

FRANK, RIMERMAN + CO. LLP

CERTIFIED PUBLIC ACCOUNTANTS

May 2, 2002

Mr. Carl Malamud
Internet Multicasting Service, Inc.
P.O. Box 217
Stewarts Point, California 95480

Dear Carl:

Per your request, attached is the pdf file of the compilation of Internet Multicasting Service, Inc. as of December 31, 2001.

If you would like additional bound copies of the compilation, please do not hesitate to call me. It has been a pleasure serving you!

Very truly yours,

FRANK, RIMERMAN & CO. LLP



Stephen M. Baroni

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Internet Multicasting Service, Inc.
Financial Statements
March 31, 2002 and December 31, 2001

Mr. Carl Malamud
Internet Multicasting Service, Inc.
Stewart's Point, California

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

We have compiled the accompanying statements of financial position of Internet Multicasting Service, Inc. (a Delaware non-profit corporation) as of March 31, 2002 and December 31, 2001, and the related statements of revenue and expenses and changes in net assets for the three months ended March 31, 2002 and the year ended December 31, 2001, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures and statements of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

On January 16, 2002, the Company acquired assets including equipment, software and technology from NetTopBox, Inc. in exchange for notes payable of \$977,500 and the assumption of liabilities.

Frank, Rimerman & Co. LLP

April 29, 2002

Internet Multicasting Service, Inc.
Statements of Financial Position

	March 31, 2002	December 31, 2001
ASSETS		
Current Assets		
Cash	\$ 500,431	\$ 18,433
Total current assets	500,431	18,433
Equipment		
Computer hardware	101,067	73,150
Computer software	14,077	-
Total equipment	115,144	73,150
Accumulated depreciation	(31,096)	(10,017)
Total equipment, net	84,048	63,133
Goodwill	962,800	-
	<u>\$ 1,547,279</u>	<u>\$ 81,566</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 27,104	\$ 682
Accrued payroll expenses	38,925	-
Total current liabilities	66,029	682
Notes Payable	977,500	-
Net Assets	503,750	80,884
	<u>\$ 1,547,279</u>	<u>\$ 81,566</u>

See Independent Accountants' Compilation Report

Internet Multicasting Service, Inc.
Statements of Revenue and Expenses and Changes in Net Assets

	Three Months Ended March 31, 2002	Year Ended December 31, 2001
Revenue		
Contributions	\$ 500,000	\$ 69,669
Donated assets	-	60,101
Other	50	413
	<u>500,050</u>	<u>130,183</u>
Expenses		
Professional fees	44,793	32,771
Communications	8,836	22,527
Facilities	2,309	14,654
Travel and entertainment	167	21,687
Depreciation and amortization	21,079	10,017
Loss on investment	-	50,000
	<u>77,184</u>	<u>151,656</u>
Excess (Deficiency) of Revenue over Expenses	<u>422,866</u>	<u>(21,473)</u>
Net Assets, beginning	<u>80,884</u>	<u>102,357</u>
Net Assets, ending	<u><u>\$ 503,750</u></u>	<u><u>\$ 80,884</u></u>

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