

EXHIBIT E



The CommLaw Group

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June 29, 2007

Via Overnight Courier & Electronic Mail

Email: Brian.Hendricks@fcc.gov

Mr. Brian Hendricks
Investigations and Hearings Division
Enforcement Bureau
Federal Communications Commission
c/o NATEK
9300 East Hampton Drive
Capitol Heights, Maryland 20743

Re: *Compass Global Inc.*
FCC File No. EB-06-IH-3060

Dear Mr. Hendricks:

On behalf of Compass Global Inc. ("Compass"), transmitted herewith is its response to the May 7, 2007 inquiry of the Investigation and Hearings Division of the Federal Communications Commission's Enforcement Bureau, in connection with File No. EB-06-IH-3060.

Inquiries: Documents and Information to be Provided

1. Identify the year in which the Company first provided Telecommunications service in the United States and, if different, identify the year in which the Company first provided interstate Telecommunications services.

Response: The Commission granted Section 214 authorization to Compass on April 1, 1998. See Attachment 1. The 214 authorization was issued to Forval International Telecom, Inc. Forval changed its name to Compass, Inc. on December 9, 2000, and on February 2, 2001, Compass, Inc. added Compass Global, Inc. as a fictitious name.

Compass began providing international wholesale telecommunications services shortly after the Commission's grant of Section 214 authorization. Specifically, Compass engaged in refiling the

foreign-billed traffic of foreign telecommunications companies, whereby calls originating from international points traversed Compass' switch before being terminated in other international points. Compass began offering wholesale enhanced ("IP-in-the-Middle") carrier services in or around December 2004 and January 2005.

Compass also provides unaffiliated companies with toll-free access to its PIN accessible prepaid calling card switching platform. Compass provides these companies with platform access and switching capabilities for delivery of their private label prepaid calling cards. Compass is not identified as the communications transmission provider and is not associated in any way with the calling cards produced and sold by customers of its PIN accessible switching platform services.

2. For each year from 2005 to the present, identify all jurisdictions in which the Company provided or provides Telecommunications services. For each such jurisdiction, provide a copy of the Company's certification(s) to provide service and identify the type(s) of Telecommunications service provided.

Since 2005, Compass' service offerings can be divided into two broad, distinct categories:

- (1) wholesale "IP-in-the-Middle" services offered to other carriers and Enhanced Service Providers, and
- (2) PIN accessible switching platform services sold to unaffiliated companies seeking to private label, distribute or otherwise sell prepaid calling cards.

See Attachment 2, Network Diagram.

Neither of these services constitutes the provisioning of "telecommunications service" under current laws and regulations. As such, neither service is subject to market entry requirements at the state level. Compass is, therefore, not licensed to provide "telecommunications services" in any state.

Under pressure by the Commission and Sprint, and without first consulting with telecommunications counsel, Compass subjected itself to and has subsequently complied with the Universal Service Fund program in error. Compass anticipates taking corrective actions to align its federal regulatory filings with the current regulatory framework applicable to its two distinct services.

3. For each year from 2005 to the present, identify and provide the Company's:

- a. federal and state income tax returns;

2005 Federal Tax Return and 2005 New Jersey State Tax Return attached hereto. See Attachment 3-A-B. Compass has not filed its 2006 tax returns at this time, but has sought appropriate extensions. See Attachment 3-C.

- b. financial statements, audited and unaudited;

2005, 2006 and 2007 YTD financial statements attached hereto. See Attachment 4.

- c. total revenue;

2005:	\$42,404,108
2006:	\$50,451,238
2007 YTD:	\$30,791,193

- d. revenues disaggregated by intrastate Telecommunications revenues, interstate Telecommunications revenues, international Telecommunications revenues, and non-Telecommunications revenue; and

N/A. See Attachment 5-A.

- e. each non-Telecommunications product or service and its associated revenue.

See Attachment 5-A.

- 4. For each year from 2005 to the present, identify all the Company's carrier-customers (*ie*, resellers to which the Company provides Telecommunications services). For each carrier-customer identify:
 - a. the total amount the Company billed it annually;
 - b. the type(s) of Telecommunications service provided to it by the Company;
 - c. the carrier-customer's registration or 499 Filer ID number;
 - d. the date on which the Company confirmed the customer's registration; and
 - e. the Company's employee or agent who confirmed such registration.

See Attachment 5-B.

- 5. Identify and provide copies of all Telecommunications Reporting Worksheets (FCC Forms 499-A and 499-Q) filed with the Universal Service Administrative Company ("USAC") by the Company for each year from 2005 to the present. For each such worksheet required, but not filed by the Company with USAC, indicate the reason(s) the worksheet was not filed in compliance with Commission regulations and, where applicable, the date on which the Company late-filed such forms with USAC.

On June 9, 2006, the Commission's Investigations and Hearings Division ("IHD") mailed two Section 64.1195 Compliance Surveys addressed to Compass and Forval. See Attachment 6-A. As explained in response to Question 1, Compass and Forval are the same corporate entity. IHD's Surveys informed Compass that other carriers with whom Compass exchanges communications traffic had identified it as a customer.

As explained in response to Question 2, Compass is neither a provider nor customer of "telecommunications services," with the exception of switched toll-free inbound service that is integrated with Compass' PIN accessible switching platform service.

Following receipt of the IHD's June 9th letters, Dean Cary, Compass' founder and principal, communicated to IHD staff his mistaken belief that the company was exempt from ITSP Registration and Form 499 reporting requirements because Compass was a pure "wholesaler" and did not sell any services to the public. IHD rejected this claim.

Concerned by IHD's position coupled by a request for proof of Filer ID from Sprint, Compass' toll-free inbound provider, Mr. Cary retained accounting firm Hinton, Kreditor & Gronroos, LLP ("HKG") which, prior to retention, proclaimed experience in the area of Form 499 preparation. HKG proceeded to register Compass as an ITSP on September 5, 2006. See Attachment 6-B - 2006 Form 499-A initial registration (incorrectly reporting 2005 revenue). USAC subsequently assigned Compass a Filer ID.

HKG proceeded to prepare and file all Form 499s due during 2006 and 2007. See Attachment 6-C, 499-Qs for 2006; see Attachment 6-D, 499-Qs for 2007; see Attachment 6-E, 499-A for 2007.

Compass took all of the above-described actions without a complete understanding of the law, regulations and 499 reporting requirements. Compass also took these actions without consulting with experienced telecommunications counsel.

6. State whether the Company has contributed to the federal Universal Service Fund ("USF").

Yes.

- a. If the Company has contributed, identify:
 - i. for each month beginning in January of 2006, the amounts invoiced to the Company by the Universal Service Administrative Company ("USAC") and provide copies of each monthly invoice;
 - ii. for each month beginning in January of 2006, the amount the Company paid for each invoice and the date on which the Company made payment. Identify the contributing entity and the 499 Filer ID number under which the amounts were paid;
 - iii. the date(s) on which the invoiced amounts identified in response to inquiry 6.a.i. above were due to be paid;
 - iv. the months in which the Company remitted less than the total amount due as indicated on the monthly invoice received from USAC;
 - v. where applicable, and for each invoice, the reason(s) the Company failed to remit the entire amount due under that invoice.

See Attachment 7.

- b. If the Company has not contributed, state whether the Company has ever claimed an exemption from contributing and, if so, identify:
 - i. the exempt entity and its registration and 499 Filer ID numbers;
 - ii. the ground(s) for such exemption;
 - iii. the year(s) that such exemption applied; and
 - iv. identify any documents that support such claim.
- c. Identify the contribution(s) that Company owes or owed, excluding any Debt Collection Improvement Act ("DCLA") transfers, for each month from January 2005 to the present.

See Attachment 7.

7. State whether the Company has contributed to the Telephone Relay Service ("TRS") fund.

- a. If the Company has contributed, identify:
 - i. the amounts invoiced to the Company by the National Exchange Carrier Association ("NECA") and provide copies of each monthly invoice;
 - ii. the amount the Company paid for each invoice and the date on which the Company made payment. Identify the contributing entity and the 499 Filer ID number under which the amounts were paid;

- iii. the date(s) on which the invoiced amounts identified in response to inquiry 7.a.i. above were due to be paid;
 - iv. the date(s) on which the Company remitted less than the total amount due as indicated on the monthly invoice received from NECA; and
 - v. where applicable, and for each invoice, the reason(s) the Company failed to remit the entire amount due under that invoice.
- b. If the Company has not contributed, state whether the Company has ever claimed an exemption from contributing and, if so, identify:
- i. the exempt entity and its registration and 499 Filer ID numbers;
 - ii. the ground(s) for such exemption;
 - iii. the year(s) that such exemption applied; and
 - iv. identify any documents that support such claim.
- c. Identify the contribution(s) that the Company owes or owed, excluding any DCIA transfers, for each month from January 2005 to the present.

See Attachment 7.

8. State whether the Company has contributed to the North American Numbering Portability Association ("NANPA") fund.

Yes.

- a. If the Company has contributed, identify:
- i. the amounts invoiced to the Company by the NANPA Administrator and provide copies of each monthly invoice;
 - ii. the amount the Company paid for each invoice and the date on which the Company made payment. Identify the contributing entity and the 499 Filer ID number under which the amounts were paid;
 - iii. the date(s) on which the invoiced amounts identified in response to inquiry 8.a.i. above were due to be paid;
 - iv. the invoices for which the Company remitted less than the total amount due; and
 - v. where applicable, and for each invoice, the reason(s) the Company failed to remit the entire amount due under than invoice.
- b. If the Company has not contributed, state whether the Company has ever claimed an exemption from contributing and, if so, identify:
- i. the exempt entity and its registration and 499 Filer ID numbers;
 - ii. the ground(s) for such exemption;
 - iii. the year(s) that such exemption applied; and
 - iv. identify any documents that support such claim.
- c. Identify the contribution(s) that the Company owes or owed, excluding any DCIA transfers, for each month from January 2005 to the present.

See Attachment 7.

9. For each DCIA transfer of debt owed by the Company, identify:

- a. the 499 Filer ID number under which the transfer was made;
- b. the date transferred;
- c. the amount transferred;
- d. the due date;
- e. the amount paid;
- f. the date paid;
- g. the current balance; and
- h. the date of such balance.

None. Not applicable.

10. For each month beginning with January of 2006, provide copies of all statements of account received by the Company from USAC, and identify:

- a. amounts due for each statement of account;
- b. amounts paid by the Company for each statement of account;
- c. any month in which the Company remitted less than the total amount due for that statement of account; and
- d. where applicable, the reason(s) the Company failed to remit the entire amount due under each statement of account.

See Attachment 7.

11. State whether the Company has paid annual regulatory fees to the Federal Communications Commission.

- a. If the Company has paid regulatory fees, provide copies of all FCC Forms 159 filed by the Company from January 2005 to the present, and identify:
 - i. the amounts invoiced to the Company for regulatory fees;
 - ii. the amount paid for each invoice;
 - iii. the paying entity and the FRN under which the amounts were paid;
 - iv. the dates on which such sums were due to be paid;
 - v. the dates on which such sums were due to be paid;
 - vi. any invoice(s) for which the Company remitted less than the total amount due; and
 - vii. where applicable, and for each invoice, the reason(s) the Company failed to remit the entire amount due under than invoice.
- b. If the Company has not paid regulatory fees, state whether the Company has been exempt from payment of regulatory fees or has been granted a regulatory fee waiver. If so, provide a copy of any waiver grant letter, and identify:
 - i. the subject entity and its FRN;
 - ii. the ground(s) for exemption or waiver; and
 - iii. the year(s) that such exemption or waiver applied; and
 - iv. identify any documents that support such claim;
- c. Identify the regulatory fees that the Company owes or owed; excluding any DCIA transfers, for each year from 2005 to the present.

To the best of Corapass' knowledge, it has not received any FCC regulatory fee invoices or Forms 159-W as of this date. This is not unexpected for a company that filed its 499-A initial registration on September 5, 2006. Form 159-W is generally distributed to registered companies in July/August and is due in late August or early September.

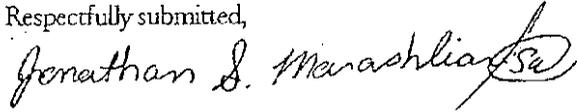
12. State whether the Company has charged USF, TRS Fund, NANPA Fund, or federal regulatory fees to customers. If so, for each type of Telecommunications service provided in each year from 2005 to the present, identify how much revenue was collected by such charges and how the customer fee charge was calculated for each such category.

Compass has not charged either its wholesale "IP-in-the-Middle" or PIN accessible switching platform services customers USF, TRS Fund, NANPA Fund, or federal regulatory fees.

An additional copy of this letter is enclosed herewith, to be date-stamped and returned in the postage-prepaid envelope provided.

Should there be any questions regarding this matter, kindly contact the undersigned.

Respectfully submitted,



Jonathan S. Marashlian

cc: Dean Cary

Attachment 1

FCC 214 Authorization and Corporate History

 Federal Communications Commission
INTERNATIONAL BUREAU FCC SELECTED APPLICATION LISTING BY FILE NUMBER REPORT WR07 - Wed Jun 27 12:48:36 US/Eastern 2007
<hr/> File Number = ITC2141998013000058;

File Number: ITC-214-19980130-00058	Accepted For Filing PN Date: 02/25/1998
Callsign: None	Action Taken PN Date: 04/02/1998
Streamlined: Y	Term Begin Date: None
Environmental Impact: None	Term End Date: None
Status: Action Complete	Date Filed: 01/30/1998
Red Light: N	
Status Date: None	
Last Action: Grant of Authority	Last Action Date: 04/01/1998
Grant Date: 04/01/1998	Bond Date: None
DA #: None	Adopted Date: 04/02/1998
Released Date: 04/02/1998	
Service Type: Global Facilities-Based/Global Resale Service	

Document Viewing
Site Information Other filings related to this application (Petitions, comments, etc)

Old File Number: ITC-98-156	
Applicant:	Contact: None
FORVAL INTERNATIONAL TELECOM, INC.	
71 Burnwood Lane	
UPPER SADDLE RIVER, NJ 07458 USA	
Description: Application for authority to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules.	

Pre-Defined Reports

[International Telecommunications](#) |
 [Satellite Earth Stations](#) |
 [Satellite Space Stations](#) |
 [International HF Broadcast Stations and Public Fixed Radio Stations](#) |
 [General Reports](#)

Dec-21-00 12:07P
Dec-21-00 09:57A

CLY OF REVENUE NJ

P.02
NO.271 P.272 P.01

CGN

FILED

DEC 19 2000

State Treasurer
Richard Mitchell

Certificate of Amendment to the Certificate of Incorporation

Mail To:
Secretary of State
CN 303
Trenton, NJ 08625

Titles 14A:9-2(4) and 14A:9-4(3) New Jersey Business Corporations Act

Pursuant to the provisions of the above-cited Statute, the undersigned corporation executes the following Certificate of Amendment to its Certificate of Incorporation.

1. Name of the Corporation: Forval International Telecom, Inc.
2. Corporation Number: 0100-7314-57 12/1/98
3. Article First of the Certificate of Incorporation is hereby amended to read as follows:

The name of the Corporation is COMPASS, INC.

4. Article Third of the Certificate of Incorporation is amended to read:
The location of the main office of this Corporation is 50 Tice Boulevard, in the Borough of Woodcliff Lake, County of Bergen, State of New Jersey. The registered Agent of the Corporation is William L. Strasser, Esq. The address of the Registered Agent is Paramus Plaza I, 140 Route 17 North, Suite 265, Paramus New Jersey 07652-2816.

5. The Corporation does not have members

A. For Corporation with members
Number entitled to vote: 1 voting for: 1 voting against: 0

If any class or classes of members are entitled to vote as a class, set forth the number of members of each class, the series of the votes of each class voting for and against, and the number of members present at the meeting, or

Adoption was by unanimous written consent without meeting

Date of Adoption: _____

6. The foregoing amendment was adopted by the unanimous consent of the Shareholders on December 18, 2000.

7 Effective date: December 19, 2000

Signature: Dean Cary
DEAN CARY, SCH. SHAREHOLDER

Date: 12-19-2000

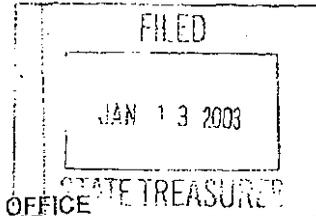
STRASSER L
ASSOCIATES
A PROFESSIONAL CORPORATION

S 884582
J 1683270

0100731457

C-104G Rev. 7/1/02

New Jersey Division of Revenue



**CERTIFICATE of CHANGE of REGISTERED OFFICE
& for REGISTERED AGENT**
(For Use by Domestic and Foreign, Profit and Non-profit Corporations)

CORPORATION NAME:

Compass, Inc. (Forval International Telecom, Inc.)

STATE OF ORIGINAL INCORPORATION:

New Jersey

IMPORTANT - INCLUDE INFORMATION ON BOTH THE PRIOR AND NEW AGENT

PRIOR AGENT NAME:

Corporation Trust Co.

NEW AGENT NAME:

William I. Strasser, Esq.
Strasser & Associates, P.C.

PRIOR AGENT STREET ADDRESS

820 Bear Tavern Road

NEW AGENT STREET ADDRESS

7 East Ridgewood Avenue

CITY

Trenton

STATE

NJ

ZIP

08628

CITY

Paramus

STATE

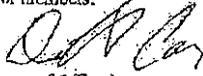
NJ

ZIP

07652

The corporation states that the address of its new registered office and the address of its new registered agent are identical. Further, the changes designated on this form were authorized by resolution duly adopted by its board of directors or members.

By


(Signature of Officer)

Title

PRESIDENT
(Type)

Date: 12/28/02

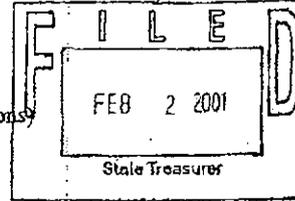
NOTE - This form must be executed by the chairman of the board, the president, or the vice president of the corporation.

FEES: Change of Agent Name-\$25.00
Change of Agent Address-\$25.00
Change of Both-\$25.00

MAIL TO: NJ Division of Revenue
PO Box 308
Trenton, NJ 08625

Make checks payable to: TREASURER, STATE of NEW JERSEY (NO CASH PLEASE)

ANA



REGISTRATION OF ALTERNATE NAME
(For Use by Domestic Profit and Foreign Corporations)
(Profit and Nonprofit Corporations)

Check Appropriate Statute:

- Title 14A:2-2.1(2) New Jersey Business Corporations Act
- Title 15A:2-2.3(b) New Jersey Nonprofit Corporations Act

Mail to: Department of the Treasury, Division of Revenue, CN-308, Trenton, N.J. 08625

Pursuant to the provisions of the appropriate Statute, checked above, of the New Jersey Statutes, the undersigned corporation hereby applies for the registration of an Alternate Name in New Jersey for a period of five (5) years, and for that purpose submits the following application:

1. Name of Corporation: COMPASS, INC.
2. Corporation Number: 0100731457
3. State of Original Incorporation: New Jersey
4. Date of Incorporation: 12/01/98
5. Alternate Name to be used: COMPASS GLOBAL, INC.
6. The Character or Nature of the Particular Business/Activity to be Conducted using the Alternate Name is:

FOR IDENTIFICATION OF CORPORATE ACTIVITIES

7. The Corporation Intends to Use the Alternate Name in this State.
8. The Corporation has not previously used the Alternate Name in this State in Violation of this Statute, or if it has, the month and year in which it commenced such use is: NOT APPLICABLE

Signature: _____

Name: Mr. Dean H. Cary

Title: Chairman of the Board

Date: January 22, 2001

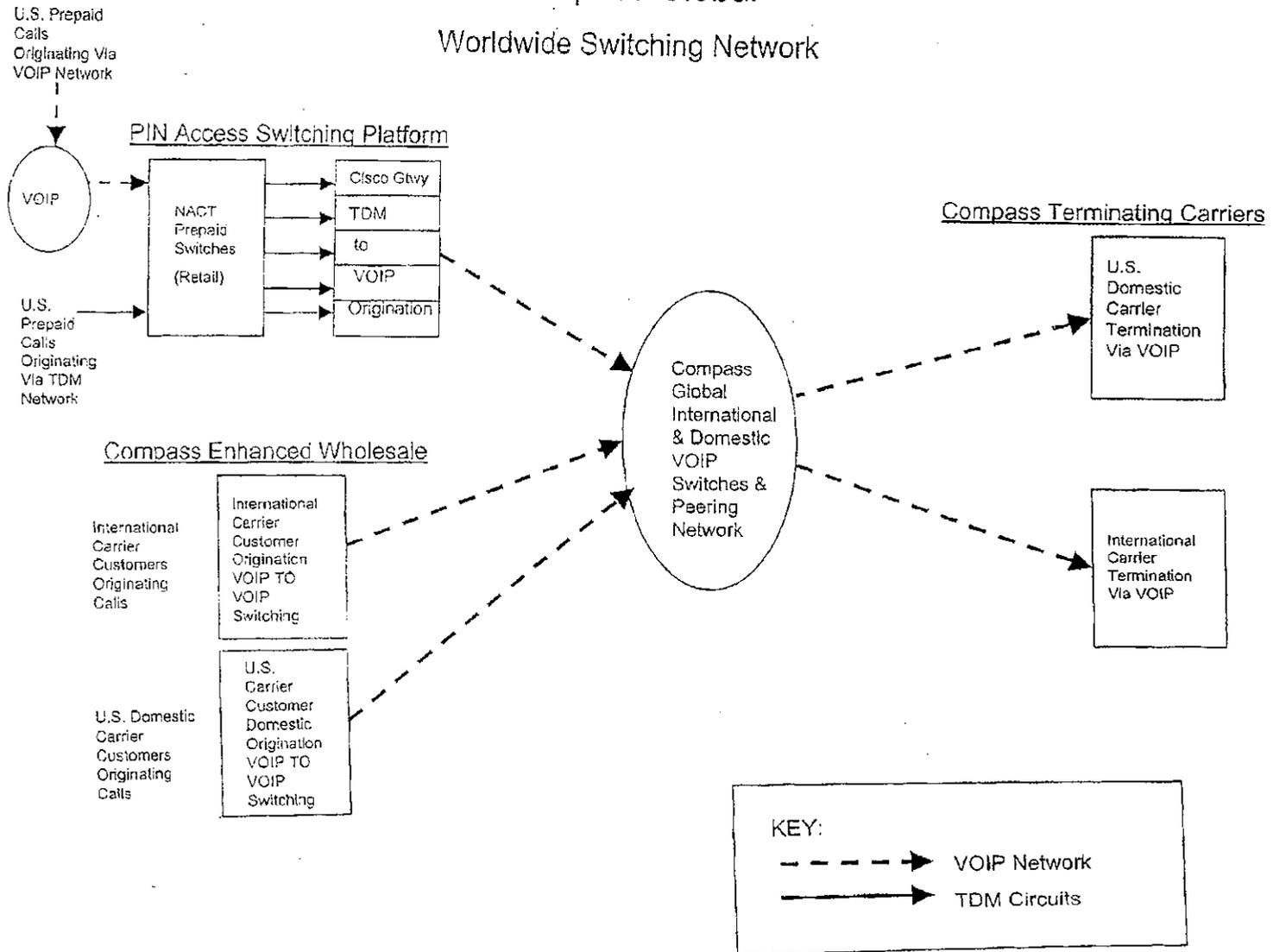
STRASSER & ASSOCIATES
A PROFESSIONAL CORPORATION

0100731457

9903407
JL723141

Attachment 2
Network Diagram

Compass Global Worldwide Switching Network



Attachment 3-A
2005 Federal Tax Return

U.S. Corporation Income Tax Return
For calendar year 2005 or tax year beginning _____, 2005, ending _____
See separate instructions.

OMB No. 1545-0023
2005

- A Check if:**
 1 Consolidated return (attach Form 951)
 2 Personal holding company (attach Schedule H)
 3 Personal service corp (see instructions)
 4 Schedule M-3 required (attach Sch M-3)

Use IRS label. Otherwise, print or type.

COMPASS, INC.
FORMERLY FORVAL INTL TELEPHONE, INC
50 TICE BLVD. - 3RD FLOOR
WOODCLIFF LAKE, NJ 07677

B Employer identification number
22-3559398
C Date incorporated
1/13/1998
D Total assets (see instructions)
\$ 4,016,762.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

INCOME	1c	42,404,108.	1c	42,404,108.
	2	40,444,346.	2	40,444,346.
	3	1,959,762.	3	1,959,762.
	4		4	
	5		5	
	6		6	
	7		7	
	8		8	
	9		9	
	10		10	
	11	1,959,762.	11	1,959,762.
DEDUCTIONS	12	186,187.	12	186,187.
	13	860,994.	13	860,994.
	14	4,137.	14	4,137.
	15	14,120.	15	14,120.
	16	144,016.	16	144,016.
	17	108,430.	17	108,430.
	18		18	
	19	0.	19	0.
	20a	24,727.	20a	24,727.
	20b		20b	
	20c	24,727.	20c	24,727.
	21		21	
	22	775.	22	775.
	23	-6,729.	23	-6,729.
	24	108,331.	24	108,331.
	25		25	
	26	639,474.	26	639,474.
	27	2,084,382.	27	2,084,382.
	28	-124,620.	28	-124,620.
29a	0.	29a	0.	
29b		29b		
29c		29c		
30	-124,620.	30	-124,620.	
TAX AND PAYMENTS	31	0.	31	0.
	32a		32a	
	32b		32b	
	32c		32c	
	32d	0.	32d	0.
	32e		32e	
	32f		32f	
33	0.	33	0.	
34	0.	34	0.	
35		35		
36		36		

Sign Here Under penalties of perjury, I declare that I have prepared this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
 Signature of officer: [Signature] Date: 1/29/2007 Title: PREP/CEO May the IRS discuss this return with the preparer shown below? (see instructions) Yes No

Paid Preparer's Use Only
 Preparer's signature: [Signature] Date: 1/24/07 Check if self-employed
 Firm's Name (or yours if self-employed), address, and ZIP code: Robert J. Iracane CPA
9 North Beverwyck Road
Lake Hiawatha, NJ 07034-2514
 Preparer's SSN or PTIN: P00000167
 EIN: 22-2669518
 Phone no.: (973) 335-7554

Form 1120

Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2005 or tax year beginning _____, 2005, ending _____

See separate instructions.

OMB No. 1545-0123

2005

- A Check if:**
- 1 Consolidated return (attach Form 990)
 - 2 Personal holding company (attach Schedule PH)
 - 3 Personal service corp (see instructions)
 - 4 Schedule M-3 required (attach Sch M-3)

Use IRS label. Otherwise, print or type.

COMPASS, INC.
FORMERLY FORVAL INTL TELEPHONE, INC
50 TICE BLVD. - 3RD FLOOR
WOODCLIFF LAKE, NJ 07677

B Employer identification number
22-3559398

C Date incorporated
1/13/1998

D Total assets (see instructions)
\$ 4,016,762.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

INCOME	1a	Gross receipts or sales	42,404,108.	b	Less returns & allowances		c	Balance	1c	42,404,108.
	2	Cost of goods sold (Schedule A, line 8)							2	40,444,346.
	3	Gross profit. Subtract line 2 from line 1c							3	1,959,762.
	4	Dividends (Schedule C, line 19)							4	
	5	Interest							5	
	6	Gross rents							6	
	7	Gross royalties							7	
	8	Capital gain net income (attach Schedule D (Form 1120))							8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)							9	
	10	Other income (see instructions - attach schedule)							10	
	11	Total income. Add lines 3 through 10							11	1,959,762.
DEDUCTIONS	12	Compensation of officers (Schedule E, line 4)							12	186,107.
	13	Salaries and wages (less employment credits)							13	860,994.
	14	Repairs and maintenance							14	4,137.
	15	Bad debts							15	14,120.
	16	Rents							16	144,016.
	17	Taxes and licenses							17	108,430.
	18	Interest							18	0.
	19	Charitable contributions (see instructions for 10% limitation)							19	
	20a	Depreciation (attach Form 4562)		20a	24,727.				20c	24,727.
	20b	Less depreciation claimed on Schedule A and elsewhere on return		20b					21	
	21	Depletion							22	775.
	22	Advertising							23	-6,729.
	23	Pension, profit-sharing, etc, plans							24	108,331.
	24	Employee benefit programs							25	
	25	Domestic production activities deduction (attach Form 8903)							26	639,474.
	26	Other deductions (attach schedule)			SEE STATEMENT 1				27	2,084,382.
	27	Total deductions. Add lines 12 through 26							28	-124,620.
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11							29a	0.	
29	Less: a Net operating loss deduction (see instructions)		29a					29b		
	b Special deductions (Schedule C, line 20)		29b					30	-124,620.	
TAX AND PAYMENTS	30	Taxable income. Subtract line 29c from line 28 (see instructions if Sch C, line 12, was completed)						31	0.	
	31	Total tax (Schedule J, line 11)								
	32	Payments: a 2004 overpayment credited to 2005	32a							
		b 2005 estimated tax payments	32b							
		c Less 2005 refund applied for on Form 4466	32c							
		d Balance	32d		0.					
		e Tax deposited with Form 7004	32e							
	f Credits: (1) Form 2439 (2) Form 4136	32f					32g	0.		
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached						33	0.		
34	Tax due. If line 32g is smaller than the total of lines 31 and 33, enter amount owed						34			
35	Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid						35			
36	Enter amount of line 35 you want credited to 2006 estimated tax						36	Refunded		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. May the IRS discuss this return with the preparer shown below? (see inst)

Signature of officer: _____ Date: _____ Title: _____

Preparer's signature: **ROBERT J. IRACANE** Date: _____ Check if self-employed: Preparer's SSN or PTIN: **P00000167**

Firm's Name (or yours if self-employed), address, and ZIP code: **ROBERT J. IRACANE CPA**
9 NORTH BEVERWYCK ROAD
LAKE HIAWATHA, NJ 07034-2514 EIN: **22-2669518** Phone no. **(973) 335-7554**

Schedule A Cost of Goods Sold (see instructions)		1
1	Inventory at beginning of year	40,444,346.
2	Purchases	
3	Cost of labor	
4	Additional Section 263A costs (attach schedule)	
5	Other costs (attach schedule)	40,444,346.
6	Total. Add lines 1 through 5	
7	Inventory at end of year	40,444,346.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	

- 9a Check all methods used for valuing closing inventory:
- (i) Cost
 - (ii) Lower of cost or market
 - (iii) Other (Specify method used and attach explanation)
- b Check if there was a writedown of subnormal goods.
- c Check if the LIFO inventory method was adopted this tax year for any goods (If checked, attach Form 970)
- d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. 9d Yes No
- e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No
- f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. Yes No

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations		SEE INSTR.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Total. Add lines 1 through 8. See instructions for limitation.			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members and certain FSCs		100	
12	Dividends from controlled foreign corporations (attach Form 8895)		85	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29a			

Schedule E Compensation of Officers (see instructions for page 1, line 12)
 Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
	DEAN CARY	471-58-6010	100	0.00%	0.00%	186,107.
2	Total compensation of officers					186,107.
3	Compensation of officers claimed on Schedule A and elsewhere on return					186,107.
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

Schedule J Tax Computation (see instructions)

1 Check if the corporation is a member of a controlled group
Important: Members of a controlled group, see instructions.

2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order):
 (1) \$ _____ (2) \$ _____ (3) \$ _____
 b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____
 (2) Additional 3% tax (not more than \$100,000) \$ _____

3 Income tax. Check if a qualified personal service corporation **3** 0.
 (see instructions) **4**

4 Alternative minimum tax (attach Form 4626) **5** 0.

5 Add lines 3 and 4 **6**

6a Foreign tax credit (attach Form 1118) **6a** _____
6b Possessions tax credit (attach Form 5735) **6b** _____
6c Credits from: Form 8834 Form 8907, line 23 **6c** _____
6d General business credit. Check box(es) and indicate which forms are attached.
 Form 3800 Form(s) (specify) _____ **6d** _____
6e Credit for prior year minimum tax (attach Form 8827) **6e** 0.
6f Bond credits from: Form 8860 Form 8912 **6f** _____

7 Total credits. Add lines 6a through 6f **7** _____
8 Subtract line 7 from line 5 **8** _____
9 Personal holding company tax: (attach Schedule PH (Form 1120)) **9** _____
10 Other taxes. Form 4255 Form 8611 Form 8697 **10** _____
 Check if from: Form 8866 Form 8902 Other (all schedule) **11** 0.

11 Total tax. Add lines 8 through 10. Enter here and page 1, line 31. **11** 0.

Schedule M Other Information (see instructions)

	Yes	No
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____		
2 See the instructions and enter the: a Business activity code no. 517000 b Business activity TELECOMMUNICATION c Product or service TELECOMMUNICATION		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.	X	
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation _____	X	
5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter % owned 100% SEE STATEMENT 3	X	
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If 'Yes,' file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.	X	
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If 'Yes,' enter: (a) Percentage owned _____ and (b) Owner's country _____		X
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 Enter the amount of tax-exempt interest received or accrued during the tax year. \$ NONE		
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer). 1		
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here. <input checked="" type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3) must be attached or the election will not be valid.		
12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) \$ 2,825,661		
13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$ _____		X

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1 and M-2 if Question 13 on Schedule K is answered 'Yes.'

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		1,072,437.	2,142,805.	902,047.
2a	Trade notes and accounts receivable	2,119,767.	2,119,767.		2,142,805.
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				69,721.
6	Other current assets (attach schedule) SEE ST. 4		143,117.		
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)			334,115.	
10a	Buildings and other depreciable assets	333,651.	168,106.	188,343.	145,772.
b	Less accumulated depreciation	165,545.			
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)			19,989.	
13a	Intangible assets (amortizable only)	19,989.		19,989.	
b	Less accumulated amortization	19,989.			756,417.
14	Other assets (attach schedule) SEE ST. 5		2,417,082.		4,016,762.
15	Total assets		5,920,509.		5,643,475.
Liabilities and Shareholders' Equity					
16	Accounts payable		1,923,675.		9,819.
17	Mortgages, notes, bonds payable in less than 1 year		9,819.		471,509.
18	Other current liabilities (attach sch) SEE ST. 6		219,840.		
19	Loans from shareholders			40,017.	24,963.
20	Mortgages, notes, bonds payable in 1 year or more				285,395.
21	Other liabilities (attach schedule) SEE ST. 7				
22	Capital stock: a Preferred stock			2,850,000.	2,850,000.
b	Common stock	2,850,000.	2,850,000.		
23	Additional paid-in capital				
24	Retained earnings - Approp (att sch)				-5,268,399.
25	Retained earnings - Unappropriated		-5,122,842.		
26	Adjustment to shareholders' equity (att sch)				
27	Less cost of treasury stock				4,016,762.
28	Total liabilities and shareholders' equity		5,920,509.		

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)	
1	Net income (loss) per books -145,557.
2	Federal income tax per books
3	Excess of capital losses over capital gains
4	Income subject to tax not recorded on books this year (itemize):
5	Expenses recorded on books this year not deducted on this return (itemize):
a	Depreciation \$ 17,126
b	Charitable contributions \$
c	Travel & entertainment \$ 3,811
6	Add lines 1 through 5 20,937.
7	Income recorded on books this year not included on this return (itemize):
	Tax-exempt interest \$
8	Deductions on this return not charged against book income this year (itemize):
a	Depreciation \$
b	Charitable contributions \$
9	Add lines 7 and 8 0.
10	Income (page 1, line 28) - line 6 less line 9 -124,620.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)	
1	Balance at beginning of year -5,122,842.
2	Net income (loss) per books -145,557.
3	Other increases (itemize):
4	Add lines 1, 2, and 3 -5,268,399.
5	Distributions:
a	Cash
b	Stock
c	Property
6	Other decreases (itemize):
7	Add lines 5 and 6 -5,268,399.
8	Balance at end of year (line 4 less line 7)

Form **4562**
(Rev. January 2006)

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2005

Attachment
Sequence No. **67**

Identifying number
22-3559398

Name(s) shown on return **COMPASS, INC.**
FORMERLY FORVAL INTL TELEPHONE, INC.

Business or activity to which this form relates

FORM 1120

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$105,000.
2	Total cost of section 179 property placed in service (see instructions)	2	20,453.
3	Threshold cost of section 179 property before reduction in limitation	3	\$420,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	105,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	0.
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	6,096.
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10	0.
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	0.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0.
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13	6,096.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property (other than listed property) placed in service during the tax year (see instrs)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A		17	15,911.
17	MACRS deductions for assets placed in service in tax years beginning before 2005		
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						4,091.
b 5-year property		20,453.	5	HY	200DB	
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property					S/L	
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	4,725.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	24,727.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If 'Yes,' is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (Business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or 60 Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)..... 25								
26 Property used more than 50% in a qualified business use:								
AUTOMOBILE	9/15/00	100.0	46,110.	46,110.	5.0	200DBHY	1,775.	
AUTOMOBILE	1/03/03	100.0	35,169.	27,509.	5.0	200DBHY	2,950.	
27 Property used 50% or less in a qualified business use:								
								28 4,725.
								29 0.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No										
30 Total business/investment miles driven during the year (do not include commuting miles).....												
31 Total commuting miles driven during the year.....												
32 Total other personal (noncommuting) miles driven.....												
33 Total miles driven during the year. Add lines 30 through 32.....												
34 Was the vehicle available for personal use during off-duty hours?.....												
35 Was the vehicle used primarily by a more than 5% owner or related person?.....												
36 Is another vehicle available for personal use?.....												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
39 Do you treat all use of vehicles by employees as personal use?.....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions).....		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year (see instructions):					
					43
43 Amortization of costs that began before your 2005 tax year.....					44
44 Total. Add amounts in column (f). See instructions for where to report.....					

Form **8827**

Credit for Prior Year Minimum Tax – Corporations

OMB No. 1545-1257

2005

Department of the Treasury
Internal Revenue Service

▶ Attach to the corporation's tax return.

Name **COMPASS, INC.
FORMERLY FORVAL INTL TELEPHONE, INC**

Employer identification number
22-3559398

1	Alternative minimum tax (AMT) for 2004. Enter the amount from line 14 of the 2004 Form 4626	
2	Minimum tax credit carryforward from 2004. Enter the amount from line 9 of the 2004 Form 8827	25,300.
3	Enter the total of any 2004 unallowed nonconventional source fuel credit and 2004 unallowed qualified electric vehicle credit (see instructions)	
4	Add lines 1, 2, and 3	25,300.
5	Enter the corporation's 2005 regular income tax liability minus allowable tax credits (see instructions)	
6	Is the corporation a 'small corporation' exempt from the AMT for 2005 (see instructions)? • Yes. Enter 25% of the excess of line 5 over \$25,000. If line 5 is \$25,000 or less, enter -0-. • No. Complete Form 4626 for 2005 and enter the tentative minimum tax from line 12.	
7	Subtract line 6 from line 5. If zero or less, enter -0-	0.
8	Minimum tax credit. Enter the smaller of line 4 or line 7 here and on Form 1120, Schedule J, line 6e or the appropriate line of the corporation's income tax return. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions	0.
9	Minimum tax credit carryforward to 2006. Subtract line 8 from line 4. Keep a record of this amount to carry forward and use in future years	25,300.

Form 8827 (2005)

BAA For Paperwork Reduction Act Notice, see separate instructions.

2005

FEDERAL STATEMENTS
 COMPASS, INC.
 FORMERLY FORVAL INTL TELEPHONE, INC

PAGE 1

22-3559398

STATEMENT 1
FORM 1120, LINE 26
OTHER DEDUCTIONS

	\$		25,535.
AUTO AND TRUCK			107,429.
BANK CHARGES			91,980.
COMMISSIONS			625.
CONFERENCE			57,778.
CONTRACTED LABOR			6,400.
EMPLOYMENT AGENCY FEE			5,828.
INSURANCE			46,771.
INTERNET			182,688.
LEGAL AND PROFESSIONAL			3,811.
MEALS AND ENTERTAINMENT			8,178.
MISCELLANEOUS			11,935.
OFFICE EXPENSE			3,223.
PAYROLL SERVICE			1,026.
POSTAGE			4,502.
SUPPLIES			39,780.
TELEPHONE			6,506.
TEMPORARY HELP			25,981.
TRAVEL			9,498.
UTILITIES			639,474.
	TOTAL \$		<u>639,474.</u>

STATEMENT 2
FORM 1120, LINE 29A
NET OPERATING LOSS DEDUCTION

CARRYOVER GENERATED FROM YEAR END	12/31/99	\$	575,101.	
AMOUNT UTILIZED IN			178,486.	
TOTAL UTILIZATION		\$	<u>178,486.</u>	
AVAILABLE FOR CARRYOVER TO 2005				396,615.
CARRYOVER GENERATED FROM YEAR END	12/31/02	\$	23,962.	
AVAILABLE FOR CARRYOVER TO 2005				23,962.
CARRYOVER GENERATED FROM YEAR END	12/31/03	\$	574,638.	
AVAILABLE FOR CARRYOVER TO 2005				574,638.
CARRYOVER GENERATED FROM YEAR END	12/31/04	\$	1,830,446.	
AVAILABLE FOR CARRYOVER TO 2005				1,830,446.
NET OPERATING LOSSES AVAILABLE IN 2005		\$	<u>2,825,661.</u>	
TAXABLE INCOME				-124,620.
TOTAL NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME)				<u><u>0.</u></u>