by ACL

"Tax Returns" means returns, declarations, reports, claims for refund, and informational returns or statements relating to Taxes, including any schedules or attachments thereto.

"Terin' 'has the meaning set forth in Section 1.02(a).

"True-Up Reconciliation" has the meaning set forth in Section 2(f) of Schedule 3.01.

"True-Up Reserve" has the meaning set forth in Section 2(c) of Schedule 3.01.

ARTICLE 111. ACI'S OBLIGATIONS

Section 3.01 Billing Services

With respect to the Billable Messages Customer delivers to ACI, ACI, as a limited agent for Customer, agrees to provide the billing and collection services described in Schedule 3.01 (the "Billing Services") to Customer pursuant to this Agreement. ACI may provide the billing inquiry and complaint processing services described in Schedule 3.02 (the "Billing-Related Services") and any other services mutually agreed upon in writing becoming a part of Schedule 3.03 ("Additional Services"). Customer acknowledges and agrees that ACI is not deemed a fiduciary, trustee, employee, or joint venturer in its performance of this Agreement.

Section 3.02 Safe2uarding and Retention of Customer Data

ACI will maintain safeguards against the destruction, loss, or alteration of the Customer Data in the possession of ACL

ARTICLE IV. PAYMENTS TO ACI

Section 4.01 Compensation to ACT

In consideration for the Services, Customer shall pay to ACI the Billing Services Charges described in Section I of Schedule 4.01 (the "Billing Services Charges"), charges for any Billing-Related Services provided to Customer as described in Sections 2 and 3 of Schedule 4.01 (the "Billing-Related Services Charges") and any charges for Additional Services as set forth in any Schedule 3.03, as may be amended by ACI from time to time, (the "Additional Services Charges"). Customer acknowledges and agrees that ACI may deduct Billing Services Charges, Billing-Related Services Charges and Additional Services Charges from the Remittances it receives from the B&C Processors prior to forwarding the Disbursements to Customer. Any amounts owing to ACI pursuant to this Agreement that are not paid when due and payable will thereafter bear interest until paid at the Late Payment Rate.

Section 4.02 Other Expenses

Customer will pay all fees and expenses of ACI for reruns or otherwise necessitated: (a) by incorrect, incomplete, or omitted data or erroneous instructions supplied to ACI by or through Customer; (b) for the correction of programming, operator, and other processing errors caused by Customer, or its respective employees or agents; and/or (c) by incorrect reports that were not rejected by Customer within the applicable time periods set forth in Section 5.03.

Section 4.03 Cost of Living Adeustment

If the Consumer Price Index for All Urban Consumers, All Cities Average, 1982-84=100, as published by the Bureau of Labor Statistics of the Department of Labor (the "CPI"), is on January I of any year during the Term (the "Current Index") higher than the highest CPI on January 1 of any prior year during the Term (the "Base Index"), then, effective as of such January 1, all amounts payable to ACI pursuant to this Agreement, as previously adjusted pursuant to this Section 4.03, may be increased thereafter by the percentage that the Current Index will have increased from the Base I~dex, and such amounts as increased pursuant to this Section 4.03 will be deemed incorporated herein. If the Bureau of Labor Statistics stops publishing the CPI or substantially changes the content or format thereof, the parties will substitute therefor another comparable measure published by a mutually agreeable source; provided, however, that if such change is merely to redefine the base year for the CPI from 1982-84 to some other year(s), the parties will continue to use the CPI but will, if necessary, convert either the Base Index or the Current Index to the same basis as the other by multiplying such Index by the appropriate conversion factor.

Section 4.04 Reimbursement of Expenses

Any addition to any other payments specified in this Agreement, Customer will pay, or reimburse ACI for, all actual out-of-pocket costs and expenses, including without limitation travel and travel-related expenses, incurred by ACI in connection with the performance of its obligations under this Agreement provided such expenses are approved in advance by Customer which approval cannot be unreasonably withheld or delayed.

Section 4.05 Pass-Throu2h of Certain Taxes

There will be added to any amounts due under this Agreement, and Customer will pay directly (or if ACI has for any reason made payment, promptly reimburse ACI) for any Taxes, however designated or levied by any Governmental Authority solely by reason of the performance, sales, license or use of any Service (or Software) or any other items pursuant to this Agreement. To the extent ACI receives or becomes entitled to any refund, rebate or abatement with respect to Taxes paid directly (or reimbursed) by Customer, ACI shall promptly pay to Customer the entire refund, rebate or abatement.

Section 4.06 Invoice and Time of Payment.

Any amount due ACI pursuant to this Agreement for which a time for payment is not otherwise specified will be due and payable thirty (30) days after receipt by Customer of the invoice from ACI therefore, all invoiced amounts due ACI pursuant to, and not paid in accordance with, this Agreement may be deducted by ACI from the Remittances it receives from the B&C Processors prior to forwarding the Disbursements to Customer. Any amount owing to ACI pursuant to this Agreement that is not paid when due and payable will thereafter bear interest until paid at the Late Payment Rate.

ARTICLE V. CUSTOMER OBLIGATIONS

Section 5.01 Billing Obli2ations

In connection with the Services to be provided by ACI and in addition to any of Customer's obligations described in Schedule 3.01, Customer will timely perform those obligations described in Schedule 5.01 and Schedule 5.07.

Section 5.02 Validation Obli2ations

During the Term, Customer will at all times perform, or cause to be performed where appropriate, call validation and Customer will only submit Messages to ACI that have received a positive validation as provided below:

During the Term, Customer will validate, or cause to be validated, using an ACI-approved method, or will cause to be validated by an ACI-approved vendor, the following: (a) All telephone calls for which validation is mandated by a Governmental Authority; (b) All telephone calls for which validation is specifically required by a B&C Processor pursuant to a B&C Contract; (c) All operator assisted third party calls (whether automated or assisted by telephone operator), collect calls, telephone calling card calls, person-to-person calls; and (d) All telephone calls, the collection for which is deemed to be below industry standards or not in accordance with industry practice.

Section 5.03 Inspection of Reports and Remittances

Customer will inspect and review all reports and Remittance information submitted by ACI to Customer for review, which includes, but is not limited to, reports generated through the Licensed Program, and will notify ACI of its rejection of any incorrect reports and Remittance information within thirty (30) days after receipt thereof provided that any such incorrect information is identifiable within the report and/or Remittance information. Failure to so reject any such report or information will constitute acceptance thereof.

Section 5.04 Compliance with Law and B&C Processor Policies

Customer will: (a) obtain and maintain all licenses, franchises, privileges, permits, consents, exemptions, certificates (including without limitation

certificates of public convenience and necessity), registrations, orders, approvals, authorizations and similar documents and instruments (collectively, the "Certifications") that are required by any Governmental Authority having jurisdiction over the business and operations of Customer; (b) comply with all laws and all applicable rules, regulations and other requirements of any Governmental Authority (collectively "Laws"); and (c) B&C Processor Policies. Customer will, upon the execution of this Agreement, provide ACI with a copy of each such Certification or other written evidence of compliance with such requirements by Customer. Customer will promptly notify ACI in writing of any expiration, amendment, or renewal of any such Certification. In connection with the provision of services to End Users, Customer will comply in all respects with the Certifications and Laws related thereto. ACI may terminate this Agreement pursuant to Section 8.01 upon the failure of

Initials

Customer to obtain or maintain in full force and effect, or to comply with, any such Certification and/or Laws.

Customer understands and agrees that any program, service, and/or product that it desires to bill via any B&C Processor must be first approved by ACI and the applicable B&C Processor. Customer agrees to submit any and all information relating to any and all such programs, services, and/or products of Customer requested by ACI. Customer understands and agrees that ACI may provide all the information set forth in the previous section to any B&C Processor, which such provision is not a breach of Section 6.03 of this Agreement.

Section 5.05 Data Transmission Fees

Customer is responsible for all charges attributed to the transmission of data between ACI and the Customer and ACI and the B&C Processor. In addition, Customer is responsible for the acquisition and provision of any equipment including, without limitation, terminals, printers and modems (but excluding any data telecommunication lines or equipment at or between any ACI data centers), that are necessary or appropriate for Customer to access Customer data at any ACI data center. Customer is solely responsible for entering into arrangements with data telecominunication network carriers for the provision of access to such networks and pay any usage costs or charges relating thereto, as may be necessary or appropriate for Customer to access Customer data at any ACI data center.

Section 5.06 Customer Representative

Upon the Effective Date, Customer will designate and furnish to ACI the name of, and will at all times during the Term maintain, a representative of Customer (the "Customer Representative") who will be an officer or employee of Customer and who will be authorized to act as the primary point of contact for ACI in dealing with Customer with respect to the Services. Customer will notify ACI in writing of any change in the person acting as the Customer Representative at least ten (10) days prior to the effectiveness of such change. The Customer Representative will be responsible for directing, insofar as ACI is concerned, all activities of Customer affecting the provision by ACI of the Services. ACI will be entitled to rely upon any instructions or information provided to ACI by the Customer Representative or other representative of Customer, and ACI will incur no liability in so relying. Customer hereby agrees and confirms that Customer is fully responsible financially and otherwise for all instructions, data, and/or information provided to ACI, whether or not such instructions, data, and/or information is accurate, complete, truthful, or genuine.

Section 5.07 Representations and Warranties

Customer hereby represents and warrants to ACI as follows:

(a) Organization; Authority. Customer is duly organized, validly existing, and in good standing under the laws of its state of organization and has the power and authority to enter into this Agreement and to perform its obligations

hereunder.

(b) Binding Obligation. This Agreement constitutes the legal, valid, and binding agreement of Customer, enforceable against Customer in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws now or hereafter in effect relating to creditors' rights and general principles of equity.

(c) No Conflicts. Neither the execution and delivery of this Agreement by Customer nor the performance by Customer of its obligations hereunder will (i) conflict with or result in a breach of any

provision of the organizational or other governing documents of Customer, (ii) result in a violation of or default under any of the terms, conditions, or provisions of any material license, agreement, lease, or other obligation to which Customer is a party or by which it is bound or (iii) violate any material order, writ, injunction, decree, statute, rule, or regulation applicable to Customer or its properties or assets.

(d) Governmental Consents. Customer has filed all tariffs and has obtained all governmental and regulatory authorizations, approvals, and other consents, all of which are in full force and effect, that are required by law or any Governmental Authority for the provision by Customer of telecommunications services to End Users.

(e) Additional Representations Warranties, Covenants and Agreements of Customer. Customer represents, warrants, and covenants as to those items in Schedule 5.07.

(f) Continuing Warranty. Each submission by Customer of a Message to ACI for processing is a reaffirmation of each representation and warranty of Customer as of the date of each such submission.

Section 5.08 Priorities and Cooperation.

Customer will cooperate with ACI: (a) to establish the Services to be provided to Customer; and (b) act in good faith in the performance of Customer's activities contemplated by this Agreement, Customer, among other things, will make available, as reasonably requested by ACI, such information, facilities, management decisions, approvals, authorizations and acceptances in order that ACI's provision of Services under this Agreement may be accomplished in a proper, timely and efficient manner.

ARTICLE VI. PROPRIETARY RIGHTS, SOFTWARE, AND DATA

Section 6.01 ACI Software

The ACI Software, any developments, improvements, modifications, additions, or enhancements made by or for ACI to any ACI Software and any new Software developed or created by or for ACI pursuant to this Agreement will be and will remain solely ACI's property, as appropriate. Customer will have no ownership rights or other rights to any of such items, except as expressly set forth in Attachment 2 of Schedule 3.01 with respect to the License.

Section 6.02 Maintenance and Security of Customer Data

Customer will establish one year's backup of the Customer Data subn-fitted to ACI for billing and will keep backup data and data files in its possession; provided, however, that ACI will have such access to any such backup data and data files as is reasonably required by ACI in connection with the performance of the Services. ACI will require users of the Software operated by ACI to enter a valid password in order to gain access to certain applications, functions and databases that contain the Customer Data. ACI will secure the Customer Data using Software that restricts access to the Customer Data and assists in the administration of the security of the Customer Data. ACI will have the right to retain copies of any Customer Data that ACI deems necessary or appropriate for the purpose of performing any services under this Agreement including, without limitation, with respect to remittance processing services performed in accordance with Section 2 of Schedule 3.01 hereto.

Section 6.03 Confidentiality

Except as otherwise provided in this Agreement, each of the parties agree that all information communicated to it by the other party, whether before or after the Effective Date, will be designated confidential information ("Confidential Information"), and will be deemed to have been, received in strict confidence and will be used only for the purposes of carrying out the obligations of, or as otherwise contemplated by, this Agreement. Without obtaining the prior written consent of the other party, neither party will disclose any such Confidential Information received from the other party; provided, however, that this Section 6.03 will not prevent a party from disclosing any such information that: (a) was already in the possession of such party without being subject to other confidentiality obligations; (b) is or becomes generally available to the public other than as a result, directly or indirectly, of a disclosure of such Confidential Information by such party or by other persons to whom such party disclosed such information; (c) is or becomes available to such party on a nonconfidential basis from a source other than the other party or its representatives, provided that such source is not bound by a confidentiality agreement with the other party; (d) is independently developed by such party without the use of the other party's Confidential Information; (e) is required to be disclosed pursuant to an arbitration proceeding conducted in accordance with Article VII, provided that such disclosure is made in accordance with the approval and at the direction of the Arbitrator; (f) is required to be disclosed pursuant to a requirement of any Governmental Authority or any statute, rule, or regulation, provided that such party gives the other party prompt notice of such requirement prior to any such disclosure; or (g) is reasonably necessary to be disclosed in connection with a billing inquiry by an End User.

ARTICLE VII. CLAIM REVIEW AND ARBITRATION

Section 7.01 Claim Review

In the event of any dispute, controversy, or claim between the parties of any kind or nature, including but not limited to disputes arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach, or termination of this Agreement) (the "Claim"), then, upon the written request of either party, each of the parties will appoint a senior manager designated to meet for the purpose of endeavoring to resolve such Claim. The designated representatives will meet as often as the parties reasonably deem necessary to gather and furnish to the other all information with respect to the matter in issue that the parties believe to be appropriate and germane in connection with its resolution. Such representatives will discuss the Claim and negotiate in good faith in an effort to resolve the Claim. During the course of such negotiation, all reasonable requests made by one party to the other party for information will be honored in order that each of the parties may be fully advised as to the facts and circumstances surrounding the Claim. However, the parties acknowledge and agree that it is costly and time consuming to retrieve certain historical data. Therefore, the parties acknowledge and agree that only data routinely provided from one party to another during a designated Claim period shall be required. The specific format for such discussions will be left to the discretion of the designated representatives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of such Claim may be commenced until the earlier to occur of: (a) the designated representatives conclude in good faith that an amicable resolution through continued negotiation of the matter in issue does not appear likely; or (b) the sixtieth (60'b) day after the initial request to negotiate such dispute, controversy, or claim. The Parties agree that no Claim(s) older than one (1) year from inception or discovery of such Claim(s) shall be pursued in any manner.

Section 7.02 Arbitration

(a) If the parties are unable to resolve any Claim in accordance with Section 7.01, the parties agree to submit such Claim to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration rules of the American Arbitration Association. A party may demand such arbitration in accordance with the procedures set out in those rules.

(b) Discovery shall be controlled by the arbitrator and shall be governed by the Federal Rules of Civil Procedure. If decided by the Arbitrator, the party seeking discovery shall reimburse the responding party for the cost of the production of documents, including search time and reproduction costs. The arbitration shall be held in Los Angeles County, California. The arbitrator shall control the scheduling so as to process the matter expeditiously. The parties may submit written briefs. The arbitrator shall rule on the Claim by issuing a written opinion within thirty (30) calendar days after the close of the hearings. The time frames specified in this Section 7.02 may be extended upon mutual agreement of the parties or by the arbitrator upon a showing of good cause.

(c) Except as provided in (b) above, each party shall bear its own fees, costs and expenses of arbitration, including its own legal and expert witness fees. The parties shall equally split the fees of the arbitration and the arbitrator. The arbitrator may award reimbursement of costs and/or fees to the prevailing party.

(d) Any award rendered by the arbitrator will be final, conclusive, and binding upon the parties, and any judgment thereon may be entered and enforced in any court of competent jurisdiction.

Section 7.03 Exclusive Remedy

Other than those matters involving injunctive relief as a remedy or any action necessary to enforce the award of the Arbitrator, the parties agree that the provisions of this Article VII are a complete defense to any suit, action, or other proceeding instituted in any court or before any administrative tribunal with respect to any dispute, controversy, or claim arising under or in connection with this Agreement or the provision of Services by ACI. Nothing in this Article VII will prevent the parties from exercising their rights to tertninate this Agreement in accordance with Article VIII.

Section 7.04 Tax Disputes

Notwithstanding the provisions of this Article VII, if Customer disputes ACI's determination that any Taxes are payable by ACI on ACI's behalf or on behalf of Customer, disagrees with an assessment of any additional Taxes due by ACI or by Customer as a result of ACI's performance of any obligation under this Agreement or disagrees with a determination that any Taxes are applicable to ACI's billing to Customer for Services under this Agreement, Customer will, at Customer's option and expense (including without limitation payment for any Taxes prior to final resolution of the issues), have the right to seek administrative relief, a ruling, judicial review (original and appellate level), or other appropriate review as to the applicability of any such Tax or to protest any such Tax, but Customer will be liable for any Tax ultimately determined to be due. ACI will, when requested by Customer and at Customer's expense, cooperate or participate with Customer in any such proceeding, protest or legal challenge and may participate, at ACI's expense, in any such proceeding, protest or legal challenge if Customer does not so request.

ARTICLE VIII. TERMINATION

Section 8.01 Termination for Cause

Subject to Section 10.01, if either party materially or repeatedly defaults in the performance of any of its duties or obligations under this Agreement, which default is not substantially cured within twenty (20) business days after written notice is given to the defaulting party specifying the default, then the nondefaulting party may, by giving written notice thereof to the defaulting party, terminate this Agreement as of the date of receipt by the defaulting party of such notice or as of a future date specified in such notice of termination.

Section 8.02 Special Termination Riehts

Without notice, ACI may stop processing all or some of the Messages of Customer, or terrifinate the Agreement (subject to Section 8.07 of the Agreement), if ACI determines in its sole discretion that the processing of Messages on behalf of Customer, or the continuation of the processing of Messages, in whole or in

part, has or shall:

(a) Negatively effect the goodwill, reputation, profitability, or business of ACI.

(b) Threaten the termination of or negatively impact any B&C Contract of ACI.

(c) Negatively impact ACI's relationship with any B&C Processor.

(d) Result in or has already resulted in the scrutiny (informal or formal investigation, or otherwise) of Customer, ACI, or any Person, by any Governmental Authority (including but not limited to, the FCC, FTC, PUCs and attorney generals).

(e) Has resulted in or may result in the violation of any rule, ordinance, Law, order, decision, judgment, or policy of any Government Authority, any B&C Processor and/or ACI.

(f) Has resulted in or may result in a legal proceeding, including but not limited to litigation, arbitration or administrative proceeding involving ACI either as a party or as a non-party (including, but not limited to, ACI having to provide documents and/or deponents).

Section 8.03 Termination for Bankruptcy and Related Events

If either party is declared bankrupt, is the subject of any proceedings relating to its liquidation, insolvency, or for the appointment of a receiver or similar officer for such party, makes an assignment for the benefit of all or substantially all of its creditors, or enters into an agreement for the composition, extension, or readjustment of all or substantially all of its obligations, the liquidator, trustee, receiver, conservator, new owner, manager, or other agent or representative of such party, subject to applicable law, will have sixty (60) days from the date of any initial declaration, commencement of proceedings, or such assignment or agreement to notify the other party, subject to applicable law, that it is terminating this Agreement as of a date within such sixty (60) day period. If the other party is not so notified, this Agreement will not be terminated but will continue in full force and effect on all of the terms and conditions stated in this Agreement.

Section 8.04 Termination for Certain Force Maieure Events

If either party is excused from performance under this Agreement pursuant to Section 10.01 for any period exceeding thirty (30) consecutive days, the other party may, by giving written notice thereof to the party whose performance will have been excused within ten (10) days after the expiration of such thirty (30) consecutive day period, terminate this Agreement as of the date of receipt of such notice or as of a future date specified in such notice of termination. The parties expressly acknowledge and agree that any such nonperformance will not be considered a default under this Agreement or impose any liability whatsoever upon either of the parties.

Section 8.05 Termination for Regulatory Event and/or LEC Policies

ACI may terminate this Agreement if any statute, rule, regulation, interpretation, Law, LEC Policy violation, judgment, order, or injunction is enacted, enforced, promulgated, amended, issued, or deemed applicable: (a) to ACI or any of its affiliates; or (b) to this Agreement, the transactions contemplated by this Agreement, or the provision of the Services by ACI, by any Governmental Authority that (i) renders illegal the consummation of the transactions contemplated by this Agreement, (ii) renders illegal or materially inhibits the provision of the Services by ACI, or (iii) would, in ACI's sole discretion, have a material adverse effect on the business, operations, reputation, affairs, condition (financial or otherwise), results of operations, properties, assets, liabilities, or prospects of ACI. To terminate this Agreement pursuant to this Section 8.05 ' ACI will give Customer written notice thereof at least thirty (30) days prior to the date on which ACI desires to terminate this Agreement, unless statutes, regulations or B&C Processor Policies require immediate termination.

Section 8.06 Rh!hts Upon Termination

Billable Messages received by ACI on or before the Expiration Date or the effective date of termination of this Agreement will be processed by ACI and included on the next Outclearing Tapes prepared in accordance with Section l(e) of Schedule 3.01, and the Disbursements relating to the Remittances collected from the B&C Processors will be disbursed to Customer, less amounts representing the Reserve. Upon expiration or termination of this Agreement for any reason, Customer will (a) promptly return the Licensed Program (including the related documentation) to ACI and destroy all copies, whether authorized or unauthorized, in Customer's possession, and (b) pay ACI for all Services provided and expenses incurred through the effective date of such expiration or termination, as well as for all Services provided and expenses incurred thereafter in connection with the processing of Billable Messages received on or before the effective date of such expiration or termination. The provisions of this Section 8.06, Section 6.03, Articles VII and IX, Schedule 3.01 and Schedule 3.02 will survive the expiration or termination of this Agreement for any reason.

Section 8.07 Suspension of Service

Notwithstanding anything to the contrary in this Agreement, in lieu of tennination of this Agreement by ACI, ACI in its sole discretion may suspend its Services, in whole or in part, without prejudice to its right to subsequently terminate this Agreement for the same reason or different reason that gave rise to the suspension.

ARTICLE IX. INDEMNITIES AND LIABILITY

Section 9.01 Indemnities

Customer will indemnify, and defend ACI and will hold ACI harmless from and against any and all claims, actions, acts of third parties, liabilities, litigations, losses, expenses (including but not limited to attorney's fees whether in-house or outside), all damages (including but not limited to consequential and/or punitive, and/or damages for loss of profits and/or for loss of revenue), costs and expenses (including without limitation reasonable attorney fees), and liability for any equitable remedies (including but not limited to injunctive relief and/or specific performance), due to, relating to, or arising out of: (i) the Messages processed on behalf of Customer, and/or (ii) any acts or omissions of Customer, and/or (iii) the occurrence of any of the items set forth in Section 8.02 of this Agreement, and/or (iv) any violation of any representation, covenant or warranty of Customer set forth in this Agreement, or any other Agreement between Customer and ACI, and/or (v) any breach by Customer of any provision of this Agreement or any other agreement between ACI and Customer, and/or (vi) the incorrectness or incompleteness of any data or information supplied to ACI by Customer under this Agreement, and/or (vii) ACI's use, in accordance with this Agreement, of, and reliance upon, information provided by Customer.

Section 9.02 Indemnity Procedures

Any party entitled to indemnification under this Article Ix will give the party from which it is seeking indemnification prompt written notice of any matters in respect of which the indemnity may apply and of which the party claiming indemnification has knowledge; provided, however, that if a party claiming indemnification fails to give the other party prompt written notice, such other party will only be relieved of its obligations under this Article IX if and to the extent that such party is prejudiced thereby. if ACI is named by a third party in a legal proceeding resulting from Customer's Billed Messages, acts or omissions pursuant to this Agreement, ACI shall, due to ACI's expertise in the billing industry, solely control its own defense and Customer shall be liable for all costs and expenses including attorneys' fees. ACI shall provide Customer with invoices of actual costs and expenses incurred on a monthly basis, prior to deducting such costs and expenses. Should deductions be insufficient, ACI shall invoice Customer for sums due and such invoice shall be due and payable upon receipt.

Section 9.03 Limitation of Liability and Disclaimer of Warranties

If ACI is at any time liable to Customer as a result of any breach, dispute, controversy, or claim of any kind or nature arising under or in connection with this Agreement, the amount of damages recoverable against ACI for any and all

events, acts, or omissions will not exceed, in the aggregate, an amount equal to the total Billing Services Charges paid to ACI during the three-month period immediately preceding the initial occurrence of the first such event, act, or omission to occur. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT TO THE CONTRARY, AND REGARDLESS OF THE FORM OF CLAIM, WHETHER IN CONTRACT OR IN TORT OR WHETHER FROM BREACH OF THIS AGREEMENT, IRRESPECTIVE OF WHETHER ACI HAS BEEN ADVISED OR SHOULD BE AWARE OF THE POSSIBILITY OF SUCH DAMAGES, IN NO EVENT WILL THE MEASURE OF DAMAGES RECOVERABLE BY CUSTOMER AGAINST ACI INCLUDE ANY AMOUNTS FOR INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY PERSON OR FOR LOSS OF ANTICIPATED PROFITS OR OTHER ECONOMIC LOSS OF ANY PERSON OR FOR DAMAGES THAT COULD HAVE BEEN AVOIDED, USING REASONABLE DILIGENCE, BY CUSTOMER. In addition, Customer may not assert any cause of action against ACI that accrued more than one year prior to the filing of a suit alleging such cause of action. The limitation set forth in this Section 9.03 will not apply to the duty of ACI to deliver, in accordance with this Agreement, to Customer any Disbursements due Customer that are being held by AC1.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, ACI MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, TO CUSTOMER OR TO ANY OTHER PERSON, INCLUDING WITHOUT LIMITIATION ANY WARRANTIES REGARDING TITLE TO OR THE MERCHANTABILITY, SUITABILITY, ORIGINALITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE (IRRESPECTIVE OF ANY PREVIOUS COURSE OF DEALING BETWEEN THE PARTIES OR CUSTOM OR USAGE OF TRADE) OF ANY SOFTWARE, SERVICES, OR MATERIALS PROVIDED UNDER THIS AGREEMENT.

Section 9.04 Acknowledgment

Customer and ACI expressly acknowledge that the limitations contained in Section 9.03 represent the express agreement of the parties with respect to the allocation of risks between the parties, including the level of risk to be associated with the provision of the Services as related to the payments to be made to ACI for such Services, and each party irrevocably accepts such limitations.

ARTICLE X. MISCELLANEOUS

Section 10.01 Force Maieure

Each party will be excused from performance under this Agreement for any period, and the time of any performance will be extended, to the extent reasonably necessary under the circumstances, any act of God or any Governmental Authority or any outbreak or escalation of hostilities, war, civil disturbance, court order, labor dispute, third party nonperformance (including without limitation the acts or ornissions of common carriers, interexchange carriers or B&C Processors, but excluding any employees of the party seeking to be excused from performance hereunder) or any other cause beyond its reasonable control, including without limitation failures or fluctuations in electrical power, heat, light, air conditioning or telecommunications equipment or lines or other equipment. Such nonperformance on the part of either party will not be considered a default under this Agreement or, except as otherwise provided in Section 8.04, a ground for termination of this Agreement, provided that the party whose performance has been excused performs such obligation as soon as is reasonably practicable after the termination or cessation of such event or circumstance.

Section 10.02 Compliance with Laws

In performing its obligations under this Agreement, ACI will not be required to undertake any activity that would conflict with LEC Policies, the requirements of any applicable statute, rule, regulation, interpretation, judgment, order or injunction of any Governmental Authority or Law.

Section 10.03 Media Releases

All press and media releases, public announcements and public disclosures by either of the parties relating to this Agreement or its subject matter, including without limitation promotional or marketing material (but not including any announcement intended solely for internal distribution by a party to its directors, officers and employees or any disclosures required by legal, accounting, regulatory or stock exchange requirements beyond the reasonable

control of such party) will be coordinated with and approved by both parties prior to the release thereof.

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Section 10.04 Notices

Except as otherwise expressly provided in this Agreement, all notices, requests, claims, demands, designations, approvals, consents, acceptances and other communications under this Agreement will be in writing and will be deemed to have been duly given if delivered personally, telecopied or mailed by certified or registered mail, return-receipt requested, postage prepaid, or overnight mail to the parties at the addresses specified below and will be deemed given on the third Business Day after the day it is deposited in a regular depository of the United States mail. If delivered personally, it will be deemed given upon delivery, if delivered by telecopy with a copy subsequently mailed, it will be deemed given when the mailed copy is postmarked and if delivered by mail, in the manner described above. All notices and other communications under this Agreement are addressed as provided below.

If to ACI, address to:	With copies to:
ACI Communications, Inc.	ACI Communications, Inc.
9255 Corbin Avenue	9255 Corbin Avenue
Northridge, California 91324	Northridge, California 91324
Attention: President	Attention: General Counsel
Telecopy: (818) 709-1825	Telecopy: (818) 709-1940

If to Customer, address to:

YP.Net, Inc.
4840 E. Jasmine Street, Suite 105
Mesa, AZ 85205
Attention: Angelo Tullo, CEO
Telecopy: (480) 654-9727

Section 10.05 Rights of ACI to Provide Services to Others.

Customer acknowledges and agrees that ACI may provide billing and collection services and other information technology services to other Persons.

Section 10.06 Relationship of Parties.

In furnishing the Services to, or on behalf of, Customer, ACI is acting only as an independent contractor. ACI does not undertake by this Agreement or otherwise to perform any obligation of Customer, whether regulatory or contractual, or to assume any responsibility for Customer's business or operations. ACI will not be considered or be deemed to be an agent, employee, joint venturer or partner of Customer, and no other relationship is intended or created by and between ACI and Customer. ACI has the sole right to supervise, manage, contract, direct, procure and provide, or cause to be provided, all Services to be provided pursuant to this Agreement.

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Section 10.07 Authorization.

Customer hereby authorizes ACI to include Customer's name, address, phone number, and any other information required by any B&C Processor or Government Authority, and billing information in each Outclearing Tape or bill; to collect and hold for Customer the Disbursements, if any, payable to Customer; to disburse to Customer the Disbursements, if any, as provided in this Agreement; and to take

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all other actions that ACI deems reasonably necessary to discharge its duties and responsibilities under this Agreement, as fully as Customer could do if personally present, and Customer hereby ratifies and confirms all that ACI lawfully does or causes to be done by virtue of the rights contained in this Section 10.07. The authority granted to ACI under this Section 10.07 is coupled with an interest and is irrevocable except by expiration or termination of this Agreement and subject to Section 8.07.

Section 10.08 Severability

(a) Subject to the provisions of Section 10.08(b), if any provision of this Agreement, or the application of any such provision is declared judicially to be invalid, unenforceable or void, such decision will not have the effect of invalidating or voiding the remainder of this Agreement, it being the intent and agreement of the parties that this Agreement will be deemed amended by modifying such provision to the extent necessary to render it valid, legal and enforceable while preserving its intent or, if such modification is not possible, by substituting; therefore, another provision that is legal and enforceable and that achieves the same objective. In addition, if such invalid, unenforceable or void provision does not materially affect the payments to be made to ACI under this Agreement, and if the remainder of this Agreement will not be affected by such declaration and is capable of substantial performance, then each provision not so affected will be enforced to the maximum extent permitted by law.

(b) If any provision referred to in Section 10.08(a) is declared judicially to be invalid, unenforceable or void, and the fact thereof, or any amendment or modification thereto as set forth in Section 10.08(a), materially affects the payments to be made to ACI under this Agreement, then ACI may, at its sole discretion, terminate this Agreement in its entirety.

Section 10.09 Waivers

The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but such waiver will be effective only if it is in a writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided in this Agreement, no delay or omission on the part of any party in exercising any right or privilege under this Agreement will operate as a waiver thereof, nor will any waiver on the part of any party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor will any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement.

Section 10.10 Entire Amement

This Agreement (including the Schedules attached hereto) constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, between the parties with respect to the subject matter of this Agreement, and there are no representations, understandings or agreements relating to this Agreement that are not fully expressed herein. This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties to this Agreement. All Schedules attached to this Agreement are expressly made a part of, and incorporated by reference into, this Agreement.

Section 10.11 Asshmment

No party may assign this Agreement without obtaining the prior written consent of the other party; provided, however, that such consent will not be unreasonably withheld or delayed; and provided

further, that a party will notify the other party regarding whether such consent will be withheld or delayed within thirty (30) days after the other party has requested such consent. Notwithstanding the foregoing, ACI may assign this Agreement, and its rights and obligations hereunder, to any of its affiliates.

Section 10.12 No Third Party Beneficiary

This Agreement will be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. This Agreement is not intended, nor will it be construed, to create or convey any right in or upon any person or entity not a party to this Agreement. ACI will not be responsible, financially or otherwise, for the Services provided hereunder to any party other than Customer.

Section 10.13 Governing LawNentiedurisdiction

This Agreement will be construed in accordance with, and the rights of the parties will be governed by, the substantive laws of the State of California, without giving effect to any choice-of-law rules that may require the application of the laws of another jurisdiction. Any permitted action brought in connection with this Agreement shall be brought in Los Angeles County, California, and the parties hereby waive any objection to venue.

Section 10.14 Construction

The Article and Section headings and the table of contents used in this Agreement are for convenience of reference only and in no way define, limit, extend or describe the scope or intent of any provisions of this Agreement. In addition, as used in this Agreement, unless otherwise expressly stated to the contrary; (a) all references to days, months or years are references to calendar days, months or years; and (b) any reference to a "Section Article" or "Schedule" is a reference to a Section or Article of this Agreement or a Schedule attached to this Agreement. The provisions of this Agreement are qualified in their entirety by reference to the information and the terms set forth in the Schedules. To the extent that the provisions of this Agreement and the Schedules to this Agreement are inconsistent, the provisions of the Schedules to this Agreement will govern and control.

Section 10.15 Counterparts

This Agreement may be executed in multiple counterparts, each of which will be deemed an original and all of which taken together will constitute one instrument.

IN WITNESS WBEREOF, the parties have duly executed and delivered this Agreement as of the date first set forth above.

ACI COMMUNICATION INC.	YP NET
By: /s/ Michael Labedz	By: /s/ Don M. Reese
Name: Michael Labedz	Name: Don M. Reese
Title: President	Title: Director of Operations
Date: 10/19/01	Date: 10-08-01

SCHEDULE2.01
of
Billing and Related Services Agreement

ACCEPTABLE CALL TYPES

Schedule 2.01 Acceptable Call Types

The following EMI billing formats are acceptable for immediate processing according to the terms and conditions of this Agreement:

Record ID	Description
01-01-01	North American Originated, Terminated and Billable Message Telephone Service Charge
01-01-32	North American Originated, Terminated and Billable Directory Assistance Charge
01-02-01	North American Originated and Billable, Overseas Terminated Message Telephone Service Charge
01-05-01	Overseas Originated and North American Terminated and Billable Message Telephone Service
01-07-01	Overseas Originated and Terminated, North American Billable Message

Telephone Service

The following EMI billing formats are available for billing, but are subject to the approval of ACI prior to processing. There also may be additional ACI and/or LEC charges associated with the processing of the following record types:

01-01-18 North American Originated, Terminated and Billable Specialized Service/Service Provider Charge

41-50-01 Customer Credit Line Summary Non Detail Credit

42-50-01 Miscellaneous Charge Record Line Summary Non-Detail Charge

SCHEDULE3.01
of
Billing and Related Services Agreement

BILLING SERVICES

Schedule 3.01 Billina Services

1. Billin2 Services

(a) B&C Contracts. ACI will provide Billing Services relating to the B&C Processors. Customer hereby acknowledges that ACI has provided it with a listing of the current B&C Processors. ACI may amend or supplement from time to time such listing and will provide Customer with a copy of the amended or supplemented listing as soon as reasonably practicable.

(b) On-Net File. Customer hereby acknowledges that ACI will provide Customer with a copy of the On-Net File. ACI may revise the On-Net File from time to time and will provide Customer with a copy of the revised On-Net File as soon as reasonably practicable.

(c) Approved Message Format. Upon receipt of a Message tape from Customer, ACI will determine whether the Message data contained thereon is in the standard exchange message interface format or another format that has been chosen by ACI (the "Approved Message Format"). Customer hereby acknowledges that ACI has provided it with the current Approved Message Format. ACI may from time to time revise the Approved Message Format based on reasonable business needs (as determined in good faith by ACI), the requirements of any B&C Contract, or the requirements of any Governmental Authority and will provide Customer with a copy of the revised Approved Message Format. Customer will comply with such new format within ninety (90) days after receipt of a copy of the updated or revised Approved Message Fon-nat; provided, however, that Customer will comply with such new format within thirty (30) days after receipt of a copy of the updated or revised Approved Message Format if ACI notifies Customer that such new format was revised to comply with industrystandard formats.

(d) Editin2, Balancing, and Formatting. If Customer's Messages are in the Approved Message Format, ACI will edit, balance, and format such Messages in accordance with the requirements of the appropriate B&C Processors. If any of Customer's Messages are not in the Approved Message Format or if such Messages are rejected by ACI or ACI discovers other errors as the result of editing, balancing, or reviewing the format (such Messages are referred to as "Rejected Messages"), ACI will send such Rejected Messages (in standard machine readable form) to the Customer Representative within seven (7) Business Days after the receipt of the Messages from Customer. Customer shall use its best efforts to reformat and resubmit such Rejected Messages to ACI following Customer's receipt of the Messages from ACI.

(e) Data Files. After editing, balancing, and formatting, the Billable Messages shall be forwarded to the appropriate B&C Processor within five (5) business days of receipt (the "Data Files") for billing to, and collection from, End Users in accordance with the applicable B&C Contract.

(f) Returned Messages. If any of Customer's Billable Messages are returned as unbillable by a B&C Processor that is providing ACI with automated return item processing in the appropriate format such Messages will be deemed to be "Returned Messages". In the event ACI is unable to provide for the billing of any Returned Messages (after Customer has made changes to the Messages if such

changes are possible) ACI will return such Message data to Customer and Customer may direct bill such Returned Messages.

(g) Sub-Carrier Identification Codes. A sub-carrier identification code ("Sub-CIC") for the purpose of identifying the Customer's name on the B&C Processors' bills and tracking Billable Messages arising from End Users shall be assigned to Customer. At Customer's request, additional Sub-CICs may be assigned for Customer for reasonable business needs and shall herein constitute Additional Services hereunder.

(h) Special Service Message Processing, ACI will provide Special Service Message ("SSM") processing in LEC jurisdictions that allow for such messages. For purposes hereof, SSM means charges for telecommunications related services, other than telephone calls, which are to be billed to an End-User by the B&C Processor and which have been approved for such billing by the applicable B&C Processor and ACI. The implementation of any SSM processing is subject to the written approval of ACI and the respective LEC. Customer agrees to subrifit all information required by ACI and the respective LEC prior to initiation of the approval and implementation process. Such information will include, but not be limited to, the intended use of the SSM service, copies of all marketing materials with respect to such service, and any other information required by either ACI or the LEC in order initiate the approval implementation process.

Charges for SSM processing ("SSM Fees") will appear on the B&C Processor's End User bill.

In connection with the Services to be provided by ACI hereunder, Customer agrees to fulfill the obligation set forth below:

Oblijization To Provide Code Assi2nment. The Approved Message Format used for most common types of calls (i.e., collect, billed to third party, and most line number format calling card calls) is referred to as the "01-01-01 format". This record will also be used as the base record for billing SSMs. Customer will receive a five-digit code (3NNNN) for each approved phrase. This code will be placed in positions 123 - 134 and 135 - 146 of the EMI record. ACI will translate to the proposed Special Service Message code phrase and reformat the record for output to the appropriate B&C Processor.

Customer Testing. Customer testing is required for the first set-up on SSMs.

2. Remittance Processing

(a) Remittance by B&C Processor. The B&C Processors shall remit to ACI pursuant to the B&C Contracts less fees, charges, adjustments and those amounts held as bad debt reserves. The actual net amount so remitted to ACI by each B&C Processor is referred to as the "Remittances."

(b) Disbursement by ACI.

Calculation of Disbursement. Upon the receipt by ACI of the Remittances from the B&C Processors, ACI: (i) will deduct from the Remittances the Billing Services Charges, the Billing-Related Services Charges, Additional Services Charges and any other charges specified in or as necessitated by this Agreement, including without limitation any amounts due ACI from time to time pursuant to Sections 4.04 and 4.05 and Article IX; (ii) will add to or deduct from the Remittances any adjustment resulting from the reconciliation of the bad debt withholdings effected by B&C Processors (as described in Section 2(f) of this Schedule 3.01); (iii) will deduct from the Remittances any adjustments effected by ACI in connection with the Inquiry Services; (iv) will deduct ACI's charges or for processing call records on behalf of Customer; (v) will deduct any amount ACI, in its sole discretion, withholds as an allowance for bad debts; (vi) will deduct the B&C Processor-Calculated Taxes collected by the B&C Processors that will be paid to the appropriate taxing authorities from the Remittances; (vii) will deduct the B&C Processor's fees and other charges, as well as any adjustments that may be effected by a B&C processor or ACI, from the

amounts collected from End Users for Billable Messages; and (viii) will, upon completion of the deductions or additions described in (i) through (vii) above, disburse the remainder of the Remittances to Customer (such disbursements to Customer, are referred to herein as the "Disbursements"). If requested in writing by Customer, ACI will make Disbursements to Customer by wire or electronic funds transfer to the bank or other depository designated in writing by Customer. Customer shall be responsible for all wire and related charges.

(c) Reserve.

W Pursuant to notice, if ACI reasonably determines that the aggregate amount of Remittances due from B&C Processors in respect of Customer's Billable Messages at any time during the Term is less than the aggregate amount of Deductions effected by, or anticipated by ACI to be effected by, such B&C Processors, or effected by adjustments or credits to be provided to End Users (each of the events referred to as a "Reserve Event"), then ACI will have the right to withhold amounts from any Disbursements that would otherwise be payable to Customer on and after the occurrence for the purpose of reimbursing ACI for the anticipated amounts to be charged and withheld by any B&C Processor, or for adjustments or credits (the "Reserve"). An example of such a Reserve Event would be Billable Messages by Customer dropping by seventy-five percent (75%), or the termination or anticipated termination of this Agreement. In the event any invoice, as provided for in this Agreement, is not timely paid by Customer and the entire amount of such invoice cannot be paid out of Disbursements, then such amount shall be added to the Reserve as set forth herein.

(ii) In addition, ACI shall establish a reserve for reconciliation of bad debt charges effected by such B&C Processors pertaining to Customer's Billable Messages (the "Frue-Up Reserve"). The initial True-Up Reserve, as soon as LEC Billing Services are commenced, shall be five percent (5%). ACI may at any time increase or decrease the True-Up Reserve based on actual bad debt withheld by the B&C Processors and/or based upon Customer's actual or anticipated bad debt related to its Billable Messages to offset any shortfalls that may be incurred by ACI.

(iii) If at any time the Reserves and/or True-Up Reserve are insufficient, ACI will invoice Customer for the amount of the shortfall, and Customer shall remit full payment to ACI within ten (10) business days of the date of the invoice. Any excess of Reserves and/or True-Up Reserves shall be remitted to Customer by ACI upon ACI's reasonable determination that there is no longer a need for a Reserve and/or True-Up Reserve.

(d) Reports. ACI will provide reports to Customer that reflect the amounts due from the B&C Processors, the results of Rejected Messages, Returned Messages and other adjustments, the amounts remitted by the B&C Processors, the amounts withheld by the B&C Processors for bad debts, and the actual bad debts incurred. ACI will transmit Call Acceptance Transmittal (CAT) reports within seven (7) Business Days after the receipt of Message data from Customer, will transmit Remittance reports at the time that ACI makes the Disbursements to Customer, and will transmit bad debt true-up reports to Customer in the month following receipt of LEC bad debt true-up data by ACI.

(e) Adjustments and Unbillables. Customer acknowledges that deductions from amounts remitted to ACI from B&C Processors in respect of Returned Messages and adjustments will be charged to Customer through an allocation: (i) to Customer to the extent that such deduction can be solely attributed to Customer based on data provided to ACI by the applicable B&C Processor; or (ii) pro rata among Customer and other customers of ACI if such deduction cannot be attributed to specific customers. Pro rata allocations of any such deduction in accordance with the foregoing will be calculated based on the amount of Customer's deductions solely attributed to Customer (as defined above) as a percentage of all deductions solely attributed to all ACI Customers during the period to which such deduction relates or such other method as ACI determines in its sole discretion is appropriate based on empirical data available to ACI.

(f) Bad Debt Reconciliation and Allocation.

(i) Reconciliation. ACI will, as provided in the B&C Contracts, periodically reconcile the amount withheld by each B&C Processor for bad debts with the actual amount of bad debts incurred by such B&C Processor (a "True-Up Reconciliation"). The determination of whether a bill has become a bad debt will

be made by each B&C Processor. ACI will advise Customer of the results of such Reconciliation.

(ii) Pro Rata Allocations. If any Reconciliation results in a refund to ACI of amounts previously deducted by such B&C Processor (a "Refund"), and, based on data provided to ACI by the applicable B&C Processor, ACI is unable to detennine the amount of such Reconciliation directly attributable to specific customers, then the Refund will be remitted pro rata among Customer and other customers of ACI. Customer's share of any such Refund will be applied in the following order: (i) as an offset against any amounts owed by Customer to ACI pursuant to this Agreement; and (ii) as a cash payment to Customer within thirty (30) days after the receipt of the Refund by ACI.

Likewise, if any Reconciliation results in a deduction in the Remittance paid to ACI in addition to amounts previously deducted by such B&C Processor (a "Deduction"), and, based on data provided to ACI by the applicable B&C Processor, ACI is unable to determine the amount of such Reconciliation directly attributable to specific customers, the amount of any such Deduction will be charged to Customer through a pro rata allocation among Customer and other customers of ACI.

Pro rata allocations of any Refund or Deduction in accordance with the foregoing will be calculated based on either: (x) the amount of revenue represented by the call records submitted by ACI on behalf of Customer to the applicable B&C Processor during the period to which such Refund or Deduction relates compared to the total revenue represented by all call records submitted by ACI on behalf of all of its customers to such B&C Processor during such period; or (y) such other method as ACI determines in its sole discretion is appropriate based on empirical data available to ACI.

Customer-Specific Allocations. Notwithstanding the foregoing, if, based on data provided to ACI by the applicable B&C Processor, ACI is able to directly attribute the amount of any such Reconciliation to its customers on a customer-by-customer basis, then ACI will charge to Customer, or refund to Customer, the applicable amount attributable to Customer as a result of such Reconciliation. The amount of any such refund will be applied in the following order: (i) as an offset against any amounts owed by Customer to ACI pursuant to this Agreement and (ii) as a cash payment to Customer within thirty (30) days after the receipt of such refund by ACI.

3. Taxes

(a) Federal, State, and Local Taxes. ACI will use reasonable efforts to cause the B&C Processors, to the extent that the following services with respect to the calculation of certain taxes are available from such B&C Processors, (i) to calculate all taxes applicable to each Message (the "B&C Processor-Calculated Taxes"), (ii) to furnish the information relating to such B&C Processor-Calculated Taxes to ACI, and (iii) to bill the End Users for all B&C Processor-Calculated Taxes and to the extent that such services with respect to the calculation of Foreign Intrastate Taxes are available from such B&C Processor, Foreign Intrastate Taxes. ACI will calculate Foreign Intrastate Taxes for those B&C Processors that are capable of receiving Foreign Intrastate Tax calculations from ACI. Customer acknowledges and agrees that ACI is acting only as Customer's agent with respect to arranging for the billing and collection of taxes. To the extent that any B&C Processor: (A) does not provide services, or that ACI does not provide such services, with respect to the calculation of the B&C Processor-Calculated Taxes; or (B) is not capable of receiving Foreign Intrastate Tax calculations from ACI, Customer will be responsible for the calculation of such taxes hereunder.

(b) B&C Processor Responsibilities. ACI will have the authority, on behalf of Customer, to authorize the B&C Processors: (i) to calculate the B&C Processor-Calculated Taxes in the same manner as the B&C Processors calculate taxes for their end users; (ii) to bill and collect Foreign Intrastate Taxes as calculated and processed by ACI; and (iii) to establish the tax exempt status of End Users in the same manner as the B&C Processors establish such status for their end users.

(c) Payment of Taxes. Based solely upon the information received from the

B&C Processors with respect to the B&C Processor-Calculated Taxes billed and collected by the B&C Processors, ACI will, on behalf of Customer and other subscribers of ACI, prepare and file in a timely manner with the applicable taxing authorities all returns covering the B&C Processor-Calculated Taxes and ACIcalculated Foreign Intrastate Taxes and will, on behalf of Customer and other subscribers of ACI, pay promptly and in full all of the B&C Processor-Calculated Taxes and ACI-calculated Foreign Intrastate Taxes collected by the B&C Processors from End Users to the appropriate taxing authorities.

(d) Liability. Customer acknowledges and agrees that ACI will have no liability whatsoever to Customer if. (i) the B&C Processors fail to calculate, or incorrectly calculate, the B&C Processor-Calculated Taxes; (ii) the B&C Processors fail to furnish the information relating to the B&C Processor-Calculated Taxes to ACI; (iii) the B&C Processors fail to bill, or incorrectly bill, the End Users, (iv) the B&C Processors fail to establish the tax exempt status of End Users in the same manner as the B&C Processors calculate taxes or establish the tax exempt status for their End Users; or (v) ACI miscalculates any End User's Taxes whether resulting from the use by ACI of inaccurate or incomplete tax or End User information supplied to ACI by or through Customer, or a third party or otherwise, including, but not limited to, the tax status of an End User or the applicable tax rates. Customer will indemnify and defend ACI and will hold ACI harmless from and against any and all claims, actions, damages, liabilities, costs and expenses, including without limitation reasonable attorneys' fees and expenses, that are asserted against or incurred by ACI as a result of or in connection with any of the matters referred to above.

4. Bulletin Board

(a) Bulletin Board Syste . In connection with the provision of services by ACI pursuant to this Agreement, ACI shall provide Customer with access to ACI's proprietary Bulletin Board System (the "Systern") for the purpose of electronically transmitting certain data to ACI and otherwise communicating electronically with ACI, and Customer is required to use such System. ACI will provide Customer with access to the System, and Customer will comply with the terms and conditions relating to such access, as described in Attachment 1 to this Schedule 3.01 and in accordance with the other terms and provisions of this Agreement.

(b) Confidential Information. Customer agrees and acknowledges that, as between Customer and ACI, information available through use of the System, other than Customer Data, constitutes confidential and proprietary information of ACI subject to the restrictions on disclosure thereof set forth in Section 6.03 of this Agreement. In addition to such obligations, Customer agrees to hold any user identification codes and/or passwords provided to Customer for the purpose of utilizing the System in strict confidence and Customer will not disclose such codes and/or passwords to any other Person except employees of Customer who have a need to know such codes and/or passwords. Customer hereby agrees to indemnify and hold harmless ACI, its employees, agents, representatives, directors, and officers from any and all losses, liabilities, costs, and expenses (including, without limitation, reasonable attorneys' fees and expenses) arising from, or relating to, Customer's failure to comply with the provisions of this Section 4(b) of Schedule 3.01.

ATTACHMENT 1 to SCHEDULE 3.01
of
Billing and Related Services Agreement

BULLETIN BOARD SYSTEM: TERMS AND CONDITIONS

Attachment 1 to Schedule 3.01 Bulletin Board System: Terms and Conditions

1. General. In general, the System will permit Customer to either: (a) electronically transmit data to or from ACI; or (b) electronically transmit E-Mail messages to or from ACI or other designated customers of ACI by dialing into the ACI network from remote stations.

2. Customer Use of System; Data. Customer will be solely responsible for being proficient in the use of the System and following such procedures as may be required by ACI from time to time for use of the System. Customer will be responsible for its data and material while such data and material are in

transit to or from ACL ACI may refuse to process, and may return to Customer, any materials or data that in Affs opinion: (a) are not of a quality or condition suitable for processing; (b) do not comply with Affs applicable standards and procedures; or (c) are otherwise not in machine-readable form. Customer will be responsible for correcting rejected data and submitting the same for reentry.

3. Dial-Up Lines; User Identification and Password. ACI will establish and maintain telephone number(s) to be utilized by Customer in connection with use of the System. ACI will also provide to Customer a unique user identification code and password to be used by Customer when accessing the System.

4. Equipment. Customer will be solely responsible for the acquisition and maintenance of any hardware, software, or other materials (collectively, "Equipment") required by Customer for the purpose of utilizing the System. Set forth below is a list of hardware and software recommended by ACI for use with the System:

- - IBM or EBM Compatible 233 MHz Pentiume (minimum)

- - 32MB of RAM or higher

- - Hard disk drive with a minimum of I GB of spare storage space

- - VGA or Super VGA color monitor

- - Mouse

- - Modem with at least 28.8Kb speed (33.6 recommended)

- - LaserJeta Printer or equivalent

- - DOS Version 5.0 or above

- - Microsoft Windowse Version 3.1 or above, Windows 950 or Windows NTO

- - ProComin Pluse (Windows version recommended)

- - Infornakere, Version 6.5 (Required for optional custom reports)

Customer represents and warrants to ACI that any Equipment used by Customer in connection with the System will not impair the System or interfere with the performance thereof. Upon notice from ACI that any Equipment is causing or is likely to cause such interference, Customer will promptly remove or replace such Equipment so that such interference will not occur. ACI reserves the right to require that all Equipment be approved in writing by ACI prior to use with the System.

5. Availability of System. The System may be accessed by Customer during such time periods as ACI may designate from time to time. Customer acknowledges that the System may not be available for access on occasion due to performance of maintenance on the System.

6. Functionality of System. Customer acknowledges that the performance of the System is subject to the functionality of the System from time to time and that, while ACI may in its sole discretion determine to upgrade or enhance the System, ACI is under no obligation to do so.

ATTACHMENT 2 to SCHEDULE 3.01
of
Billing and Related Services Agreement

LICENSED PROGRAM: CONDITIONS AND RESTRICTIONS

Attachment 2 to Schedule 3.01 Licensed Pro2ram: Conditions and Restrictions

1. Grant of License to ProAct

(a) Licensed Projzra . During the Term, ACI hereby grants to Customer and Customer hereby accepts from ACI, a non-exclusive, non-transferable license to

use one copy, in object code form, of the management reporting system software known as ProAct and related user documentation (the "Licensed Program"). Customer agrees to comply with the obligations and restrictions relating to the Licensed Program as described herein, and in accordance with the other terms and conditions of this Agreement.

(b) Ownership of Licensed Progra . The Licensed Program consists of valuable trade secrets of ACI and is and will remain ACI's exclusive property. Customer agrees to notify ACI promptly of any unauthorized disclosure, possession or use of the Licensed Program. If the Licensed Program, in whole or in part, comes into the possession of any unauthorized third party as a result of a breach by Customer of any provision of this Agreement, Customer will be responsible for retrieving the Licensed Program at Customer's own expense and will reimburse ACI for whatever reasonable expenses ACI incurs if ACI assists Customer in such efforts.

2. Restrictions.

A license to the Licensed Program is granted to Customer only in accordance with the terms and conditions contained in this Agreement and subject to the following restrictions:

(a) Customer will be permitted to copy the Licensed Program for its use in accordance with this Agreement and for backup purposes.

(b) Customer acknowledges and agrees that the Licensed Program constitutes confidential and proprietary information of ACI, and Customer will maintain the Licensed Program in strictest confidence and will provide access to the Licensed Program solely to its employees requiring such access. Customer will instruct those employees that the Licensed Program, and all components thereof, are proprietary to, and the trade secrets of, ACI and are subject to Section 6.03 of this Agreement.

(c) Customer will not, and will not permit its employees or agents to sell, assign, lease, license, sublicense, or otherwise transfer or provide the Licensed Program, or any component thereof, rights therein, or access thereto, to any other party for any purpose.

(d) Customer will not remove, alter, or deface any copyright notice or proprietary marking contained on or in the Licensed Program or any copy.

(e) Customer will not modify the Licensed Program or combine it or merge it into any other program. All modifications and derivative versions of the Licensed Program, even though unauthorized, will be the exclusive property of ACI.

(f) Customer will not de-compile, disassemble or reverse engineer the Licensed Program or create, recreate or attempt to create or recreate the source code or other aspects of the Licensed Program.

3. Customer's Responsibilities Related to the Licensed Program.

Customer will be solely responsible for the acquisition and maintenance of all hardware, software or other materials required to utilize the Licensed Program. Customer accepts responsibility for: (i) the selection of the Licensed Program; (ii) the installation of the Licensed Program; (iii) the use of the Licensed Program; and (iv) the results obtained from the Licensed Program. ACI does not warrant that the operation of the Licensed Program will be uninterrupted or effor-free. Customer acknowledges and agrees that the Licensed Program is provided by ACI hereunder "as is" and without warranty.

4. Licensed Program Support.

During the Term, ACI will provide the following support in connection with the Licensed Program:

(a) Telephone Sgpport. ACI will provide telephone support to Customer for requesting operational assistance as it relates specifically to installation and operation of the Licensed Program application (excluding any hardware or system environment problems or operation problems related to Customer's business processes) during regular business hours (8:00 a.m. to 5:00 p.m. Pacific Time), Monday through Friday (excluding Affs holidays).

(b) Routine Maintenance. ACI will provide to Customer maintenance support which will consist of the repair or replacement of the Licensed Program so as to correct any replicable defect or error in its functioning which causes the Licensed Program to fail to conform in all material respects to the Licensed Program documentation. Any other modifications to the Licensed Program will be provided by ACI as an Additional Service pursuant to Section 3.03. As a condition to ACI's maintenance obligation, Customer must notify ACI of the defect or error in sufficient detail to permit the identification, replication and correction thereof.

From time to time, ACI may, in its sole discretion, make updates, improvements or changes to the Licensed Program which may be made available to Customer in separate releases to the Licensed Programs; provided however, ACI has no obligation to make any such updates, improvements or changes.

SCHEDULE 3.02
of
Billing and Related Services Agreement

BILLING RELATED SERVICES

Schedule 3.02 Billing Related Services

1. Inquiry Services.

(a) During the Term, ACI may determine, in its sole discretion and in lieu of inquiry services provided by one or more B&C Processor, to (a) establish toll-free telephone numbers to be used by End Users for the purpose of making inquiries regarding charges for Billable Messages reflected on bills issued by such B&C Processors and (b) provide operators to assist End Users in connection with such inquiries (collectively, the "Primary Inquiry Services"). Customer acknowledges that ACI's election to provide Primary Inquiry Services will be made on a B&C Processor-by-B&C Processor basis and will include all Billable Messages sent to that B&C Processor by or through Customer and other customers of ACI. To the extent that ACI determines to provide such Primary Inquiry Services, ACI will make available such quantity of toll-free telephone numbers as ACI deems necessary for use by End Users in connection with inquiries regarding charges for services that were rendered by Customer and transmitted by ACI to a B&C Processor and will instruct each B&C Processor to refer all inquiries from End Users to such toll-free telephone numbers.

In connection with any Primary Inquiry Services that ACI may provide, ACI will establish and maintain written guidelines that describe the manner in which ACI will respond to End User inquiries, including without limitation the manner in which credits or other appropriate adjustments are to be made, with such supplements and amendments as may be necessary from time to time. ACI will provide Customer with a copy of such written guidelines and any supplements or amendments thereto upon Customer's request. ACI will be responsible for responding to all End User questions and problems related to Billable Messages and will provide appropriate credits and adjustments, all in accordance with the procedures that it establishes. ACI will promptly notify Customer of all credits and adjustments issued by ACI on behalf of Customer. Customer will designate a service representative who will cooperate with ACI to the fullest extent possible in resolving any questions or problems.

(b) Upon the written request of Customer in connection with any Primary Inquiry Services that ACI provides, ACI, in its sole discretion, may automatically transfer End User inquiries to Customer's call center for handling by Customer, provided Customer complies with the following with respect to the handling of all such End User inquiries:

G) Customer must maintain a toll-free customer service telephone number to handle all End User inquiries which are automatically transferred to Customer's call center;

(ii) All End User inquiries must be handled only by live operators and not by message machine or other devices, at a service level that meets or

exceeds parameters set from time to time by ACI;

(iii) ACI has the right at any time and from time to time to monitor calls to verify that End User inquiries are being handled appropriately by Customer's call center;

(iv) ACI will handle all End User credits or other adjustments and Customer will, within three Business Days of the End User inquiry, provide to ACI all information necessary for ACI to provide such End User credits or adjustments in accordance with its established procedures. All such credit and adjustment information will be provided to ACI in a format approved by ACI. Customer agrees that it will not issue End User credits or adjustments of any type in a manner other than stated above in this Schedule 3.02, Section(b)(iv);

(v) Customer will be responsible for providing to ACI updated subscriber account information (name, address, service type, etc.) in a format approved by ACI, on a regular basis as determined by ACI; but in no event less than monthly; and

(vi) Customer acknowledges that the determination of ACI to transfer End User inquiries to customer will be made on a customer identification number-by-custorner identification number basis and will include all inquiries related to any such customer identification number.

Notwithstanding anything above in this section to the contrary, ACI may, in its sole discretion and at any time, discontinue the transferring of End User inquiries to Customer's call center if Customer fails to satisfactorily handle any End User inquiry. The transfer of End User inquiries to Customer does not abridge Affs right to issue End User adjustments or credits in accordance with its established procedures.

2. Complaint Processing Services.

ACI will process regulatory and legislative complaints relating to Customer (the "Complaint Processing Services") as described in this Section 2 of Schedule 3.02. The Complaint Processing Services consist of the following:

(a) Logging and tracking complaints by type for the purpose of identifying and alerting customers regarding existing or potential problems;

(b) Retrieving call details and adjustment histories for carrier identification;

(c) Generating letters to consumers or inquiring federal or state agencies acknowledging receipt of complaints and identifying carriers, with copies to all relevant parties; and

(d) Providing carriers with all of the foregoing information for resolution.

(e) Upon complaint resolution by carriers, generating letters acknowledging responses from carriers to consumers and/or inquiring agencies, commissions or legislative bodies, with copies to all relevant parties.

SCHEDULE 3.03
of
Billing and Related Services Agreement

ADDITIONAL SERVICES

Schedule 3.03 Additional Services

Service	Charge
LOCATION LOOKUP FEATURE	No Charge
ACCOUNT LOOKUP FEATURE	No Charge
SUB-CARRIER IDENTIFICATION CODE (Sub-CIC) Set UP	$3,500 Each
CUSTOMER IDENTIFICATION NUMBER	$ 100 Each Set Up
ON-SITE CUSTOMER TRAINING	Actual travel and actual out-of-pocket expenses.

PROFESSIONAL SERVICES [I Hour Minimum] $ 1501Ho

SCHEDULE 3.04
of
Billing and Related Services Agreement

SAFEGUARDING AND RETENTION OF CUSTOMER DATA

Schedule 3.04 Safe2uarding and Retention of Customer Data

1. Retention Schedule.

ACI will store any Customer Data that is sent off-site for disaster recovery purposes in a protected vault for up to one year.

2. Off-Site Data Storage.

The off-site storage facility will employ security and environmental protection systems that guard against theft and fire and that control humidity and temperature.

3. Facility Security.

ACI will perform the Billing Services at locations that employ controlled access systems and alarm systems that guard against theft, fire, heat and water.

4. Contin2ency Plan.

ACI will maintain an up-to-date contingency plan to facilitate continued processing of Billable Messages in the event of a catastrophe or other event of natural force majeure or in the event of single processor failure within an ACI data center or the failure of the entire ACI data center.

SCHEDULE 4.01
of
Billing and Related Services Agreement

TERM AND COMPENSATION TO ACI

Schedule 4.01 Term and Compensation to ACI

1. Billine Services Charges.

(a) Svecial Service Message Fee. The Special Service Message (SSM) fee will apply to all billable SSMs. This fee will be calculated based on the average revenue per transaction of all

SSMs processed within a calendar month.

Average End-User Charge Per Message	Per Message Fee
$00.01 - 10.00	1.5%
$10.01 - 20.00	1.7%
$20.01 - 30.00	2.0%
$30.01 - 40.00	2.4%
$40.01 - 50.00	2.8%
$50.01-	Fee to be established by ACI on an individual case basis

Special Service Message Approval Process and Irnplementation. (First Charge Phrase).	$1,000
Implementation fee for each charge phrase	$500

By way of example, and for informational purposes only, if the average amount of

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each charge to the End-User is $10.00, the charge as calculated in accordance with the above table would be as follows:

SSM Processing Fee/message:	$00.15
Billing and Collection Fee:	IQQM
Total Billing Services Charge/message:	$00.15

(b) Minimum Message Reguirement. Notwithstanding Section l(a) of this Schedule 4.0 1, Customer will submit to ACI for processing hereunder not less than the amount reflected in the table below for the applicable period of the Term (the "Minimum Requirement"):

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Period Following Services Commencement Date	Minimum Requirement
Months I - 36	$1,000 Per Month
Each Month Thereafter	$1,000 Per Month

(c) Excess Rejected Messages. The service charges reflected above are applicable only to Billable Messages; if, however, more than two percent of the Messages submitted by Customer and its Clients to ACI during any particular month are Rejected Messages, and such Rejected Messages are deemed as such due to errors or ornissions of Customer and/or its Clients, Customer will pay to ACI for each such Rejected Message an amount equal to the charge for a Billable Message set forth in Section 1 (a) of this Schedule 4.0 1.

2. Inouiry Services Charges.

Customer will pay ACI $4.25 (plus any applicable charge of the B&C Processor) for each inquiry handled by ACI in respect of Special Service Messages. Such charges are subject to adjustment from time to time by ACI upon 60 days'prior notice to Customer.

With respect to each End User inquiry that ACI automatically transfers to Customer's call center for handling by Customer pursuant to Section I (b) of Schedule 3.02, Customer will pay ACI a fee of $50. With respect to each End User Inquiry that ACI manually transfers to Customer's call center for handling by Customer, Customer will pay ACI a fee of $1.50. With respect to each End User inquiry that ACI refers (by giving the End-User Customer's toll-free telephone number) to Customer's call center for handling by Customer, Customer will pay ACI a fee of $ 1.00. In addition, Customer will pay ACI a fee of $0.35 for each credit or adjustment request submitted to ACI by Customer in ACI's prescribed electronic format. A one-time set-up fee of $200 will be charged upon initiation of service and again anytime a change or addition is requested.

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3. Complaint Processina Charges.

With respect to each legislative or regulatory complaint for which ACI provides Complaint Processing Services, Customer will pay ACI the amount of fifty dollars ($50.00) plus any out-ofpocket expenses incurred by ACI in connection with providing the Complaint Processing Services. Charges due ACI for Complaint Processing Services are subject to adjustment from time to time by ACI upon sixty (60) days' prior notice to Customer.

4. Calculation of B&C Processor Fees.

Special Service Messaaes. During the Term of the Agreement, provided that the number of Customer's Billable SSMs per month is equal to or more than 1.5 per LEC per End User telephone bill, each B&C Processor's charges for processing Billable SSMs will be calculated to reflect the Customer's actual number of Billable SSMs per bill per B&C Processor.

By way of example, if the Ameritech number of Billable Messages per bill is 1.4, then the B&C Processor charge will be calculated as follows:

@ 1.4 Billable Messages per bill	=	$0.400	Render fee
1.4 Messages x . 10 Processing Fee	=	$0.140	Message Processing Fee
	=	$0.540	Total Fee therefore;
B&C Processor Fee	=	$0.3857	per Message
Data Transmission Fee	=	$0.0045	ver Messaae
	=	$0.3902	Total Fee per Message

If the actual number of Billable SSMs per bill is less than 1.5, or if the B&C Processor does not provide a discount calculated in the foregoing manner, each B&C Processor's charges passed through to Customer will be equal to the average charge for all similar customers processing 0+ Billable Messages.

Notwithstanding anything in this Section 4 to the contrary, in no event will the B&C Processor's charges passed through to Customer be less than the fee paid by ACI to such B&C Processors.

SCHEDULE5.01
of
Billing and Related Services Agreement

CUSTOMER BILLING OBLIGATIONS

Schedule 5.01 Customer Billing Obligations

1. Billing Obligations.

(a) Preliminary Processing and Delivery of Messages. Customer will acquire Message data and will perform all of the preliminary processing of the Messages, which will include ensuring that the charge for each Message has been computed, arranging Message data in the Approved Message Format and providing the applicable batch control totals, including the total number of Messages and the total dollar amount of the charges per submission. After such preliminary processing has been completed, Customer will, at Customer's expense, deliver to ACI the Message data in a form or manner that is determined by ACI Software. Customer acknowledges that ACI will have no obligation to accept for processing any Message data that does not conform to the Approved Message Format.

(b) Singular Billing. With respect to the Message data submitted by Customer, ACI will be the sole, exclusive billing service provider for such Message data, and no Message data submitte will be for-wa+ded to, billed by, Qistempr- Ar- any other billing agent or clearinghouse.

(c) Tariff Information and Rate Tables. Upon request, Customer will provide ACI with copies: (i) of all effective tariffs filed by Customer with Governmental Authorities; and (ii) of its current rate tables, in each case with such supplements and amendments as may be necessary from time to time.

(d) Charges and Assessments. Customer will be responsible for, and will be obligated to pay: (i) any charges or assessments by any B&C Processor as a result of uncollectible charges for Messages billed, including any amounts owed if the amount of uncollectible charges exceeds the amount of the bad debt withholding; (ii) any charges or assessments by any taxing authority or Governmental Authority as a result of the nonpayment of Taxes by Customer; (iii) all costs and expenses related to each item that is to be provided by or through Customer pursuant to this Agreement and for which the financial responsibility has not been expressly assigned to ACI; and (iv) any other charges or assessments owing by ACI for which Customer has agreed to indemnify ACI pursuant to this Agreement.

2. Taxes.

(a) Customer Calculated Taxes. Customer will be solely responsible for calculating, and advising ACI with respect to any Taxes that are not calculated by ACI as described herein ("CustomerCalculated Taxes").

(b) Tax Returns. Customer will be solely responsible for preparing and filing in a timely manner with the applicable taxing authorities and

Governmental Authorities all returns covering Customer-Calculated Taxes and for promptly paying in full and remitting to such taxing authorities and Governmental Authorities all Customer-Calculated Taxes owed. At the request of ACI from time to time, Customer will provide ACI with copies of any and all tax returns that Customer has prepared and filed and other applicable information relating to the payment of the Customer-Calculated Taxes; provided,

Initials

however, that Customer will not be required to provide ACI with any information regarding Customer's federal, state or local income taxes. Notwithstanding the foregoing, Customer will not be deemed to be in breach of this Section 2(b) if it is contesting in good faith the imposition of any unpaid CustomerCalculated Taxes in appropriate administrative or judicial proceedings.

SCHEDULE 5.07
of
Billing and Related Services Agreement

REPRESENTATIONS AND WARRANTIES

Schedule 5.07 Representations and Warranties

Customer represents warrants, covenants and agrees:

1. Customer does not and will not engage in unfair and/or deceptive trade practices.

2. Customer does not and will not make false or misleading representations about its products and/or services.

3. Customer will submit to ACI for billing only those products or services that directly pertain to a properly consenting End User's own telephone line or number. Without limiting the foregoing, Customer will not submit to ACI for billing any services or products relating to each of the following, or combination thereof:

a) Box, sweepstakes or contest-type entry forms.

b) Negative option sales offers, including negative option "free trial" periods.

C) 800 number pay per call.

d) Collect call back.

e) Phantom billing - or billing for calls or services never provided.

f) Club or membership fees (including, but not limited to psychic, sports, prescription and/or travel card clubs).

4. For each new End User after the Effective date, prior to submitting for billing any records in compliance with the above, each order or request for a program, product or service so billed will be authorized by the End User, and confirmed, by one of the following methods, subject to applicable law:

a) hidependent Third Party Verification provided by an entity completely separate and not affiliated with Customer or any of its owners, officers, or employees; compensation to the independent entity will not be based on the number of positive authorizations or sales.

b) Letter of Authorization or sales order.

C) Voice recording of telephone sales authorization.

5. Any authorization and confirmation noted in Section 4 above will, at a minimum, contain

the following:

a) The date.

b) The name, address and telephone number of the End User.

C) Assurance that the End User is qualified to authorize billing.

d) A description of the product or service.

e) A description of the applicable charges.

f) An explicit End User acknowledgement that the charges for the product or services will appear on their next telephone bill.

g) The acceptance by the End User of the offer.

6. In addition, authorization verified by an independent third party must include:

a) An initial statement that the purpose of the verifications is to confirm the consumer's intention to accept the sales offer.

b) A statement that the service provider is not affiliated with a LEC, where there is no affiliation.

C) A unique consumer identifier.

d) A review by third party personnel of the entire verification where the verification

is automated.

e) An independent third party verifier must meet the following criteria:

(i) It must be completely independent of the service provider and the

telemarketer.

(ii) It must not be owned, managed, controlled or directed by the service provider or the telemarketer.

(iii) It must not have any financial incentive in the completion of the sale.

(iv) It must operate in a location physically separate from the service

provider and the telemarketer.

7. If requested, Customer shall supply to ACI:

a) Names of officers and principals of Customer.

b) Proof of corporate or partnership status of Customer.

C) Copies of certifications as required.

d) Foreign corporation filings as required.

e) Any information regarding whether Customer or its affiliates and/or its officers or principals have been subject to prior conviction for fraud or have had billing services terminated.

f) That any tariffs of Customer be made available on request.

g) The names, addresses, officers and principals of any telemarketing companies to be used by the service provider.

h) The names, addresses, officers and principals of any third party verification companies to be used by the service provider.

8. If requested Customer shall provide to ACI for each of its products, and/or services or programs for which services are billed:

a) Marketing materials.

b) Advertisements (print or other media).

C) Applicable fulfillment package (which must include cancellation information if not included elsewhere and a toll free customer service telephone number).

d) Scripts for both sales and verification.

e) Honest, clear, and understandable text phrase for telephone bill.

f) Prior notification of any material change in the above information.

9. Messages submitted to ACI for billing:

a) Strictly meet and/or adhere to the requirements of all federal, state, and local laws, rules regulations, ordinances, orders, and/or judgments, including but not limited to those of the Federal Communications Commission, the Federal Trade Commission, and any state Public Service[Utility Commission or attorney general;

b) Strictly meet and adhere to the requirements of any policy of ACI, B&C Processor or Laws;

C) Is the valid, legally enforceable and unconditional obligation of the Person who is indicated by Customer to be obligated on such a Message for products and/or services previously rendered;

d) Is genuine and in all respects what it purports to be, and is not evidenced by a judgment;

e) Arises out of the completed delivery of telecommunications services in the ordinary course of Customer's business and in accordance with the terms and conditions of any contracts or other documents related thereto;

f) Is for a specific amount due and owing so reflected and is not evidenced by a chattel paper, promissory note or other instrument;

g) Is not subject to any offset, deduction, or agreement for offset or deduction, or any defense, dispute, counterclaim, or any other claim, defense or adverse condition, and is absolutely owing to Customer, and is not contingent in any respect or for any reason except for matters for which discounts, credits or allowances are granted by Customer in the ordinary course of business consistent with past practices which have been reflected on the information submitted to ACI for processing;

h) There are no facts, events or occurrences that in any way impair the validity or enforceability thereof, or tend to reduce the amount payable reflected in a Message;

i) Without limiting any other provisions of the Agreement, the End User: (i) had the capacity to enter into at the time any contract or other document relating to such Message; and (ii) such End User is solvent;

j) There is no fact or circumstance which would impair the validity or collectability of, or the charges on, the Message, by Customer and/or its permitted assignee or designee, and there are no proceedings or actions which are threatened or pending against or on behalf of the End User which might result in any material adverse change in the collectability of the charges on a Message;

k) All supporting documents and other evidence of Messages delivered to ACI are complete and correct and valid and enforceable in accordance with their terms, and all signatures and endorsements that appear thereon are genuine;

1) Customer has the full and unqualified right to submit Messages to ACI for processing;

in) Each message: (i) has not been previously billed or submitted to any Person other than ACI for billing and collection; (ii) is not subject to any Liens or factoring arrangements, except exclusively through ACI; and (iii) does not relate to services performed more than ninety (90) days prior to the date said message was received by ACI for processing; and

n) Such message does not arise out of services performed for: (i) Customer; (ii) any subsidiary or Affiliate of Customer; (iii) any End User located outside the United States of America; or (iv) any Governmental Authority, domestic or foreign.

10. Customer nor its affiliates, parents, subsidiaries, officers, directors, members, owners, partners, shareholders (excluding non-controlling shareholders for public companies), employees, agents, representatives, joint venturers, successors and permitted assigns have been convicted of fraud, or have had billing services terminated.

Exhibit 10.34

infoUSA

infoUSA, Inc.
Master Database and Services Agreement
& Terms & Conditions

This agreement (the "Agreement") is entered into this 31st day of July, 2002

between InfoUSA, Inc., a Delaware Corporation, with its principal place of

business at 5711 South 86th Circle, Omaha, Nebraska SS127, and

(hereinafter known as "Customer") YP.net, Inc., Yellow-Page.net, Simple.net Group, Telco Billing, Inc., BESI

with its principal place of business at 4840 E. Jasmine Street, Suite 105. Mesa. AZ 85205

Phone: 480-325-4303

The parties to this Agreement, in consideration of the mutual covenants set forth herein, agree as follows.

A. DURATION

This Agreement, which includes the Terms and Conditions attached hereto and incorporated by reference herein, is effective from the above date and shall remain in force for a term of three year(s) (Initial Term), unless otherwise terminated in accordance with the provisions contained herein. Following the Initial Term, the Agreement may be renewed for subsequent terms of 1 year each. As used herein, "Term" shall mean the Initial Term and any renewal term Renewal shall be automatic unless either party notifies the other of its desire not to renew at least ninety (90) days prior to the end of the then current Term; provided, however, that either party may terminate the Agreement immediately in the event the other party is in default hereunder and fails to cure such default within forty-five (45) days of written notice from the other party specifying the nature of such default.

B. PURPOSE

Customer shall have use of the Licensed Data for marketing to prospects. The Licensed Data may be used for direct marketing activities, database marketing, telemarketing, market analysis, or for any other permitted use as described below. The Licensed Data is for: (check one) _____ single use/X multiple use. If Customer has multiple subsidiaries and divisions, the use of the Licensed Data will be limited to me entity or division executing this Agreement. Upon completion of the authorized use of the Licensed Data, Customer shall delete all Licensed Data from its database and files, and return all copies of the Licensed Data to infoUSA and cease any and all use of the Licensed Data.
Other permitted use: None

C. LICENSED DATA

infoUSA shall provide to Customer the Licensed Data as specified in Appendix B attached hereto and incorporated herein by reference.

D. PRICE

For the use of infoUSA's Licensed Data, Customer agrees to pay infoUSA a license fee as set forth below, plus state sales tax and shipping charges:

First Year Fee	$65.000.00
Each Subsequent Year	$65,000.00

Other fee arrangement

The fee shall be due upon receipt of infoUSA's invoice.

E. OWNERSHIP

infoUSA is the sole owner, copyright holder, or a licensed distributor of all data covered in this Agreement. Customer acknowledges that ownership in and to the data licensed under this Agreement remains with infoUSA and that Customer has no rights of use, ownership, distribution, or transmittal outside the purposes described in this Agreement. All displays of infoUSA data in print or electronic media must carry infoUSA's copyright notice as follows: "Data provided by infoUSA, Omaha, NE, Copyright (c)2001, All Rights Reserved,"

F. Affirmative Covenants of Licensee.

During the Term, Licensee agrees to each of the following (with the more restrictive applying in the event of a conflict):

(i) Store the Database in its original form at its primary place of business, and, upon prior written notice to Licensor, such other places consistent with this Agreement and not make or permit to be made any other copies of the Database; provided, however, at each location where the Database is properly stored, one copy of the Database may be made for back-up purposes; and provided, further, that upon prior written notice to Licensor setting forth in reasonable detail the reasons for additional copies, such additional copies may be made;

(ii) Use the Database in compliance with (a) all federal, state and local laws, statutes, rules, regulations and ordinances including, without limitation, the FCRA, (b) all applicable privacy and data protection laws, rules and regulations, (c) all regulations, rules and policies adopted by Licensor, and (d) all regulations, rules and policies published by associations or groups in which Licensor is or becomes a member and to which regulations, rules and policies Licensor adheres; provided, however, that Licensor shall provide Licensee with copies of any such regulations, rules and policies and such regulations currently available and that are published in the future;

(iii) Require that all marketing efforts, solicitations, advertising copy and other communications derived either in whole or in part from the Database (a) not contain any reference to any selection criteria or presumed knowledge concerning the intended recipient of such solicitation or the source of such recipient's name and address, (b) be designed such that the recipient of such communication cannot determine that state title or registration information was used as an information source; and (c) be in good taste in accordance with generally recognized standards of high integrity;

(iv) Restrict its Customers from using telephone numbers or vehicle identification in any telemarketing script or in the address, envelope or body of a letter, solicitation, advertisement or the like that is used in a direct marketing program;

(v) Use information derived either in whole or in part from the Database solely for its own marketing programs, decision support purposes or information services for the purposes set forth in Appendix B;

(vi) Adhere to the restrictions regarding promotional mailings set forth in

Appendix C.

(vii) Adhere to the Confidentiality Statement set forth in Appendix A.

G. Negative Covenants of Licensee.

During the Term, Licensee agrees not to:

(i) make the Database or any portion thereof available in an on-line environment except by an appropriately secured and encrypted bulletin board service, tape-to-tape batch transmission, or remote job entry;

(ii) Use the Database, either in whole or in part, as a factor in (a) establishing an individual's eligibility for credit or insurance, (b) connection with underwriting individual insurance; (c) evaluating an individual for employment or promotions, reassignment or retention as an employee, (d) in connection with a determination of an individual's eligibility for a license or other benefit granted by a governmental authority; or (e) in any other manner in which the usage of the Database or any information contained therein would cause such information to the construed as a Consumer Report by any regulatory authority having jurisdiction over Licensor, Licensee or the Database.

H. Notices

Notices to either party to this Agreement shall be in writing and shall be deemed to have been given when sent by certified mail to the below listed addresses. Invoices shall oe sent to the Customer by first class mail.

infoUSA	Customer
Attn: Corporate Counsel	Attention: Y.P. Net, Inc. Don Reiss
S711 South 86th Circle	
Omaha, NE 63127	Address: 4840 E Jasmine #110
	Mesa, Arizona 85205

Appendix es Attached;

Appendix A: Confidentiality Statement (NDA)

Appendix B: Business Data

Appendix C: Services Agreement

Appendix D: infoUSA Proposal

TERMS AND CONDITIONS

I. LICENSE

infoUSA hereby grants and Customer hereby accepts a nontransferable and non-exclusive License to use the Licensed Data and updates thereto as more particularly described in the Agreement attached hereto. The Agreement and these Terms and Conditions are collectively referred to herein as the "Agreement".

II. DATABASE

1. infoUSA shall provide to the Customer a tape or other medium, as agreed, containing the Licensed Data for Customer's use during the term of the Agreement.

2. infoUSA shall ship the Licensed Data to the Customer within ten (10) days of receipt of this executed Agreement. Shipment shall be to Customer's address as described in the Agreement or such other address as Customer may provide in writing to infoUSA.

3. Customer shall have use of the Licensed Data for only the purpose described in the Agreement.

4. Customer shall not use the Licensed Data to create, modify, and or update lists, directories, or compilations of any kind in any medium, that will be sold, exchanged, transmitted or provided, whether or not for value, to any person not employed by the Customer except as specified in the Agreement. Further, the Customer shall not assign, sublicense, transfer or otherwise encumber or dispose of any interest in the Licensed Data or the Agreement.

5. Customer agrees that it shall take appropriate action with its employees, by agreement or otherwise, to satisfy its obligations with respect to the use of the Licensed Data, to protect infoUSA's copyrights and the restrictions imposed by the Agreement. The restrictions contained within the Agreement shall survive for a period of three years after the termination of this Agreement.

III. PAYMENT

1. For the use of the Licensed Data, Customer agrees to pay infoUSA a fee as detailed in the Agreement. Customer also shall pay any shipping or other charges incurred by infoUSA on the Customer's behalf, including, but not limited to. all taxes of any kind levied by any federal, state or municipal government or governmental agency that infoUSA is required to pay as a result of this Agreement. The Customer shall specifically exclude infoUSA's income taxes from this liability.

2. infoUSA shall send Customer an invoice for payments and other charges due and owing to infoUSA. Customer agrees to pay the invoice in full upon receipt of the invoice. If payment is not received within thirty days Customer shall be charged a one and one-half percent interest rate per month, for a total of eighteen percent per annum, on the outstanding balance. Non-payment of fees or other charges due infoUSA may at infoUSA's sole option be considered a breach of this Agreement and shall excuse further performance by infoUSA.

IV. WARRANTY

1. The infoUSA database is licensed on an "AS IS" basis without guarantee. infoUSA does not guarantee that the infoUSA database will meet the Customer's requirements; that ii will operate in the combinations, or in the equipment, selected by the Customer; or that its operation will be error-free or without interruption.

2. EXCEPT AS STATED HEREIN, infoUSA MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY OF MERCHANTABILITY.

3. infoUSA shall not be liable for consequential or incidental damages, or for any lost profits, or any claim or demand of a similar nature or kind, whether asserted by Customer against InfoUSA or against infoUSA by any other party, even if infoUSA has been .advised of the possibility of such damages. In no event shall infoUSA's entire aggregate liability for damages exceed the amount paid, to infoUSA by Customer under this Agreement

V. GOVERNING LAW

This agreement is entered into in the State of Nebraska and its provisions shall be construed in accordance with the laws of Nebraska without regard to Nebraska's conflicts of laws principles. Further, in the event a dispute arises between infoUSA and the Customer regarding the terms or performance of this Agreement, the parties consent to the exclusive jurisdiction of the Nebraska courts.

VI. SEVERABILITY

1. It is understood and agreed by infoUSA and the Customer that if any part, term or provision of the Agreement is construed by a court of competent jurisdiction to be invalid, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of InfoUSA and the Customer shall be construed and enforced as if the Agreement did not contain the particular part, term or provision determined to be invalid.

VII. EXCUSE OF PERFORMANCE

This Agreement is subject to and contingent upon force majeure and other delays outside the control of infoUSA. If delivery of the Licensed Data is prevented by any cause of force majeure, infoUSA shall not be liable for damages, consequential or otherwise, that the Customer may suffer.

VIII. MODIFICATION

1. This Agreement contains the entire Agreement between infoUSA and the Customer. No statements, promises or inducements made by either infoUSA or Customer shall be valid or binding upon either party.

2 This Agreement may not be modified, altered or enlarged except in writing and signed by infoUSA and the Customer.

IX. BREACH

1. In the event the Customer shall fail to make any payment to infoUSA within sixty days of its due date, or shall breach any of the terms or

conditions or provisions of this Agreement. InfoUSA. at its sole discretion and in addition to any of its other rights at law or equity, may either terminate this Agreement or may seek specific performance.

2. If infoUSA initiates a lawsuit to enforce its rights under this Agreement, the Customer agrees to pay infoUSA's attorney's fees and costs, if infoUSA prevails.

X. PROCESSOR AGREEMENT

The infoUSA database may be furnished to an outside or other third-party processor, only after (i) InfoUSA. has received infoUSA's Third Party Information Processor Agreement, duly executed by the third party processor; and (ii) infoUSA has given written authorization to Customer to allow processor access to the infoUSA database for Customer's processing, subject to all terms, conditions, limitations and restrictions in the Agreement.

XI. DISTRIBUTION APPROVAL

infoUSA reserves the right to require Customer to secure InfoUSA's advance approval of any materials that Customer proposes to mail or otherwise distribute to any names or addresses provided by infoUSA.

XII. CUSTOMER RESPONSIBILITIES

1. infoUSA Inc./InfoUSA Marketing, Inc. and all of their affiliated companies (hereinafter the "Company") will provide the product/services as requested by Customer as shown below. Customer will have 4 days after receipt of the product/services provided by the Company to inspect the product/services and notify the Company of any problems or mistakes. If the Company has made a mistake, then the Company will correct the mistake at no additional charge. In any case, the Company's liability shall be limited to the amount paid to the Company by Customer. If Customer does not inform the Company within 14 days of receipt of product/services that there is a problem or mistake, both parties agree that the product/services are accepted. After the 14-day period has elapsed. the Company will not have any liability whatsoever to Customer.

2. Customer will provide testimonials and Company may reference Customer directly or indirectly in any of its publicity or marketing materials XIII. NON-SOLICITATION The parties agree that during the term of the agreement, neither will directly or indirectly initiate communications with an employee of the other relating to possible employment with such party. This paragraph shall not prohibit either party from hiring employees of the other who themselves initiate communications relating to possible employment.

3. XII. NON-SOLICITATION

The parties agree that during the term of the agreement, neither will directly or indirectly initiate communications with an employee of the other relating to possible employment with such party. This paragraph shall not prohibit either party from hiring employees of the other who themselves initiate communications relating to possible employment.

AUTHORIZED SIGNATURES

Each signatory to this Agreement represents and warrants that he or she has the authority to execute this Agreement on behalf of his or her party

infoUSA (must be Level 9 or higher)

Authorized Signature /s/ Drew Lundgren

Printed Name Title Drew Lundgren, VP. MID MARKETS

Dated: 8/12/02

CUSTOMER:

Authorized Signature /s/ Angelo Tullo

Printed Name Title Angelo Tullo, President

Dated: 7/31/02

APPENDIX A

CONFIDENTIALITY STATEMENT (NDA)

CONFIDENTIALITY. During die Term, and for a period of two years thereafter, each party shall:

(i) limit access to any Confidential Information of the other party received by it to its employees who have a need-to-know in connection with the performance of such party's duties and obligations under this Agreement;

(ii) advise its employees having access 1o the Con fi dim hi I Information of the other party of the proprietary nature thereof and of ili; obligations set forth in this Agreement;

(iii) safeguard all Confidential Information of the other party received by it using a reasonable degree of cane, but not less than that degree of core used by it in safeguarding its own similar information or material

(iv) Not disclose any Confidential Information of the other party received by it to third parties otherwise than in conformity with the provisions of this Agreement;

(v) not disclose the terms and conditions of this Agreement to any third party; and

(vi) be responsible for any breath of the terms hereunder by the party or any person who receives any Confidential Information from such party. Nothing in the foregoing shall limit Licensor or Licensee use of the Database consistent with this Agreement. As used in this Agreement, the term "Confidential Information" means

(a) any data or information that is competitively sensitive material, and not generally known to the public, including, but not limited Iii, products, planning information, marketing strategies, plans, finance, operations, customer relationships, customer profiles, sales estimates, business plans, the Database, the data elements contained in the database or (lie configuration thereof and internal performance results relating to the past, present or future business activities of the parties, their respective parent corporations, their respective subsidiaries and affiliated companies and the customers, clients and supplier of any of die foregoing;

(b) any scientific or technical information, design, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords either party a competitive advantage over its competitors; and

(c) all confidential or proprietary concepts, documentation, reports, data, specifications, substances, engineering and laboratory notebooks, drawings, diagrams, specifications, bills of material, equipment, prototypes and models, computer software, source code, object code, flow charts, databases, inventions, information, know-how, show-how and trade secrets, whether or not patentable or copyrightable.

The term "Confidential Information" shall not include information that:

(I) was in the public domain prior to the date of this Agreement or subsequently came into the public domain through no fault of the party receiving such Confidential Information;

(II) was lawfully received by the recipient party from a third party free of any contractual or fiduciary obligation of confidence to the non-disclosing party in connection with such Confidential Information;

(III) was already known or in Ihe possession of the recipient party prior to receipt thereof from the disclosing party, as evidenced by such party's written records;

(IV) is required to be publicly disclosed in a judicial or administrative proceeding after all reasonable legal remedies for maintaining such information

in confidence have been exhausted including, without limitation, giving the disclosing party as much advance notice of the possibility of such disclosure as practical so that such disclosing parly may attempt to stop such disclosure or obtain a protective order concerning such disclosure;

(V) is filed with any governmental or regulatory authority and available to the public; or

(VI) is subsequently and independently developed by employees, consultants or agents of the recipient party without reference to the Confidential Information disclosed under this Agreement,

The parties agree that money damages would not be a sufficient remedy for breach of the obligations of confidentiality set forth in this Section 12. Accordingly, in addition to all other remedies that either party may have in law or in equity, each such party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any breach of the confidentiality by the other party.

Customer initials _____
infoUSA initials _____

APPENDIX B

BUSINESS DATABASE SELECTION & OUTPUT Format

1. Database SELECTION CRITERIA: Full US Business Database, one record per location

2. GEOGRAPHY: X Total USA Total Other

3. Update Frequency: Quarterly

4. OUTPUT: Tape Cartridge X CD-ROM Diskette Other

X ASCII EBCDIC FTP E-Mail DLT Format

5. DATA ELEMENTS - The Licensed Data shall include the following data elements, where available (cheek one):

<TABLE>
<CAPTION>

278 LAYOUT (PARTIAL DATABASE)

<S>	<C>	<C>
ABI Number	Headquarters/Branch Code	Secondary SIC Code #3
Ad Size Code	Individual/Firm Code	Secondary SIC Code #4
Address	Industry Specific Code	Selected SIC Code
Area Code & Phone Number	Key Code	Slate Abbreviation
Business Name	Last Name	State Numeric Code
Carrier Route Code	Location Employee Size Code	Subsidiary Parent Number
City	Location Output/Sales Code	Telephone Number(excluding SIC
Contact Name/Title Address	Office Size Code	80)
County Numeric Code	Population Code	Title Code
Date Added to Database	Primary SIC Code	Ultimate Parent Number
Fax Number	Production Date (MMDDYY)	Year of First Appearance
First Name	Professional Title	Zip Code
Franchise/Specialty	Secondary SIC Code #1	Zip+4 Code
Gender Code	Secondary SIC Code #2	

</TABLE>

<TABLE>

<CAPTION>

. 378 LAYOUT (THE 278 DATA ELEMENTS, PLUS THE FOLLOWING)

<S>	<C>	<C>
Credit Code	Secondary City	Total Employee Size Code
Delivery Point Bar Code	Secondary State	Total No. Employees (Actual)
Number of Employees (Actual)	Secondary Zip Code	Total Output/Sales Code
Public Co. Indicator	Slock Exchange Code	
Secondary Address	Slock Ticker Symbol	

</TABLE>

ADDITIONAL DATA ELEMENTS: (LIST)

OUTPUT SHALL INCLUDE: COMPANY NAME, FULL ADDRESS. PHONE NUMBER, FAX NUMBER. SIC CODES WITH FULL DESCRIPTIONS FUN TO 4 PER RECORD), GEO CODES AND ABI NUMBER.

Customer initials _____

(infoUSA initials _____

Exhibit 21

YP.Net, Inc Subsidiaries

Subsidiary of YP.Net, Inc.

Telco Billing, Inc. 100% Owned

Exhibit 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Angelo Tullo, Chairman of YP.Net, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Annual Report on Form 10-QSB of the Company for the fiscal year ended September 30, 2002 (the "Report") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2003

/s/ ANGELO TULLO

Angelo Tullo,
Chairman

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, David Iannini, Chief Financial Officer of YP.Net, Inc. (the "Company"), certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Annual Report on Form 10-KSB of the Company for the fiscal year ended September 30, 2002 (the "Report") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2003

/s/ DAVID IANNINI

David Iannini,
Chief Financial Officer