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COMMISSION CLERK

FOSTER MALISH & BLAIR, L.L.P.
ATTORNEYS AT LAW
A REGISTERED LIMITED LIABILITY PARTNERSHIP
1403 WEST SIXTH STREET
AUSTIN, TEXAS 78703
(512) 476-8591
FAX: (512) 477-8657
www.fostermalish.com

Rebecca Hamilton

WRITER'S EMAIL
rhamilton@fostermalish.com

04 MAR 12 AM 10: 09

DISTRIBUTION CENTER

March 11, 2003

VIA OVERNIGHT MAIL

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: CONNECT PAGING INC., d/b/a GET A PHONE APPLICATION FORM FOR AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA

Dear Sir or Madam:

Enclosed please find the following:

1. One (1) original and one (1) copy of Connect Paging Inc., d/b/a Get A Phone's application for authority to provide alternative local exchange service within the state of Florida;

2. A check in the amount of $250.00 for filing fees;

3. A self addressed, postage paid, envelope

Please file the application, and return any certifications and/or documentation of the filing to this office in the self addressed, stamped envelope.

Should you have any questions, please feel free to contact me at the phone or email address located above.

Very truly yours,

Rebecca Hamilton

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check:

Enclosures

DOCUMENT NUMBER-DATE
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ORIGINAL

FLORIDA PUBLIC SERVICE COMMISSION

Connect Paging, Inc. d/b/a Get A Phone
Application Form for Authority to Provide
Alternative Local Exchange Service Within the State of Florida

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1. **This is an application for √ (check one):**

(√) **Original certificate** (new company).

(   ) **Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

(   ) **Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

(   ) **Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. **Name of company:**

Connect Paging, Inc. d/b/a Get A Phone ("Get A Phone")

3. **Name under which the applicant will do business (fictitious name, etc.):**

Get A Phone

4. **Official mailing address (including street name & number, post office box, city, state, zip code):**

849 Sierra Vista
Burleson, TX 76028

5. **Florida address (including street name & number, post office box, city, state, zip code):**

Applicant does not have an office in Florida.

6. **Structure of organization:**

( ) Individual
(√) Foreign Corporation
See exhibit 1
( ) General Partnership
( ) Other ____________

( ) Corporation
( ) Foreign Partnership
( ) Limited Partnership

7. **<u>If individual,</u> provide:**

Name:____

Title:____

Address:____

City/State/Zip:____

Telephone No.:________________________ Fax No.:____________________

Internet E-Mail Address:____

Internet Website Address:____

8. **<u>If incorporated in Florida,</u> provide proof of authority to operate in Florida:**

(a) **The Florida Secretary of State corporate registration number:**

____

9. **<u>If foreign corporation,</u> provide proof of authority to operate in Florida:**

(a) The Florida Secretary of State corporate registration number:

<u>F03000006464; see Exhibit 1</u>

10. **<u>If using fictitious name-d/b/a,</u> provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:**

(a) The Florida Secretary of State fictitious name registration number:

<u>G04055900268; see Exhibit 1</u>

11. **<u>If a limited liability partnership</u>, provide proof of registration to operate in Florida:**

(a) The Florida Secretary of State registration number:

____

12. **<u>If a partnership</u>, provide name, title and address of all partners and a copy of the partnership agreement.**

Name:____

Title:____

Address:____

City/State/Zip:____

Telephone No.:______________________ Fax No.:______________________

Internet E-Mail Address:____

Internet Website Address:____

13. **<u>If a foreign limited partnership</u>, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.**

(a) The Florida registration number:____

14. **Provide <u>F.E.I. Number</u>(if applicable):** <u>75-2723586</u>___________________________

15. **Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:**

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. <u>Provide explanation.</u>

No.

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, <u>give reason why not.</u>

No.

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Mark Foster

Title: Attorney for PhoneCo, L.P., d/b/a Get A Phone

Address: 1403 West 6th St.
City/State/Zip: Austin, TX 78703

Telephone No.: (512) 476-8591 **Fax No.:** (512) 477-8657
Internet E-Mail Address: mfoster@fostermalish.com
Internet Website Address: www.fostermalish.com

(b) Official point of contact for the ongoing operations of the company:

Name: Brian Young

Title: President

Address: 849 Sierra Vista
City/State/Zip: Burleson, TX 76028

Telephone No.: (888) 333-3406 **Fax No.:** (888) 333-3503
Internet E-Mail Address: byoung1616@aol.com
Internet Website Address: None

(c) Complaints/Inquiries from customers:

Name: Brian Young

Title: President

Address: 849 Sierra Vista
City/State/Zip: Burleson, TX 76028

Telephone No.: (888) 333-3406 **Fax No.:** (888) 333-3503
Internet E-Mail Address: byoung1616@aol.com
Internet Website Address: None

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

Texas.

(b) has applications pending to be certificated as an alternative local exchange company.

California.

(c) is certificated to operate as an alternative local exchange company.

Texas.

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

None.

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

On December 23, 2003 Get A Phone reached a settlement with the Texas Public Utility Commission to pay an administrative penalty of $600.00 to the Commission for its failure to timely submit its Quarterly access line account for the fourth Quarter of 2002.

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None.

18. Submit the following:

A. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

Resumes of the key personnel of Applicant are attached at Exhibit 2. These individuals possess the managerial capability to operate an alternative local exchange company.

B. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

Resumes demonstrating the technical capability of Applicant are attached at Exhibit 2.

C. Financial capability.

The application **<u>should contain</u>** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

Please see Exhibit 3, which contains financial documents for USURF America, Inc, which recently entered into an agreement to purchase Get A Phone. As evidenced by the financial documents, Get A Phone has sufficient financial capability to provide the requested service in the proposed geographic area. Get A Phone will provide services through resale and UNE-P.

Get A Phone does not expect to have any "lease or ownership obligations." However, the company does have the financial capability to maintain any necessary obligations that might arise in the future as demonstrated by the attached financial statements.

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of $50 is required.

2. **APPLICATION FEE:** I understand that a non-refundable application fee of $250.00 must be submitted with the application.

GET A PHONE OFFICIAL:

Brian Young

Signature

President
Title

2/25/04
Date

(888) 333-3406
Telephone No.

(888) 333-3503
Fax No.

Address: **849 Sierra Vista Drive**
Burleson, TX 76028

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

GET A PHONE OFFICIAL:

Brian Young	Signature
President **Title**	2/25/04 **Date**
(888) 333-3406 **Telephone No.**	**(888) 871-0322** **Fax No.**

Address: **849 Sierra Vista Drive**
Burleson, TX 76028

EXHIBIT 1

State of Florida

Department of State

I certify from the records of this office that CONNECT PAGING, INCORPORATED, is a corporation organized under the laws of Texas, authorized to transact business in the State of Florida, qualified on December 31, 2003.

The document number of this corporation is F03000006464.

I further certify that said corporation has paid all fees due this office through December 31, 2003, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Thirty-first day of December, 2003

GREAT SEAL OF THE STATE OF FLORIDA
IN GOD WE TRUST

Glenda E. Hood

Glenda E. Hood
Secretary of State

CR2EO22 (2-03)

State of Florida

Department of State

I certify that the attached is a true and correct copy of the Application For Registration of Fictitious Name of GET A PHONE, registered with the Department of State on February 24, 2004, as shown by the records of this office.

The Registration Number of this Fictitious Name is G04055900268.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Twenty-fourth day of February, 2004

Glenda E. Hood

Glenda E. Hood
Secretary of State

CR2EO22 (2-03)

State of Florida

IN GOD WE TRUST

Department of State

I certify from the records of this office that GET A PHONE is a Fictitious Name registered with the Department of State on February 24, 2004.

The Registration Number of this Fictitious Name is G04055900268.

I further certify that said Fictitious Name Registration is active.

I further certify that this office began filing Fictitious Name Registrations on January 1, 1991, pursuant to Section 865.09, Florida Statutes.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Twenty-fourth day of February, 2004

GREAT SEAL OF THE STATE OF FLORIDA
IN GOD WE TRUST

Glenda E. Hood

Glenda E. Hood
Secretary of State

CR2E022 (2-03)

EXHIBIT 2

Brian Young

Mr. Young is the President and Treasurer of Connect Paging, Inc. d/b/a Get A Phone. Mr. Young's prior experience includes running a retail wireless and paging store, reselling, rebilling, customer service and order processing for paging for over 5 years, and from 2002-2003 worked for Extel Enterprises, Inc., a Texas CLEC, as an operations manager overseeing all aspects of provisioning, order processing, customer service training, and development of support system. He trained over 50 customer support and provisioning customer service representatives for Extel. He also has experience in account profile setup and account management with the ILEC's. He is proficient in billing systems, OSS systems, auditing, compliance issues, as well as development of lines of credit and banking relationships.

Byron Young

Mr. Young is the Vice President and Secretary of Connect Paging, Inc. d/b/a Get A Phone. He founded Express Paging and Cellular, Inc. in 1994. The company grew to 5 retail locations and included sales, billing customer service, and repair for over 15,000 paging subscribers. He has owned and operated several other paging, telemarketing, and telecommunication businesses since 1992. He stated a CLEC in 1997 by the name of Phone America, which was later merged to another CLEC in San Antonio, Trans National Telecommunications, Inc. He developed all departments including billing, order processing, carrier negotiations, interconnect agreements, customer service, carrier reconciliation. He also pioneered a very effective marketing campaign for the company and he attracted financing for the company as well. The company was sold to a publicly traded company in 2001. In November 2003, he came on board Get A Phone to guide in development of all areas of the company. So far he has assisted in licensing, billing systems, business plan development, tariff filing and approval, Intec CABS billing setup, Tax Partners and 911 account setup and compliance, as well as state licensing and SWB interconnect agreements for the State of Texas.

Brandon Young

Mr. Young's prior experience includes running retail wireless and paging store, reselling, rebilling, customer service, and order processing for paging for over 5 years. Mr. Young ran Dial USA and from 2002-2003 worked for Extel Enterprises, Inc., a Texas CLEC, as an operations manager overseeing all aspects of accounting, provisioning, order processing, customer service training, and development of operator support systems. He also has experience in account profile setup and account management with the ILEC's. He is proficient in billing systems, OSS systems, auditing, compliance issues, as well as development of lines of credit and banking relationships.

EXHIBIT 3

USURF America, Inc. and Subsidiaries
Colorado Springs, Colorado

Consolidated Balance Sheets
December 31, 2002 and September 30, 2003 (unaudited)

ASSETS

	9/30/03 (unaudited)	12/31/2002 *
Current Assets		
Cash and cash equivalents	$ 260,309	$ 111,568
Accounts receivable	66,566	224
Inventory	28,098	2,715
Notes receivable - current	332,000	0
Other current assets	20,000	4,942
Total Current Assets	706,973	119,449
Property and Equipment		
Cost	618,887	73,359
Less: Accumulated depreciation	(64,807)	(7,336)
Total Property and Equipment	554,080	66,023
Intangibles	900,939	201,604
Less: Accumulated amortization	(10,431)	0
Total Intangibles	890,508	201,604
Other Assets		
Investment in Joint Venture	28,434	
Prepaid Expenses	45,200	0
Other	82,928	20,000
Total Other Assets	156,562	20,000
Total Assets	$ 2,308,123	$ 407,076

LIABILITIES

Current Liabilities		
Accounts payable	$ 262,142	$ 131,146
Payroll taxes payable	12,143	0
Notes payable - Current	111,300	87,604
Accrued expenses	878	0
Other current liabilities	171,802	0
Notes payable to stockholder	0	1,000
Total Liabilities	558,265	219,750
Stockholders' Equity		
Common stock, $.0001 par value; authorized 400,000,000 shares; issued and outstanding:103,936,786 at September 30, 2003 and 71,445,338 at December 31, 2002	10,538	$ 7,145
Additional paid in capital	44,895,176	40,778,870
Accumulated deficit	(42,198,284)	(40,207,489)
Subscriptions	(430,075)	(21,200)
Deferred consulting	(527,497)	(370,000)
Total stockholders' equity	1,749,858	187,326
Total liabilities and stockholders' equity	2,308,123	$ 407,076

* Derived from the audited financial statements for the year ended December 31, 2002

The accompanying notes are an integral part of these statements.

USURF America, Inc. and Subsidiaries
Colorado Springs, Colorado

Consolidated Statement of Operations
Three months ended September 30, 2003 and 2002,
and nine months ended September 30, 2003 and 2002

	Three months ended September 30,		Nine months ended September 30,	
	2003 (unaudited)	2002 (unaudited)	2003 (unaudited)	2002 (unaudited)
Revenues	$ 165,278	$ 4,676	$ 236,448	$ 13,978
Internet access costs, cost of goods sold	(103,391)	(8,669)	(131,070)	(25,820)
Gross profit	61,887	(3,993)	105,378	(11,842)
Operating expenses				
Depreciation and amortization	41,040	8,850	67,902	22,917
Professional and Consulting fees	200,529	328,645	754,837	1,021,702
Rent	30,923	6,646	78,033	22,009
Salaries and commissions	256,246	213,313	582,086	1,028,476
Advertising	100	1,388	3,113	66,233
Other general and administrative	296,322	60,650	601,475	201,021
Total operating expenses	825,160	619,492	2,087,446	2,362,358
Loss from operations	(763,273)	(623,485)	(1,982,068)	(2,374,200)
Other income (expense)				
Interest income	548	1	556	8
Interest expense	(9,283)	0	(9,283)	(183)
Total other income (expense)	(8,735)	1	(8,727)	(175)

Loss before income tax	(772,008)	(623,484)	(1,990,795)	(2,374,375)
Income tax benefit	0	0	0	0
Net Loss	($ 772,008)	($ 623,484)	($ 1,990,795)	($ 2,374,375)
Net loss per common share	($ 0.008)	($ 0.013)	($ 0.024)	($ 0.061)
Weighted average number of shares outstanding	93,359,842	47,424,671	83,109,557	38,938,546

The accompanying notes are an integral part of these statements.

USURF America, Inc. and Subsidiaries
Colorado Springs, Colorado

Consolidated Statement of Cash Flows
Nine months ended September 30, 2003 and 2002

	Nine months ended September 30, 2003 (unaudited)	Nine months ended September 30, 2002 (unaudited)
Cash Flows From Operating Activities		
Net loss	($1,990,795)	($2,374,375)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	67,902	22,917
Consulting and other fees paid with stock	710,261	913,824
Compensation expense paid with stock	473,250	900,880
Advertising expense paid with stock	0	62,000
Changes in operating assets and liabilities		
Accounts receivable	(66,342)	0
Inventory	(1,383)	(4,100)
Other assets	(15,058)	0
Accounts payable	130,996	44,941
Accrued payroll	0	(86,038)
Deferred consulting	(157,497)	0
Other current liabilities	184,823	102,000
Net cash used in operating activities	(663,843)	(417,951)
Cash Flows From Investing Activities		
Capital expenditures	(384,715)	(28,567)
Investment in Joint Venture	(28,434)	0

Net cash used in investing activities	(413,149)	(28,567)
Cash Flows From Financing Activities		
Subscriptions receivable	(468,875)	305,000
Notes payable - stockholder	(1,000)	(18,521)
Issuance of common stock for cash	891,376	212,000
Issuance of common stock for services	542,500	
Warrants exercised	593,732	13,000
Notes receivable	(332,000)	0
Fee for stock issuance	0	(4,900)
Net cash provided by financing activities	1,225,733	506,579
Net increase (decrease) in cash and cash equivalents	148,741	60,061
Cash and cash equivalents, beginning of period	111,568	10
Cash and cash equivalents, end of period	$ 260,309	$ 60,071

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2003 (UNAUDITED)

Note 1. Organization and Basis of Presentation

Organization

USURF America, Inc. (the "Company"), formerly Internet Media Corporation, was incorporated as Media Entertainment, Inc. in the State of Nevada on November 1, 1996. The Company currently provides telecommunications services to customers in Colorado.

Principles of Consolidation

The accompanying consolidated financial statements include all the accounts of USURF and all wholly owned subsidiaries. Inter-company transactions and balances have been eliminated in the consolidation.

Loss Per Common Share

The loss per common share is presented in accordance with the provisions of SFAS No. 128, Earnings Per Share. Basic loss per common share has been computed by dividing the net loss available to the common stockholder by the weighted average number of shares of common stock outstanding for the period.

Stock-Based Compensation

The Company has elected to follow APB Opinion No. 25 and related interpretations in accounting for its stock options and grants since the alternative fair market value accounting provided for under Statement of Financial Accounting Standards (SFAS) No. 123 requires use of grant valuation models that were not developed for use in valuing employee stock options and grants. Under APB Opinion No. 25, if the exercise price of the Company's stock grants and options equal the fair value of the underlying stock on the date of grant, no compensation expenses are recognized.

If compensation cost for the Company's stock-based compensation plans had been determined based on the fair value at the grant dates for awards under those plans consistent with the method of SFAS No. 123, then the Company's net income per share would have been adjusted to the pro forma amounts indicated below:

	September 30, 2003	September 30, 2002
Net Loss as reported	$(1,990,795)	$(2,374,375)
Add: stock based compensation included in reported net income	--	--
Deduct: stock based compensation cost under SFAS 123	--	--
Pro forma net income	(1,990,795)	(2,374,375)

Pro form basic and diluted net income per share:

	September 30, 2003	September 30, 2002
Reported net income per common share - basic and diluted	$ (0.024)	$ (0.061)
Pro forma net income per common share - basic and diluted	$ (0.024)	$ (0.061)

Note 2. Interim Consolidated Financial Statements

In the opinion of management, the accompanying consolidated financial statements for the nine months ended September 30, 2003 and 2002, reflect all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial condition, results of operations and cash flows of USURF, including subsidiaries, and include the accounts of USURF and all of its subsidiaries. All material inter-company transactions and balances are eliminated.

The financial statements included herein have been prepared by USURF, without audit, pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States have been condensed or omitted pursuant to such rules and regulations. It is suggested that these unaudited financial statements be read in conjunction with the financial statements and notes thereto included in USURF's Annual Report on Form 10-KSB/A for the year ended December 31, 2002, as filed with the SEC. Certain reclassifications and adjustments may have been made to the financial statements for the comparative period of the prior fiscal year to conform with the 2002 presentation. The results of operations for the interim periods are not necessarily indicative of the results to be obtained for the entire year.

Note 3. Notes Payable to Shareholder

	September 30, 2003 (unaudited)	December 31, 2002
Notes payable to stockholder, interest accrues at 8%, due on demand and unsecured	$0	$1,000

Note 4. Stock and Warrant Issuances

During the nine months ended September 30, 2003, the Company issued shares of common stock and common stock purchase warrants, as follows:

11,463,250 shares upon the exercise of certain warrants and options;

4,175,000 shares to acquire various businesses or business assets;

6,994,865 shares for cash;

2,500,000 shares as a commitment fee in connection with a financing transaction;

5,333,333 shares in exchange for consulting and other services;

4,475,000 shares in lieu of cash compensation to certain officers;

8,162,250 warrants (1,000,000 warrants, exercise price $.050 per share; 1,500,000 warrants, exercise price $.14 per share; 540,000 warrants, exercise price $.049 per share; 213,368 warrants, exercise price $.10 per share; 885,954 warrants, exercise price of $.20 per share; 266,710 warrants, exercise price of $.25 per share; 123,968 warrants, exercise price of $.30 per share; 2,500,000 warrants, exercise price of $.18 per share; 132,250 warrants, exercise price of $.20 per share; 1,000,000 warrants, exercise price of $.19 per share) were issued;

Note 5. Contingencies

A. Outstanding Judgments

In 2002, an arbitrator awarded $75,000, plus legal expenses of approximately $25,000 to a former vice-president of the Company in connection with an employment dispute. Also during 2002, the Company was informed of a default judgment from unchallenged litigation in the amount of $22,000. These amounts are included in accounts payable on the balance sheet.

B. American Stock Exchange Listing

In July 2002, the Company was notified by AMEX that it had fallen below the continued listing standards of AMEX. At that time, the Company had fallen below certain of AMEX's continued listing standards: (1) losses from operations in its two most recent fiscal years with shareholders' equity below $2 million; and (2) sustained losses so substantial in relation to the company's overall operations or its existing financial resources, or its financial condition in relation to its overall operations or its existing financial resources, or its financial condition has become so impaired that it appears questionable, in the opinion of AMEX, as to whether the company will be able to continue operations and/or meet its obligations as they mature. After AMEX reviewed the Company's plan for regaining compliance, it was granted an extension of time (18 months) to regain compliance with the continued listing standards. The Company is subject to periodic review by the AMEX staff during the extension period. Failure to make progress consistent with the plan or to regain compliance with the continued listing standards by the end of the extension period could result in the Company's being delisted from AMEX.

Note 6. Financing Transactions

In May 2001, the Company signed an amended and restated common stock purchase agreement with an unrelated company to sell up to 6,000,000 shares of common stock for up to $10,000,000. This agreement terminated in March 2003, upon the purchase of the last available shares under the agreement. During its term, the purchase price of the shares under the purchase agreement varied, based on market prices of the Company's common stock. The registration statement filed with respect to this financing transaction became effective on June 29, 2001. The commencement date of the purchase agreement was July 10, 2001. The Company received a total of $585,000 in proceeds under the purchase agreement during 2001, 2002 and 2003, in consideration of 6,000,000 shares.

In March 2003, the Company signed a common stock purchase agreement with an unrelated company to sell up to $10,000,000 of Company common stock. The purchase price per share under this purchase agreement varies, based on market prices of the Company's common stock. The purchase agreement calls for the Company to meet certain requirements and maintain certain criteria with respect to its common stock in order to avoid an event of default. Upon the occurrence of the event of default the buyer is no longer obligated to purchase any additional shares of common stock. A registration statement is expected to be filed in the near future with respect to this financing transaction.

Note 7. Acquisitions During the Quarter

Pipeline Networks of Colorado, LLC

During the three month period ended September 30, 2003, USURF acquired the customer base and related assets of Pipeline Networks of Colorado, LLC, ("Pipeline") a provider of high speed broadband Internet access service. In connection therewith, we used $45,000 of our cash on hand and issued a promissory note, face amount $111,300, due December 15, 2003, with interest accruing at 8% per annum. Our subsidiary, USURF Communications, Inc., is the maker of the promissory note and we have guaranteed payment of the note. Additionally, we are to deliver to Pipeline, prior to December 15, 2003, the cash sum of $156,300 or, in our discretion, 1,281,148 shares of our common stock. The Company has not yet determined whether to deliver cash or stock. This sum is reflected on the balance sheet as an "other current liability" at September 30, 2003.

The following table summarized the assets acquired and liabilities assumed by USURF in the transaction and the amount attributable to cost in excess of assets acquired:

Property and Equipment	$207,177
Intangibles (Customer Base, Non-compete and Right-of Entry Agreements	$119,613
Customer Deposits	($14,190)

The preliminary estimate of assets represents management's best estimate based on currently available information; however, such estimate may be revised within the one-year period following the acquisition date.

The following unaudited proforma condensed statements of operations assumes the Pipeline acquisition occurred on January 1, 2002 and presents proforma financial information for the nine months ended September 30, 2002. In the opinion of management, all adjustments necessary to present fairly such unaudited proforma condensed statements of operations have been made.

	Historical			
	USURF	Pipeline	Proforma Adjustments	Proforma Adjustments
Revenues	$ 13,978	$ 74,568		$ 88,546
Expenses				
Internet Access Cost	25,820	26,041		51,861
Depreciation and Amortization	22,917	48,262	(1) $ 21,495	92,674
General and Administrative	201,021	136,316		337,337
Other Operating Expenses	2,138,420	126,034		2,264,454
Total Operating Expenses	2,388,178	336,653	21,495	2,746,326
Operating Loss	(2,374,200)	(262,085)	(21,495)	(2,657,780)
Other Income (Expense)	(175)	195		20
Loss Before Taxes	(2,374,375)	(261,890)	(21,495)	(2,657,760)
Income Tax Benefit	0	0		0
Net Loss	($ 2,374,375)	($ 261,890)	(21,495)	($ 2,657,760)
Net Loss Per Common Share	($ 0.06)			($ 0.07)
Weighted Average Number of Shares Outstanding	38,938,546			38,938,546

The following unaudited proforma condensed statements of operations assumes the Pipeline acquisition occurred on January 1, 2003 and presents proforma financial information for the nine months ended September 30, 2003. In the opinion of management, all adjustments necessary to present fairly such unaudited proforma condensed statements of operations have been made.

	Historical			
	USURF	Pipeline	Proforma Adjustments	Proforma Adjustments
Revenues	$ 236,448	$ 154,091		$ 390,539
Expenses				
Internet Access Cost	131,070	106,985		238,055
Depreciation and Amortization	67,902	54,410	(1) $ 12,073	134,385
General and Administrative	601,475	128,111		729,586
Other Operating Expenses	1,418,069	90,145		1,508,224
Total Operating Expenses	2,218,516	379,651	12,073	2,610,240
Operating Loss	(1,982,068)	(225,560)	(12,073)	(2,219,701)
Other Income (Expense)	8	24,281		24,289
Loss Before Taxes	(1,982,060)	(201,279)	(12,073)	(2,195,412)
Income Tax Benefit	0	0		0
Net Loss	($ 1,982,060)	($ 201,279)	(12,073)	($ 2,195,412)
Net Loss Per Common Share	($ 0.024)			($ 0.026)
Weighted Average Number of Shares Outstanding	83,109,557			83,109,557

(1) To record amortization of intangible assets

Children's Technology Group, Inc.

During the three months ended September 30, 2003, USURF acquired certain assets of Children's Technology Group, Inc. ("CTG") a provider of content-filtering internet services. In connection therewith, we used $150,000 of our cash on hand and issued 2,800,000 shares of our common stock. No significant revenues have been recorded for the period ended September 30, 2003.

	2002	2001
Revenues	$0	$7,446
Internet Access Costs, Cost of Goods Sold	0	(109,525)
Gross Profit (Loss)	(132,031)	(102,079)
Operating Expenses	3,837,517	2,852,110
Other (Expense)	(190,874)	(34,184)
Loss from Operations	(3,969,548)	(2,954,189)
Net Loss	(4,160,422)	(2,988,373)

		December 31, 2002	December 31, 2001
Current Assets	Cash	$111,568	$10
	Accounts Receivable	224	0
	Inventory	2,715	134,756
Current Liabilities	Disbursements in Excess of Cash Balances	$0	$15,539
	Accounts Payable	131,146	136,054
	Note Payable	87,604	0
	Accrued Payroll	0	265,978
	Notes Payable to Stockholder	1,000	18,521

	2001	2000
CURRENT ASSETS		
Cash and cash equivalents	$10	$1,088
Inventory	134,746	246,721
	134,756	247,809
PROPERTY AND EQUIPMENT		
Cost	203,141	138,954
Less: accumulated depreciation	(125,036)	(69,476)
	78,105	69,478
INVESTMENTS	0	68,029
OTHER ASSETS	16,667	25,000
TOTAL ASSETS	$229,528	$410,316

	2001	2000
REVENUES		
Revenues	$7,446	$1,781,082
Equipment sales	0	91,547
Internet access costs, cost of goods sold	(11,999)	(2,145,955)
Inventory write-down	(97,526)	0
Gross profit (loss)	(102,079)	(273,326)
OPERATING EXPENSES		
Depreciation and amortization	70,105	7,618,755
Professional fees	1,803,751	4,168,610
Rent	28,528	216,416
Salaries and commissions	856,124	2,060,528
Advertising	0	24,583
Other	93,602	886,691
	2,852,110	14,975,583
LOSS FROM OPERATIONS	(2,954,189)	(15,248,909)
OTHER INCOME (EXPENSE)		
Other income	0	67,447
Impairment loss	(31,118)	(9,239,310)
Interest expense	(3,066)	(21,418)
	(34,184)	(9,193,281)
LOSS BEFORE EXTRAORDINARY ITEMS	(2,988,373)	(24,442,190)
EXTRAORDINARY ITEMS		
Gain on debt forgiveness	489,905	0
Gain on rescission	0	961,436
	489,905	961,436
LOSS BEFORE INCOME TAX	(2,498,468)	(23,480,754)
INCOME TAX BENEFIT	0	1,595,424
NET LOSS	$(2,498,468)	$(21,885,330)
Net loss per common share	$(0.13)	$(1.68)
Weighted average number of shares outstanding	18,616,434	13,000,391