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TELECOM COMMUNICATIONS INC
Form 10-K
January 15, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal period ended September 30, 2002

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 333-62236

TELECOM COMMUNICATIONS, INC.

(Exact name of small business issuer as specified in its charter)

Indiana

(State or other jurisdiction of
incorporation or organization)

35-2089848

(IRS Employer identification
No.)

827 S. Broadway, Los Angeles, CA 90014

(Address of principal executive offices)

(213) 489-3486

(Issuer's telephone number)

Securities registered under Section 12(b) of the Securities Exchange Act of
1934:

| Title of Each Class ----- | Name of Each Exchange on Which Registered ----- |
|------------------------------|--|
| None | None |

Securities registered under Section 12(g) of the Securities Exchange Act of
1934: None; report is filed pursuant to section 15D

COMMON STOCK, PAR VALUE \$.001 PER SHARE
(Title of Class)

Check whether the registrant: (1) filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act of 1934 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. 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 an

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amendment to this Form 10-KSB. [x]

State issuer's net revenues for its most recent fiscal year: \$558,002

As of December 31, 2002, there were 10,050,000 common shares outstanding.

There is currently no market established for the Company's common stock.

Transitional Small Business Disclosure Format (check one): Yes [] No[X]

Number of shares of common stock outstanding as of December 31, 2002:10,050,000

Number of shares of preferred stock outstanding as of December 31, 2002: None

PART I

Item 1. Business

Business Development

Telecom Communications Inc. was incorporated on January 6, 1997 in the State of Indiana under the corporate name MAS Acquisition XXI Corp. Prior to December 21, 2000, we were a blank check company seeking a business combination with an unidentified business. On December 21, 2000, we acquired Telecom Communications of America which was a sole proprietorship doing business in Los Angeles, California since August 15, 1995 and changed our name to Telecom Communications Inc. In connection with this acquisition, Aaron Tsai, our former sole officer and director was replaced by Telecom Communications of America's owners and associates. We issued 9,000,000 shares of our common stock or 90% of our total outstanding common shares after giving effect to the acquisition. MAS Capital Inc. returned 7,272,400 shares of common stock for cancellation without any consideration.

Our principal executive offices are located at 827 S. Broadway, Los Angeles, CA 90014. Our telephone number is (213) 489-3486.

Overview

Our main business is to provide low cost telephone calls over the Internet to individuals and businesses. Our services enable our customers to make low cost telephone calls over the Internet using the traditional telephone. In September 1999, we introduced a service that enables international and domestic calls to be made over the Internet using traditional telephones. Long distance calls made using our services are often substantially less expensive than long distance calls routed over traditional voice network. Following illustrate a typical cost for our customers. In summary, our cost of 9.5 cents per minute compared with 17 cents per minute using traditional phones taking in considerations for the monthly basic service charges for the traditional phone services.

Illustration: (based on telephone services in our area)

Our cost per minute = 9.5

Traditional phone services cost per minute = 7 cents (without basic fees)

Assumptions:

Residential long distance charge for the month is \$10.78

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For 154 minutes (domestic call). Customer is using plans such as MCI 7 cents anytime residential plan.

Additional costs for Traditional long distance charges:

| | |
|--|---------|
| MCI 7 Cents anytime residential plan | \$ 6.95 |
| 12% Federal Excise Tax | 1.32 |
| 40% State & Local Taxes | 4.36 |
| .004% Federal, State & Local Surcharges | 0.04 |
| 25% Federal Universal Service Fee | 2.61 |
| .23% CA High cost Fund-B Surcharges | 0.25 |
| .005% CA Universal Life Tel Service Surcharges | 0.05 |
| .003% CA Relay Service and Communication Device Fund | 0.03 |
| .006% CA 911 Local | 0.07 |
| ----- | ----- |
| TOTAL | \$15.68 |

To calculate traditional phone cost, we took the traditional long distance charges for the month of \$10.78 plus the monthly fees of \$15.68 and divide the result by 154 minutes which gives 17 cents per minute.

$$\$10.78 + \$15.68 = \$26.46 \text{ divided by } 154 \text{ minutes} = 17 \text{ cents.}$$

In this illustration, our customers would save 7.5 cents per minute using our services. The basic fees may vary for different areas and we do not have that information at this time. For International calls, you have a higher savings due to higher tariff on traditional phone calls.

We intend to expand our business through acquisitions. Currently, we have one telephone call center with one server located in Los Angeles, California.

We have only a limited operating history upon which you can evaluate our business and prospects. We have achieved limited profitability, and expect to continue to achieve limited profitability in the year 2001 and subsequent fiscal periods. We will need to significantly increase our revenues in order to achieve greater profitability, which may not occur. Even if we do achieve greater profitability, we may be unable to sustain or increase profitability on a quarterly or annual basis in the future.

A total of 77% of our revenue has been generated from the sale of Lotto Tickets, Bus Tokens, Bus Passes, Check Cashing and Money Gram products and 23% for telecommunications business.

Telecom Communications Inc. is intended for people of all ages and income levels who are interested in high quality telephone service at low rates. Typically, however, Latin immigrants who are interested in contacting their friends and relatives in their countries outside of the United States are the primary target audience.

Industry Background

The Internet is experiencing unprecedented growth as a global medium for communications and commerce. Internet telephony has emerged as a low cost alternative to traditional long distance calls. Internet telephone calls are less expensive than traditional domestic and international long distance calls primarily because these calls are carried over the Internet and therefore bypass

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a significant portion of local and international long distance tariffs. The fees and tariffs that are eliminated for our services can be itemized as follows:

- * Calling Plans Charge
- * Carrier Access Charge
- * Federal Excise Tax
- * State and local Tax
- * Federal, State and local surcharge
- * Federal Universal Service fee
- * California High Cost Fund-B surcharge
- * California Universal Lifeline Telephone Service surcharge
- * California Relay Service and Common Device fund
- * California 911 Local charge

The technology by which Internet phone calls are made is also more cost-effective than the technology by which traditional long distance calls are made. The growth of Internet telephony has been limited to date due to poor sound quality attributable to technological issues such as delays in packet transmission and network capacity limitations. However, recent improvements in packet-switching technology, new software algorithms and improved hardware have substantially reduced delays in packet transmissions.

Products and Services

Presently, we have one telephone calling center located in Los Angeles, California. This center has 6 phone booths each with its own traditional telephone set, table and chair. Phone calls made from these booths are routed through our computer server and Internet connection to a third party servers which provide the interconnection to their established network which enables telecommunications over Internet Protocol (IP) data networks using their software, hardware and related components. The third party providing this service is Inter-Tel.net, Inc. with whom Telecom has a contractual agreement.

We do not rely solely on customers visiting our telephone calling center. We also have 24 phone lines attached to our server which enables customers accessing our services using telephones away from our location by calling into our telephone calling center. The 24 phone lines attached to our server allow 24 customers to call in at a given time. When one completes a call the phone line frees up for another caller. In addition, the following products and services are also offered at our telephone calling center:

- * Money wiring service
- * Check cashing
- * Sales of Lotto tickets
- * Automatic Telling Machine (ATM) * Faxing services * Sales of telephone cards

Business Strategies

We hope to grow rapidly through franchising our existing operations and through acquisitions. We have not made any specific business plan for franchising our existing operations and we have no prior experience in franchising. Currently, we do not have prospective franchisees or acquisition targets that are targeted for acquisitions.

Key elements of the company's business strategy are:

- * Acquiring and consolidating geographically disparate and usually smaller independent Internet Telephone Service Providers.

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- * Developing and offering additional value-added products and services to customers. For example, offering long distance international calls over the Internet using cellular phones.
- * Selling franchises of our telephone calling center concept throughout the West Coast and in other areas of high concentration of immigrants.
- * Building customer loyalty and gaining market share through brand recognition.
- * Expansion of our sales and marketing operation.

Marketing Strategy

We currently market our products in several areas. Our marketing efforts include newspaper advertisements and advertisements in publications that potential customers from Latin American countries are likely to see. Other advertising such as flyers targeting a particular market segment are developed to compliment and expand the impact of our marketing program.

Our marketing strategy for the future will consist of using medias designed to reach mass audiences such as audio spot advertisements, video clips and banner advertising on the Internet as well as advertising targeted toward specific markets using radio, television and other publications.

Competition

We have nearly two years of experience building and fine tuning Internet based telephone call services using traditional telephones at a calling center environment. We believe we have the ability to deploy information technology at a faster rate and with fewer errors than new entrants into this field. We have basic billing capabilities to accommodate the more complex commercial transactions in which we intend to engage in the future. We already have in place network management tools and a secure web site capable of taking new account orders in real-time. With our billing package, we can bill customers for their telephone calls at any interval that they desire. We can send out bills on a weekly, bi-weekly or monthly basis. Many Commercial transactions need to be billed differently. We use an internal billing system that was designed for our telephony system. The transactions that we intend to bill for are charges that would normally appear on the telephone bill. We will be offering long distance telephone service to our commercial as well as our retail customers. We can bill or transactions by time of day, date, even charge a surcharge on holidays.

We believe our competitive strength is the ability to build a bridge for a segment of the urban population to access Internet based telephone communication services. We also believe we can move faster than larger telephone companies in identifying and taking advantage of market opportunities as Internet based telephone communication services continues to evolve at a rapid pace.

Long Distance Market

The long distance telephony market and, in particular, the Internet telephony market, is highly competitive. There are several large and numerous small competitors and we expect to face continuing competition based on price and service offerings from existing competitors and new market entrants in the future. The principal competitive factors in the market include price, quality of service, breadth of geographic presence, customer service, reliability, network capacity and the availability of enhanced communications services. Our competitors include AT&T, MCI WorldCom, Sprint, Net2Phone and other

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telecommunications carriers.

Many of our competitors have substantially greater financial, technical and marketing resources, larger customer bases, longer operating histories, greater name recognition and more established relationships in the industry than we have. As a result, certain of these competitors may be able to adopt more aggressive pricing policies, which could hinder our ability to market our Internet telephony services.

Web-Based Internet Telephony Services

As consumers and telecommunications companies have grown to understand the benefits that may be obtained from transmitting voice over the Internet, a substantial number of companies have emerged to provide voice over the Internet. In addition, companies currently in related markets have begun to provide voice over the Internet services or adapt their products to enable voice over the Internet services. These related companies may potentially migrate into the Internet telephony market as direct competitors or could become competitors if we move towards their current markets through our stated intention to grow by acquisition.

Internet Telephony Service Providers

During the past several years, a number of companies have introduced services that make Internet telephony services available to businesses and consumers. AT&T Jens (a Japanese affiliate of AT&T), deltathree.com (a subsidiary of RSL Communications), I-Link, iBasis (formerly known as VIP Calling), ICG Communications, IPVoice.com, ITXC and OzEmail (which was acquired by MCI WorldCom) provide a range of voice over the Internet services. These companies offer PC-to-phone or phone-to-phone services, which could be adapted to provide a similar service to the services we offer. Some, such as AT&T Jens and OzEmail, offer these services within limited geographic areas.

Intellectual Property

We do not currently own or hold any patents, trademarks, licenses, franchises concessions, royalty agreements or labor contracts.

Government Regulation

Regulation of Internet Access Service

We provide Internet access, in part, by using telecommunications services provided by carriers. Terms, conditions and prices for telecommunications service are subject to economic regulation by State and Federal agencies. We, as an Internet Access Provider, are not currently subject to direct economic regulation by the Federal Communications Commission (FCC) or any State regulatory body other than the type and scope of regulation that is applicable to businesses generally. We do not provide Internet access to Internet content. We use the Internet to provide telecommunications services.

In April 1998 the FCC reaffirmed that Internet Access Providers should be classified as unregulated "Information Service Providers" rather than regulated "Telecommunication Providers" under the terms of the Federal Telecommunication Act of 1996. As a result, we are not subject to Federal regulations that apply to telephone companies and similar carriers simply because we provide our

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services using telecommunications service provided by a third party carrier. To date, no State has attempted to exercise economic regulations over Internet Access Providers.

Governmental regulatory approaches and policies to Internet Access Providers and others that use the Internet to facilitate Data and Communication Transmissions are continuing to develop and in the future we could be exposed to regulation by the FCC or other Federal agencies or by State regulatory agencies or bodies. For example, the FCC has expressed an intention to consider whether to regulate providers of voice and fax service that employ the Internet or Internet Packet Switching as "Telecommunications Providers" even though Internet access itself would not be regulated. The FCC is also considering whether providers of Internet based telephone services should be required to contribute towards the Universal Service Fund, which subsidizes telephone service for rural and low-income consumers, or should pay carrier access charges on the same basis as applicable to regulated telecommunications providers. Our business employs the Internet Packet Switching to provide voice services. Phone calls are made through our computer server and Internet connection to a third party server which provides the interconnection to their established network which enables telecommunications over Internet Protocol (IP) data networks using their software, hardware, and related components.

Regulation of Internet Content

Due to the increase in popularity and use of the Internet by broad segments of the population it is possible that laws and regulations may be adopted with respect to web site content, privacy pricing, encryption standards, consumer protection, electronic commerce, taxation, copyright infringement and other intellectual property issues. We cannot predict the effect, if any, that any future regulatory changes or developments may have on the demand for our access to enhanced business service.

Employees

We believe that the success of our business will depend, in part, on our ability to attract, retain and motivate highly qualified sales, technical and management personnel, and upon the continued service of our senior management personnel. As of the date of this registration statement, we have two full-time and three part-time employees. Two full-time employees are responsible for management and marketing; one part-time employee is responsible for book keeping and sales, two other part-time employees are responsible for sales and other day-to-day operations. The three part-time employees are sons and daughter of Mr. Tak Hiromoto and Mrs. Elizabeth Hiromoto. We consider our employee relations to be good and we have never experienced any work stoppages. We cannot assure you that we will be able to successfully attract, retain and motivate a sufficient number of qualified personnel to conduct our business in the future.

Item 2. Properties

Our present telephone calling center consists of an approximately 900 square feet facility located on the first floor at 827 South Broadway, Los Angeles, California. This facility not only hosts the telephone booths but also all computer equipment, support staff and management employed by the company. The initial lease was signed in August 1995 for six months with a rent of \$1,200.00 per month. This lease has been subsequently extended and is due to expire February 28, 2004 with the following rent payment schedule.

| | |
|------------------------------------|----------------------|
| March 1, 2000 to February 28, 2001 | \$1,700.00 per month |
| March 1, 2001 to February 28, 2002 | \$1,800.00 per month |

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| | |
|------------------------------------|----------------------|
| March 1, 2002 to February 28, 2003 | \$1,900.00 per month |
| March 1, 2003 to February 28, 2004 | \$2,000.00 per month |

Item 3. Legal Proceedings

Mas Financial Corp and Aaron Tsai filed a claim against us in the Vanderburgh County alleging breach of contract. The Company and its counsel believe that the claim is without merit and immaterial, and are vigorously defending against this claim. We filed a counterclaim against Aaron Tsai for fraud and breach of contract.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote during the year.

PART II

Item 5. Market for the Registrant's Common Stock and Related Security Holder Matters

Market Information

Public trading market currently exists for our common stock. We cannot assure you that a trading market will ever develop or, if such a market does develop, that it will continue.

As of the date of this prospectus, the number of holders of our common stock was approximately 153.

Dividends

There are no present material restrictions that limit the ability of the Company to pay dividends on common stock or that are likely to do so in the future. The Company has not paid any dividends with respect to its common stock, and does not intend to pay dividends in the foreseeable future.

Recent Sales of Unregistered Securities

Not Applicable.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This periodic report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive positions, growth opportunities for existing products, plans and objectives of management. Statements in this periodic report that are not historical facts are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act.

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Item 6. Management's Discussion and Analysis

Selected Financial Data

For the years ended September 30, 2002 and 2001.

| | 2001 | 2002 |
|---|------------|------------|
| | ---- | ---- |
| Revenues | \$660,115 | 558,002 |
| Net income | 54,655 | 12,560 |
| Net income per common share | .01 | .01 |
| Weighted average common shares outstanding | 10,000,000 | 10,050,000 |

At September 30, 2002 and 2001

| | 2001 | 2002 |
|--------------------------------|----------|----------|
| | ---- | ---- |
| Total assets | \$29,920 | \$37,905 |
| Working capital (deficit) | 8,894 | 33,873 |
| Shareholders' equity (deficit) | 29,920 | 37,905 |

No dividends have been declared or paid during the periods presented.

Results of Operations

For the Years Ended September 30, 2002 and 2001.

Sales

Revenues for the year ended September 30, 2002 were \$558,002 versus \$660,115 in revenues for the year ended September 30, 2001, a decrease of \$102,113 or 15%. Retail sales consisted of: phone calls, lotto tickets, bus token and passes sales, checks cashed and money grams. The decrease was primarily attributable to economic conditions due to recession.

We plan to accelerate growth of sales in fiscal 2003 by increasing expenditures on marketing, establishing more strategic relationships and growing public awareness of our products and services.

Presently, the percentage of customers using our calling center versus using services from their resident is approximately 45% versus 55%. We anticipate that eventually 99% of calls will be made from our customers' residence due to the convenience factor. The other 1% will be customers who have no phone in their home. We sell prepaid cards to call from their residence.

The percentage of revenues will vary from day to day, month to month, year to year. One month we may have a large jackpot in Lotto, the amount of Lotto players will increase dramatically. Money wiring depends on economic conditions. In good times, people send more often. In bad times, people send less often. This is also true of check cashing, money order, and telecom, etc.

Income/Loss

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Net income for the year ended September 30, 2002 was \$12,560 as compared to a net income of \$54,655 in the comparable period in 2001, a decrease of \$42,095 or 77 %. The decrease was primary attributable to an increase in general and administrative expenses.

The Company expects to continue to remain profitable and increase its net income over the next year. However, there can be no assurance that the Company's profitability or revenue growth can be sustained in the future.

Expenses

Total expenses for the year ended September 30, 2002 were \$98,916 versus \$65,730 in the comparable year in 2001, an increase of \$33,186 or 33%. This was primarily attributable to an increase in general and administrative expenses for the year.

We anticipate incurring approximately the same amount of these expenses during fiscal 2003.

We expect increases in certain expenses such as advertising through fiscal 2003 as the Company moves toward increasing development and marketing of our products and services.

Cost of Sales

One of the largest factors in the variations in the cost of sales as a percentage of net sales is the cost of products and services.

Cost of sales for the year ended September 30, 2002 was \$442,492 versus \$518,704 in the comparable period in 2001, a decrease of \$76,212 or 14%. The decrease was primarily attributable to a decreased in sales during the year of \$558,002.

Impact of Inflation

We believe that inflation has had a negligible effect on operations during the period. We believe that we can offset inflationary increases in the cost of sales by increasing sales and improving operating efficiencies.

Trends, Events, and Uncertainties

Demand for the Company's products will be dependent on, among other things, market acceptance of the Company's concept, the quality of its products and general economic conditions, which are cyclical in nature. Inasmuch as a major portion of the Company's activities is the receipt of revenues from the sales of its products, the Company's business operations may be adversely affected by the company's competitors and prolonged recessionary periods.

Liquidity and Capital Resources

For the Year Ended September 30, 2002 and 2001.

Cash flows provided by operations were \$(4,434) for the year ended September 30, 2002 versus \$75,681 in the comparable period in 2001. Cash flows from operating activities were primarily attributable to the net income from operations and an increase in accounts payable.

We have funded our cash needs from inception through September 30, 2000 with the assistance of family members.

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Management believes that we do not need any additional capital to continue our current operations for the next 12 months. Our current business model should be able to sustain itself as it has in the past two years if the current revenue and cost structure remain at the similar level.

We will substantially rely on the existence of revenue from the product sales and from the projected revenues for our services. We project that we will have enough capital to fund our operations over the next 12 months.

On a long-term basis, liquidity is dependent on continuation and expansion of operations, receipt of revenues, additional infusions of capital and debt financing. We are considering launching a wide scale marketing and advertising campaign. Our current available capital and revenues are not sufficient to fund such a campaign. If we choose to launch such a campaign it will require substantially more capital. If necessary, we plan to raise this capital through an additional follow-on stock offering. The funds raised from this offering will be used to develop and execute the marketing and advertising strategy, which may include the use of television, radio, print and Internet advertising. However, there can be no assurance that we will be able to obtain additional equity or debt financing in the future, if at all. If we are unable to raise additional capital, our growth potential will be adversely affected. Additionally, we will have to significantly modify our plans. There are no lines of credit and capital expenditures at this time.

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Item 7. Financial Statements

INDEPENDENT AUDITORS' REPORT

November 6, 2002

Telecom Communications, Inc.
827 South Broadway
Los Angeles, CA 90014-3201

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I have audited the Balance Sheet of Telecom Communications Inc as of September 30, 2001 and 2002 and the related statements of income, cash flows, and changes in equity for the respective twelve months then ended. These financial statements are the responsibility of the management of the company. My responsibility is to express an opinion on them based on my audit.

I conducted the audit in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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. I believe that my audit provides a reasonable basis for my opinion.

Based on the results of my audit, I believe the financial statements referred to above presents fairly in all material respects, the financial position of Telecom Communications, Inc. as of September 30, 2001 and 2002, the results of its operations, cash flows, and changes in equity for the respective twelve months then ended in conformity with generally accepted accounting principles.

These financial statements have been prepared assuming that the company will continue as a going concern. As the company has operated well for eight years, this does not appear to be problem. However, the future is unpredictable. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Very truly yours,

Robert G. Ercek, CPA

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TELECOM COMMUNICATIONS, INC. BALANCE SHEET SEPTEMBER 30, 2001 & 2002

| ASSETS. | 2001 | 2002 |
|-----------------------------------|-----------|-----------|
| | ----- | ----- |
| CURRENT ASSETS | | |
| Cash in Banks (Note 4). | \$ 25,920 | \$ 33,905 |
| Inventory (Note 5). | 4,000 | 4,000 |
| | ----- | ----- |
| TOTAL CURRENT ASSETS. | 29,920 | \$ 37,905 |
| PROPERTY & EQUIPMENT | | |
| Equipment (Note 7). | 7,450 | 7,450 |
| Less: Accumulated Depreciation. | (7,450) | (7,450) |
| | ----- | ----- |
| NET PROPERTY & EQUIPMENT. | 0 | 0 |
| OTHER ASSETS. | 0 | 0 |

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| | | |
|--------------------------------------|-----------|-----------|
| TOTAL OTHER ASSETS. | 0 | 0 |
| TOTAL ASSETS. | \$ 29,920 | \$ 37,905 |
| <hr/> | | |
| LIABILITIES AND CAPITAL | | |
| <hr/> | | |
| CURRENT LIABILITIES | | |
| Inc. Tax Payable (Note 14) | \$ 21,026 | \$ 4,032 |
| TOTAL CURRENT LIABILITIES | 21,026 | 4,032 |
| LONG TERM LIABILITIES | 0 | 0 |
| TOTAL LONG TERM LIABILITIES. | 0 | 0 |
| TOTAL LIABILITIES. | 21,026 | 4,032 |
| <hr/> | | |
| CAPITAL STOCK | | |
| 10M Shares Issued Par .001 | 10,000 | 10,000 |
| 50,000 Shrs Issued @.50 | | 25,000 |
| 70M More Shares Common Auth. | 0 | 0 |
| 20M Shares Preferred Auth. | 0 | 0 |
| Additional Paid in Capital | (55,761) | (68,352) |
| Retained Earnings. | 54,665 | 67,225 |
| TOTAL CAPITAL/EQUITY. | 8,894 | 33,873 |
| TOTAL LIAB. & CAPITAL/EQU. | \$ 29,920 | \$37,905 |

SEE INDEPENDENT AUDITOR'S REPORT
ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE STATEMENTS

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TELECOM COMMUNICATIONS, INC.
INCOME STATEMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2001 & 2002

| INCOME (Note 2) | 2001 | | 2002 | |
|------------------------------|---------------|-------|---------------|-------|
| | <hr/> | | <hr/> | |
| Phone Calls. | \$ 151,836 | 23.0% | 163,867 | 29.3% |
| Lotto Tickets (Net). | 5,713 | 1.0 | 5,299 | 1.0 |
| Bus Tokens Sold. | 441,297 | 66.9 | 367,520 | 66.0 |
| Bus Passes Sold. | 43,018 | 6.5 | 6,488 | 1.1 |
| Checks Cashed (Net). | 9,346 | 1.4 | 8,805 | 1.5 |
| Money Grams (Net). | 8,905 | 1.2 | 6,023 | 1.1 |
| TOTAL INCOME. | <hr/> 660,115 | 100.0 | <hr/> 558,002 | 100.0 |
| <hr/> | | | | |
| COST OF GOODS SOLD | | | | |
| Phone Call Costs | 70,423 | 10.7 | 87,224 | 15.6 |
| Bus Token Costs. | 406,965 | 61.7 | 349,053 | 62.6 |

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| | | | | |
|----------------------------------|-----------|------|---------|------|
| Bus Pass Costs | 41,316 | 6.3 | 6,215 | 1.1 |
| | ----- | | ----- | |
| TOTAL COST OF SALES. | 518,704 | 78.7 | 442,492 | 79.3 |
| | ----- | | ----- | |
| GROSS PROFIT | 141,411 | 21.3 | 115,510 | 20.7 |
| | ----- | | ----- | |
| EXPENSES | | | | |
| Gen. & Admin. Expenses. | 65,730 | 9.9 | 98,916 | 17.7 |
| | ----- | | ----- | |
| TOTAL G. & A. EXPEN. | 65,730 | 9.9 | 98,916 | 17.7 |
| | ----- | | ----- | |
| OTHER INCOME (EXPENSES). | 0 | | 0 | |
| PRE-TAX INCOME | 75,681 | 11.4 | 16,594 | 3.0 |
| | ----- | | ----- | |
| INCOME TAX PROVISION | | | | |
| Fed. Inc. Tax Provision. | 13,988 | 2.1 | 2,490 | 0.4 |
| St. Inc. Tax Provision | 7,038 | 1.1 | 1,544 | 0.3 |
| | ----- | | ----- | |
| TOTAL INC. TAX PROV. | 21,026 | 3.2 | 4,034 | 0.7 |
| | ----- | | ----- | |
| NET INCOME | \$ 54,655 | 8.2% | 12,560 | 2.3% |
| | ----- | | ----- | |
| EPS (10,050,000 SHRS). | \$.01 | | \$.01 | |
| | ----- | | ----- | |

SEE INDEPENDENT AUDITOR'S REPORT
ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE STATEMENTS

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TELECOM COMMUNICATIONS, INC.
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2001 & 2002

| | 2001 | 2002 |
|--|-----------|----------|
| | ----- | ----- |
| NET INCOME (LOSS). | \$ 54,655 | \$12,560 |
| Adjustment to Reconcile Net Income | | |
| To net cash used in Operating Activities: | | |
| Depreciation:. | 0 | 0 |
| Increase in Other Current Assets | 0 | 0 |
| Increase in Other Assets | 0 | 0 |
| Increase in Accounts Receivable. | 0 | 0 |
| Increase in Accounts Payable | 21,026 | (16,994) |
| | ----- | ----- |

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| | | |
|---|-----------|----------|
| NET CASH FROM OPERATIONS | 75,681 | (4,434) |
| Cash Flows from Investing Activities | 0 | 0 |
| Changes in Capital Contributed. | (52,204) | (12,581) |
| Increase From Stock Issued 50,000 shrs @.50 per shr. | 0 | 25,000 |
| Cash Flows from Financing Activities:. | 0 | 0 |
| | ----- | ----- |
| NET INCREASE (DECREASE) IN CASH. | 23,477 | 7,985 |
| BEGINNING CASH BALANCES 10/01/00 & 01 | 2,443 | 25,920 |
| | ----- | ----- |
| CASH AT SEPTEMBER 30, 2001 & 2002. | \$ 25,920 | 33,905 |
| | ----- | ----- |

SEE INDEPENDENT AUDITOR'S REPORT
ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE STATEMENTS

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TELECOM COMMUNICATIONS, INC.
STATEMENT OF CHANGES IN SHAREHOLDERS'S EQUITY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2001 & 2002

| | 2001 | 2002 |
|--|----------|-----------|
| | ----- | ----- |
| Beginning Balance | N/A | 8,894 |
| Income (Loss) For The Period | 54,655 | 12,560 |
| Less: Capital Reductions | (52,204) | (12,581) |
| Issuance of Capital Stock. | 10,000 | 25,000 |
| Adjustments for Stock Issuance | (3,557) | 0 |
| | ----- | ----- |
| Balance at Year End . | \$ 8,894 | \$ 33,873 |
| | ===== | ===== |

SEE INDEPENDENT AUDITOR'S REPORT
ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2001 and 2002

NOTE 1: ABOUT THE COMPANY

Telecom Communications of America was founded as a sole proprietorship in 1995 by Michelle Hiromoto with the assistance and management of her father Tak Hiromoto. The purpose of the company was to provide low cost access to long distance carriers for individuals needing to call Latin and South America. The company operates on the Internet as opposed to using conventional long distance carriers to facilitate lower costs that are passed on to the customers. Many of the extra fees that are found in conventional long distance systems are avoided this way. In addition the company also provides various services such as check cashing, money wiring, the sale of bus tokens and passes, and tickets from California Lottery known as Lotto.

NOTE 2. REVENUE RECOGNITION

SAB 101 identifies basic criteria that must be met for revenue recognition. There must be the following items:

- A. Persuasive evidence of an arrangement exists;
- B. Delivery has occurred or service has been rendered.
- C. The seller's price to the buyer is fixed or determinable;
- D. Collectability is reasonably assured.

Except for check cashing, all transactions are done on a cash basis with fixed prices made clear to the buyer prior to the transaction. All products are paid for immediately upon receipt or completion of phone calls. All monies received are not refundable. EITF 99-19 requires that sales recognized on a gross basis be for an item or service where the merchant takes total risk for the product or service as opposed to an agent relationship wherein earnings are simply a commission received as a representative who bears no risk. Phone calls, Bus Passes, and Tokens, are reported at gross while Lotto Tickets, Money Grams and Check Cashing are reported at net. Checks cashed are limited to local individuals known by the owners as local employees with two types of I.D. required. On one occasion \$5,000 worth of checks did bounce which were later determined to be counterfeit.

This incident was isolated and has not been repeated because of the controls being used. For this reason bad checks are minimal. All cashed checks are deposited the same evening and clear the next day so there are no material receivables. There is a fee of 1.7% of the amount cashed.

NOTE 3. ACCOUNTING METHOD

The company uses the accrual method of accounting.

NOTE 4. BANKING POLICY

Funds are kept in two banks so no more than \$100,000 is in any one account.

NOTE 5. INVENTORY VALUATION

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The average inventories on any given day are as follows:

| | | |
|-----------------|--------|-----------|
| Bus Passes | \$ | 500 |
| Bus Tokens | | 2,000 |
| Lotto Scratcher | | 1,500 |
| | | ----- |
| Total | \$ | 4,000 |
| | | ===== |

NOTE 6. RECEIVABLES

There are no receivables as all business is done for cash. See Note 2.

NOTE 7. ASSETS

All capitalized assets are fully depreciated while new ones are currently being leased.

NOTE 8. LIABILITIES

There are no loans outstanding and no material payables other than income taxes accrued. See Note 14.

NOTE 9. LOANS AND LEASES

Although no loans are outstanding, the Company does have a computer lease requiring a monthly payment of \$911.00. This lease is good thru July 1, 2003. Although there is a purchase option at the end of the lease for \$3,600 this is not small enough to be considered a bargain purchase option, which would require lease capitalization Statement No. 13 that requires capitalization and depreciation of certain leases. No capitalization of the lease will be done. The Company is also leasing its occupancy thru December 31, 2003. Both obligations are broken down as follows:

Computer Lease

| | | |
|---------------------------------------|----|--------|
| Balance on 07/01/2001 thru 09/30/2001 | \$ | 2,733 |
| Balance on 10/01/2001 thru 09/30/2002 | | 10,932 |
| Balance on 10/01/2002 thru 07/01/2003 | | 8,199 |
| | | ----- |
| Total | \$ | 21,864 |
| | | ===== |

Occupancy Lease

| | | |
|---------------------------------------|----|--------|
| Balance on 07/01/2001 thru 09/30/2001 | \$ | 5,400 |
| Balance on 10/01/2001 thru 09/30/2002 | | 22,300 |
| Balance on 10/01/2002 thru 09/30/2003 | | 23,500 |
| Balance on 10/01/2003 thru 12/31/2003 | | 6,000 |
| | | ----- |
| Total | \$ | 57,200 |
| | | ===== |

NOTE 10. RELATED PARTY TRANSACTIONS

There have been no related party transactions.

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NOTE 11. LITIGATION

Mas Financial Corp and Aaron Tsai filed a claim alleging breach of contract.

NOTE 12. PRE-PAID ITEMS AND DEPOSITS

There are no large deposits on any assets or prepaid insurance.

NOTE 13. PAYROLL

Prior to incorporation there were no payrolls as ownership took draws as any sole proprietorship does. After incorporation the officers will be paid as professional, independent contractors. Therefore, there are no payroll tax issues to be concerned about at this time.

NOTE 14. INCOME TAX PROVISION

Provision for income taxes is based on corporate rates for both state and federal taxes. Corporate rates are used for the statements prior to incorporation for consistency. The rates are calculated as follows:

Federal rates:

| | | | | |
|-------------|----------|---|-----|----------|
| The first | \$50,000 | @ | 15% | percent. |
| The next | \$25,000 | @ | 25% | percent. |
| The balance | | @ | 35% | percent. |

State rates:

California rate of 9.3%.

NOTE 15. INCORPORATION

On December 21, 2000, the Company was acquired by MAS Acquisition XXI Corp. Following APB No. 16, this type of acquisition is commonly called a "reverse merger" wherein the smaller private operating company, Telecom Communications of America, merges into a non-operating shell corporation, MAS Acquisition XXI Corp., which had no assets, resulting in the owner's/manager's, Tak Hiromoto continuing to have effective operating control of the new combined company, Telecom Communications, Inc. The shareholders of the former shell only continue as passive investors. The accounting was accomplished by adjusting the balance sheet into a corporate style as opposed to a sole proprietorship with simple recognition of the assets and liabilities as they were in the former financial statements of the sole proprietorship. The equity section is adjusted by taking all owner's capital and reclassifying it as Additional Paid in Capital. The Common Stock issued is recognized at its par value of .001 as per the offering. Ten million shares were issued totaling \$10,000 but no cash was received. The offsetting entry is to reduce Additional Paid in Capital by the \$10,000. The financial statements presented here represent the activities of the smaller operating company.

As mentioned, ten million shares have been issued at a par value of .001. A total of 100 million shares are authorized with 80 million as common shares and 20 million as preferred. The preferred stock will not be convertible so once issued no dilution of Earnings Per Share will be needed. The company intends to raise additional capital through the issuance of stock to enable it to expand. Management estimates that \$50,000 is needed to move forward the first year. Of

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the ten million shares issued, nine million were issued to Tak Hiromoto. He then transferred one million shares to Herman Alexis & Co., Inc. for assisting the company. The remaining one million shares is broken down with 977,500 owned by MAS Capital, Inc. and the remaining 22,400 owned by a large number of small investors.

NOTE 16. FACILITATION OF MERGER

The joining of the companies was accomplished by an introduction to MAS Acquisition XXI Corp. by Herman Alexis & Co., Inc. to the Hiromotos. Neither party knew each other before this introduction.

NOTE 17. GOING CONCERN

As mentioned in Note 15, management estimates that \$50,000 is needed to effectively expand and operate the company for the first year. Although the company has operated successfully for seven years, ownership draws have produced a capital deficiency that raise substantial doubt about the company's ability to continue as a going concern. The future is unpredictable. The financial statements are presented on the going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The company's ability to continue as a going concern must be considered in light of the problems, expenses, and complications frequently encountered by entrance into established markets and the competitive environment in which the company operates. The financial statements prepared here have not been adjusted to reflect possible future events and their effect on the recoverability and classification of assets or the amounts and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the company to continue as a going concern.

NOTE 18. EARNINGS PER SHARE

The company calculates net income or Earnings per Share as required by SFAS No. 128. Earnings per share are calculated by dividing net income by the average number of outstanding shares. No shares are convertible so dilution is not an issue.

NOTE 19. DEFERRED TAXES

According to SFAS 109, the objectives of accounting for income taxes are to recognize (a) the amount of taxes payable or refundable for a current year and (b) deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an enterprise's financial statements or tax returns. A deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and carry forwards. Measurements of current and deferred tax liabilities and assets are based on provisions of the enacted tax law. The effects of future changes in tax laws or rates are not anticipated. If a tax deferral occurs, the measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized. At this time, there are no such deferrals. See Note 14 for calculations of current tax year liabilities based on existing rates.

NOTE 20. SEGMENT REPORTING

Currently the company reports only one segment on the financial statements, as there is only one central location of business and not multiple locations or departments. SFAS 131 defines an operating segment, in part, as a component of an enterprise whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to

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the segment and assess its performance. The chief operating decision maker is not necessarily a single person, but is a function that may be performed by several persons.

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Item 8. Changes with and Disagreements with Accountants on Accounting and Financial Disclosure

NONE.

Item 9. Directors and Executive Officers of the Registrant

Identification of Directors and Executive Officers

The board of directors shall consist of not less than one member nor more than five members. Each Director elected shall hold office until his successor is elected and qualified at annual meeting of the shareholders. The following persons are the Directors and Executive Officers of our Company.

| Name | Age | Position(s) |
|--------------------|-----|-----------------------------------|
| ----- | --- | ----- |
| Tak Hiromoto | 61 | President, CEO and Director |
| Elizabeth Hiromoto | 50 | Secretary, Treasurer and Director |
| Mervyn M. Dymally | 74 | Director |
| Masato Saiki | 74 | Marketing Director |

Mr. Tak Hiromoto has served as our President, Chief Executive Officer and Director since December 2000 and has been a manager of Telecom Communications of America from September 1995 to present. From March 1990 to December 1995, Mr. Hiromoto served as President of Apro Inc., a Real Estate Management Company. From 1982 to Present, Mr. Hiromoto served as Director of Alternative Energy Resource Inc.

Mrs. Elizabeth Hiromoto has served as our Secretary, Treasurer and Director since December 2000 and has been a manager of Telecom Communications of America since from September 1995 to present. From March 1990 to December 1995, Mrs. Hiromoto served as Secretary, Treasurer and Director of Apro Inc., a Real Estate Management Company. Mrs. Hiromoto is a licensed Real Estate Broker. Mrs. Hiromoto is the wife of Mr. Tak Hiromoto.

Mr. Mervyn M. Dymally has served as our Director since December 2000. Mr. Dymally retired as a U.S. Congressman in 1992. He was an Assemblyman, Senator, and Lieutenant Governor of the state of California. From 1992 to present, Mr. Dymally is the President of Dymally International Group, Inc., a consulting and financial advisory firm in the United States. Mr. Dymally has skills in the areas of dispute resolutions and has successfully negotiated many peace agreements. He serves as a honorary consul for the Republic of Benin in California and is International Lobbyist for a number of countries including many African states.

Mr. Masato Saiki has served as our Marketing Director since March 2001 on a part time basis. From March 1985 to January 1998, Mr. Saiki was the president and CEO of Rino Inc., an advertising Agency. From February 1998 to present, Mr. Saiki

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worked as an independent marketing consultant.

Term of Office

- - - - -

The term of office of the current directors shall continue until new directors are elected or appointed.

Family Relationships

- - - - -

Mrs. Hiromoto is the wife of Mr. Tak Hiromoto.

Involvement in Certain Legal Proceedings

- - - - -

Except as indicated below and to the knowledge of management, during the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of the Company:

- (1) Was a general partner or executive officer of any business by or against which any bankruptcy petition was filed, whether at the time of such filing or two years prior thereto;
- (2) Was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
- (3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; and
- (4) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity;
- (5) Was found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Compliance with Section 16(a) of the Exchange Act

- - - - -

| Name and Address of Beneficial Owner | Number of Shares Beneficially Owned | Percent of Class |
|--|---|---------------------|
| Tak Hiromoto (1) President, CEO and Director | 8,000,000 | 80.00% |
| Mark H. Rhynes (2) | 1,000,000 | 10.00% |

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(1) The address for Tak Hiromoto is c/o Telecom Communications Inc., 827 S. Broadway, Los Angeles, CA 90014.

(2) The shares are held by Herman, Alexis & Co., Inc. Herman, Alexis & Co., Inc. is controlled by Mark H. Rhynes. The address for Herman, Alexis & Co., Inc. and Mark H. Rhynes is 555 West 5th Street, Floor 31, Los Angeles, CA 90013. Herman, Alexis & Co., Inc. verbally agreed to lock-up its shares for a period of one year from the date of this prospectus.

Item 10. Executive Compensation

The following table sets forth in summary form the compensation received during each of the Company's last three completed fiscal years by the President and Secretary/ Treasurer of the Company.

Summary Compensation Table

| Name and . . . Position . . . | Other Fiscal Year | Restricted Annual Salary | Restricted Compen- Bonuses | Stock sation | LTIP Awards | Stock Options | Bonuses |
|----------------------------------|-------------------------|--------------------------------|----------------------------------|-----------------|----------------|------------------|---------|
| | | (1) | (2) | (3) (7) | (4) | (5) | (6) |
| Tak | 2002 | \$ 5,000 | | | | | |
| Hiromoto, . | 2001 | \$ 5,000 | -0- | -0- | -0- | -0- | -0- |
| President & | 2000 | N/A | -0- | -0- | -0- | -0- | -0- |
| Director. . | 1999 | N/A | -0- | -0- | -0- | -0- | -0- |
| Elizabeth | 2002 | \$ 20,000 | | | | | |
| Hiromoto, . | 2001 | \$ 20,000 | -0- | -0- | -0- | -0- | -0- |
| Secretary, . | 2000 | N/A | -0- | -0- | -0- | -0- | -0- |
| Treas., Dir | 1999 | N/A | -0- | -0- | -0- | -0- | -0- |

(1) The dollar value of base salary represents annual salary.

(2) The dollar value of bonus (cash and non-cash) received.

(3) During the periods covered by the Summary Compensation Table, the Company did not pay any other annual compensation not properly categorized as salary or bonus, including perquisites and other personal benefits, securities or property.

(4) During the periods covered by the Summary Compensation Table, the Company did not make any award of restricted stock.

(5) The Company has had no stock option plans.

(6) The Company currently has no Restricted Stock Bonus Plans.

(7) No other compensation

No member of the Company's management has been granted any option or stock

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appreciation right; accordingly, no tables relating to such items have been included within this Item. See the Summary Compensation Table of this Item.

Compensation of Directors

There are no standard arrangements pursuant to which the Company's directors are compensated for any services provided as director. No additional amounts are payable to the Company's directors for committee participation or special assignments.

There are no arrangements pursuant to which any of the Company's directors was compensated during the Company's last completed fiscal year or the previous two fiscal years for any service provided as director. See the Summary Compensation Table of this Item.

Termination of Employment and Change of Control Arrangement

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in the Summary Compensation Table set out above which would in any way result in payments to any such person because of his or her resignation, retirement or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

Indemnification of Officers and Directors

We indemnify to the fullest extent permitted by, and in the manner permissible under the laws of the State of Indiana, any person made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he/she is or was a director or officer of our Company, or served any other enterprise as director, officer or employee at our request. Our board of directors, in its discretion, shall have the power on behalf of the Company to indemnify any person, other than a director or officer, made a party to any action, suit or proceeding by reason of the fact that he/she is or was our employee.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Beneficial Owners

The following Table sets forth the shares held by those persons who own more than ten percent of Telecom Communication's common stock as of February 5, 2002, based upon 10,000,000 shares outstanding.

| Title of Class | Name and address of beneficial owner | Number of shares | Percent of class |
|----------------|--|------------------|------------------|
| Common | Tak Hiromoto 827 S. Broadway Los Angeles, CA 90014 | 8,000,000 | 80% |
| Common | Mark H. Rhynes 555 W. 5th Street, Floor 31 | 1,000,000 (2) | 10% |

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Los Angeles, CA 90013

(2) The shares are held by Herman, Alexis & Co., Inc. Herman, Alexis & Co., Inc. is controlled by Mark H. Rhynes. Herman, Alexis & Co., Inc. verbally agreed to lock-up its shares for a period of one year from the date of this prospectus.

(b) Security Ownership of Management

The following table sets forth the shares held by Telecom Communications, Inc.'s directors and officers as of February 5, 2002.

| | | | | |
|--------|--|-----------|-----|-----|
| Common | Tak Hiromoto 827 S. Broadway Los Angeles, CA 90014 | 8,000,000 | (1) | 80% |
|--------|--|-----------|-----|-----|

Ownership of shares by directors and officers of Telecom Communications as a group: 80%

(c) Changes in Control

We know of no contractual arrangements which may at a subsequent date result in a change of control in the Company.

Item 12. Certain relationships and Related Transactions

Not Applicable.

Item 13. Exhibits and Reports on Form 8-K

(a) Financial Statements

1. The following financial statements of Telecom Communications are included in Part II, Item 7: Independent Auditor's Report

Balance Sheet - September 30, 2002
Statements of Income - Years Ended
September 30, 2002 and 2001
Statements of Cash Flows - Years Ended
September 30, 2002 and 2001
Statements of Stockholders' Equity - Years Ended
September 30, 2002 and 2001
Notes to Financial Statements

2. Exhibits

3. Articles of Incorporation as amended and bylaws are incorporated by reference to Exhibit No. 3 of Form SB-2 as amended filed November 28, 2001.

23. Consent of Auditors

(b) Reports on Form 8-K

No Form 8-K was filed during the fourth quarter.

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SIGNATURE PAGE FOLLOWS

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

TELECOM COMMUNICATIONS, INC.

Date: November 12, 2002

By: /s/ Tak Hiromoto

Tak Hiromoto
CEO, President and Director

Date: November 12, 2002

By: /s/ Elizabeth Hiromoto

Elizabeth Hiromoto
Secretary, Treasurer and Director

ROBERT G. ERCEK, CPA
1756 West Ave. J-12 #107
Lancaster, CA 93534 (661)-726-9448

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

I hereby consent to the use of this Registration Statement on Form 10-KSB of my report dated November 6, 2002 relating to the comparative financial statements of Telecom Communications, Inc. as of September 30, 2001 and 2002 respectively.

Date January 10, 2003
Lancaster, California

/s/ Robert G Ercek

Robert G. Ercek,
Certified Public Accountant

