

Exhibit J

FINANCIAL STATEMENTS



**TWO MEN AND A TRUCK/INTERNATIONAL, INC.,
AND SUBSIDIARIES AND AFFILIATE**

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2006 AND 2005

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Two Men and a Truck/International, Inc.,
Subsidiaries, and affiliate
Lansing, Michigan

February 28, 2007

We have audited the accompanying consolidated balance sheets of Two Men and a Truck/International, Inc., subsidiaries, and affiliate as of December 31, 2006 and 2005, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Two Men and a Truck/International, Inc., subsidiaries, and affiliate as of December 31, 2006 and 2005, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2006 AND 2005

	2006	2005
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,067,560	\$ 1,104,967
Investments	3,226,408	2,519,399
Accounts receivable - franchisees	1,211,923	1,306,960
Notes receivable - related parties	218,992	99,068
Notes receivable	55,254	47,289
Promotional supplies	437,869	351,008
Deferred income taxes	189,026	46,578
Refundable taxes	161,843	
Prepaid expenses and other	250,767	133,559
TOTAL CURRENT ASSETS	6,819,642	5,608,828
PROPERTY AND EQUIPMENT, less accumulated depreciation	6,508,238	6,098,488
OTHER ASSETS:		
Intangible assets	806,644	806,644
Notes receivable - related party	506,108	361,328
Deposits	31,028	18,015
TOTAL OTHER ASSETS	1,343,780	1,185,987
TOTAL ASSETS	\$ 14,671,660	\$ 12,893,303
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 339,390	\$ 241,041
Accounts payable	258,922	290,344
Accrued payroll and related	307,820	323,257
Unexpended advertising fees	426,145	418,788
Deferred initial franchise fees	726,393	316,995
Taxes payable		31,431
Property taxes payable	95,147	96,141
Dividends declared	100,000	100,000
TOTAL CURRENT LIABILITIES	2,253,817	1,817,997
DEFERRED INCOME TAXES	148,005	108,986
LONG-TERM DEBT, less current portion	4,223,329	4,126,196
TOTAL LIABILITIES	6,625,151	6,053,179
STOCKHOLDERS' EQUITY:		
Controlling interest in equity:		
Common stock, \$.01 par value, 100,000 shares authorized, issued and outstanding	1,000	1,000
Retained earnings	7,790,474	6,666,467
Noncontrolling interest in equity	255,035	172,657
TOTAL STOCKHOLDERS' EQUITY	8,046,509	6,840,124
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 14,671,660	\$ 12,893,303

See notes to consolidated financial statements.

TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
REVENUES:		
Royalties	\$ 11,521,926	\$ 10,776,788
Initial franchise fees	561,854	731,179
Advertising fees	1,895,078	1,628,795
Moving income	1,684,519	735,610
Carpet cleaning income	1,346	36,165
Miscellaneous revenue	<u>418,949</u>	<u>416,065</u>
Total revenues	16,083,672	14,324,602
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	12,549,087	10,717,132
COST OF GOODS SOLD	<u>1,108,114</u>	<u>504,353</u>
Income before legal and other costs described below	2,426,471	3,103,117
LEGAL AND OTHER COSTS including amounts incurred to reacquire certain franchises and to protect franchise system rights	<u>203,416</u>	<u>236,748</u>
Income from operations	2,223,055	2,866,369
OTHER EXPENSE - NET	<u>270,380</u>	<u>316,722</u>
Income before income tax expense	1,952,675	2,549,647
INCOME TAX EXPENSE	<u>646,290</u>	<u>834,614</u>
NET INCOME	1,306,385	1,715,033
NONCONTROLLING INTEREST IN NET INCOME	<u>(82,378)</u>	<u>(99,857)</u>
CONTROLLING INTEREST IN NET INCOME	<u><u>\$ 1,224,007</u></u>	<u><u>\$ 1,615,176</u></u>

TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>Controlling interest</u>		<u>Noncontrolling</u>	
	<u>Common</u>	<u>Retained</u>	<u>interest in</u>	<u>Total</u>
	<u>stock</u>	<u>earnings</u>	<u>equity</u>	
BALANCE, January 1, 2005	\$ 1,000	\$ 5,151,291	\$ 197,800	\$ 5,350,091
ADD (DEDUCT):				
Dividends to stockholders		(100,000)		(100,000)
Distribution to members			(125,000)	(125,000)
Net income		1,615,176	99,857	1,715,033
BALANCE, December 31, 2005	1,000	6,666,467	172,657	6,840,124
ADD (DEDUCT):				
Dividends to stockholders		(100,000)		(100,000)
Net income		1,224,007	82,378	1,306,385
BALANCE, December 31, 2006	<u>\$ 1,000</u>	<u>\$ 7,790,474</u>	<u>\$ 255,035</u>	<u>\$ 8,046,509</u>

See notes to consolidated financial statements.

TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Net income	\$ 1,306,385	\$ 1,715,033
Adjustments to reconcile net income to net cash provided (used)		
by operating activities:		
Depreciation and amortization	553,636	463,178
Accounts receivable - franchises	95,037	(302,308)
Promotional supplies	(86,861)	12,285
Prepaid expenses and other	(130,221)	(28,740)
Accounts payable	(31,422)	125,312
Property taxes payable	(994)	28,091
Accrued expenses	(15,437)	28,001
Unexpended advertising fees	7,357	85,599
Deferred initial franchise fees	409,398	(58,479)
Taxes payable	(193,274)	(76,457)
Deferred income taxes	(103,429)	9,960
Loss on disposal of property and equipment	3,160	
Net cash provided by operating activities	<u>1,813,335</u>	<u>2,001,475</u>
Cash flows from investing activities:		
Purchase of investments	(2,150,000)	(2,819,399)
Proceeds from sale of investments	1,442,991	300,000
Purchase of property and equipment	(990,546)	(570,701)
Proceeds from sale of property and equipment	24,000	
Issuance of note receivable	(308,618)	(310,806)
Note repayments received	35,949	48,649
Net cash used by investing activities	<u>(1,946,224)</u>	<u>(3,352,257)</u>
Cash flows from financing activities:		
Dividends paid to shareholders	(100,000)	(20,000)
Distribution to members of affiliate		(125,000)
Proceeds from issuance of debt	470,571	367,173
Repayments of long-term debt	(275,089)	(191,704)
Net cash provided by financing activities	<u>95,482</u>	<u>30,469</u>
NET DECREASE IN CASH	(37,407)	(1,320,313)
CASH:		
Beginning of year	1,104,967	2,425,280
End of year	<u>\$ 1,067,560</u>	<u>\$ 1,104,967</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 319,775</u>	<u>\$ 305,690</u>
Income taxes	<u>\$ 909,179</u>	<u>\$ 905,844</u>

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.,
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation - The accompanying consolidated financial statements include the accounts of Two Men and a Truck/International, Inc. (TMT) and their wholly owned subsidiaries, BHAG, Inc./D.B.A Two Men and a Truck/Sacramento, BHAG Washington, Inc./D.B.A Two Men and a Truck/Seattle, BHAG Houston, Inc./D.B.A Two Men and a Truck/Houston, BHAG Dallas, Inc./D.B.A Two Men and a Truck/Dallas, Nordic Movers, Inc./D.B.A Two Men and a Truck/Northern Michigan and Two Men and a Truck Carpet Care Corporation. Additionally, these consolidated financial statements include the accounts of TMT-Delhi, LLC, an affiliate. TMT has no ownership interest in TMT-Delhi, LLC, but it does guarantee TMT-Delhi, LLC's debt and is the primary beneficiary of TMT-Delhi, LLC under FASB Interpretation No. 46, "Consolidation of Variable Interest Entities". Transactions and balances between TMT, subsidiaries, and affiliate company (collectively the "Company") have been eliminated in consolidation. Total activity related to the affiliate, which has been eliminated, amounted to approximately \$725,000 and \$725,000 in 2006 and 2005, respectively.

Initial franchise fee revenue - Revenue from the sale of new franchises is recognized when all significant services required by the franchise agreement have been completed and generally coincides with commencement of operations by the franchisee.

Investments - The Company has investments in municipal bond fund preferred stock which are available for sale and recorded at fair value which approximates cost. Because the investments are available for current operations, they are classified as current.

Accounts receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Promotional supplies - Promotional supplies represent items displaying the company logo which are made available to franchisees and are recorded at lower of identified cost or market.

Property, equipment and depreciation - Property and equipment is recorded at cost and depreciated over estimated useful lives using straight-line and accelerated methods. The Company's policy is to capitalize fixed assets costing \$500 or more.

The following useful lives are being used to depreciate property and equipment.

Furniture and equipment	3 - 10 years
Building and improvements	10 - 40 years

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.,
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Intangible assets - Intangible assets consist of the costs to acquire territorial rights. These rights were determined to have an indefinite useful life and are evaluated annually for impairment.

Advertising - In accordance with the standard franchise agreement, TMT receives certain advertising fees from its franchisees. Such fees are recorded as a liability in the balance sheet until the related advertising expenses are incurred at which time revenue is recognized. The Company recorded advertising expense of approximately \$935,000 and \$750,000 in 2006 and 2005, respectively. Personnel, and other costs attributable to the advertising fund are classified in the applicable expense category.

Income taxes - The Company uses the asset and liability approach to account for income taxes. The differences between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce deferred tax assets to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period plus or minus the net change in the deferred tax assets and liabilities. TMT - Delhi, LLC is a limited liability company and is taxed as a partnership under provisions of the Internal Revenue Code. Accordingly, the Company does not pay federal income tax on taxable income of the LLC. Instead, the members are liable for individual federal income taxes on their respective shares of the LLC taxable income.

Compensated absences - The Company records the liability for accumulated and vested sick and vacation when it is earned.

Cash and equivalents - The Company considers cash on hand, demand deposits, money market funds and certificates of deposits held by financial institutions to be cash and equivalents.

NOTE 2 - NATURE OF ORGANIZATION, RISKS AND UNCERTAINTIES

Two Men and a Truck/International, Inc. ("TMT" or the "Company") is a franchisor of local moving businesses in the United States (161 total franchises in 28 states at December 31, 2006, 18 of which are located in Michigan). TMT earns revenues primarily from royalty fees charged to franchisees based on monthly sales and from initial fees charged to new franchisees.

BHAG, Inc., BHAG Washington, Inc., BHAG Houston, Inc., BHAG Dallas, Inc., and Nordic Mover, Inc. are franchises of TMT based in Sacramento, California, Seattle, Washington, Houston, Texas, Dallas, Texas, and Traverse City, Michigan respectively, and provide both residential and commercial moves on a local and long distance basis.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.,
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 4 - PROPERTY AND EQUIPMENT

Major classes of property and equipment at December 31 consist of the following:

	<u>2006</u>	<u>2005</u>
Land	\$ 505,211	\$ 505,211
Construction in progress	128,337	
Furniture and equipment	2,540,957	1,739,250
Buildings and improvements	<u>5,309,492</u>	<u>5,301,434</u>
	8,483,997	7,545,895
Less accumulated depreciation	<u>1,975,759</u>	<u>1,447,407</u>
Net property and equipment	<u>\$ 6,508,238</u>	<u>\$ 6,098,488</u>
Depreciation expense	<u>\$ 553,636</u>	<u>\$ 463,178</u>

NOTE 5 - INTANGIBLE ASSETS

Intangible assets at December 31 consist of the following:

	<u>2006</u>	<u>2005</u>
East Coast territorial rights	\$ 700,293	\$ 700,293
Canada territorial rights	96,121	96,121
Florida territorial rights	<u>10,230</u>	<u>10,230</u>
Intangible assets	<u>\$ 806,644</u>	<u>\$ 806,644</u>

NOTE 6 - LINE-OF-CREDIT

TMT has a \$500,000 line of credit with no amounts outstanding at December 31, 2006 and 2005. Interest is charged at the prime rate (8.25% and 7.25% at December 31, 2006 and 2005). Borrowings are secured by substantially all company assets, and a personal guarantee by a shareholder.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.,
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM DEBT

Long-term debt at December 31 consists of the following obligations:

	<u>2006</u>	<u>2005</u>
Notes payable - vehicles - due in monthly installments ranging from \$649 to \$1,253 through December 2010, including interest from 5.99% to 8.6%, secured by vehicles.	\$ 718,760	\$ 372,084
Note payable - phones - due in monthly installments of \$1,960 through January 2008, including interest at 6.93%, secured by the phones.	24,474	45,497
Note payable - building - due in monthly installments of \$23,393 through April 2022, including interest at 6.62%, secured by the building.	2,705,932	2,801,522
Note payable - building - due in monthly installments of \$8,948 through December 2009, including interest at 6.34%, secured by the building.	<u>1,113,553</u>	<u>1,148,134</u>
	4,562,719	4,367,237
Less current portion	<u>339,390</u>	<u>241,041</u>
	<u>\$ 4,223,329</u>	<u>\$ 4,126,196</u>

Maturities of long-term debt are summarized as follows:

Year ending December 31,	
2007	\$ 339,390
2008	328,930
2009	1,321,175
2010	272,932
2011	195,990
2012-2016	838,323
2017-2021	1,166,186
2022	<u>99,793</u>
	<u>\$ 4,562,719</u>

Total interest expense charged to operations amounted to \$319,775 in 2006 and \$305,690 in 2005.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.,
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 8 - INCOME TAXES

The provision for income taxes at December 31 is as follows:

	<u>2006</u>	<u>2005</u>
Current	\$ 749,719	\$ 824,654
Deferred	<u>(103,429)</u>	<u>9,960</u>
Income tax expense	<u>\$ 646,290</u>	<u>\$ 834,614</u>

The difference between income tax expense and the tax as computed based on statutory rates is primarily attributable to the surtax exemption and other permanent differences.

The net deferred tax assets and liabilities presented in the accompanying balance sheets at December 31 consist of the following components:

	<u>2006</u>	<u>2005</u>
Net current asset	\$ 189,026	\$ 46,578
Net long-term liability	<u>(148,005)</u>	<u>(108,986)</u>
Net deferred tax asset (liability)	<u>\$ 41,021</u>	<u>\$ (62,408)</u>

The net deferred tax asset (liability) results primarily from different methods of financial reporting for book and tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31 are as follows:

	<u>2006</u>	<u>2005</u>
Deferred tax assets:		
Deferred initial franchise fees	\$ 246,869	\$ 107,778
Deferred tax liabilities:		
Depreciation and amortization	<u>(205,848)</u>	<u>(170,186)</u>
Net deferred tax asset (liability)	<u>\$ 41,021</u>	<u>\$ (62,408)</u>

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.,
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 9 - OPERATING LEASES

The Company leases office space, warehousing, vehicles and certain equipment under non-cancelable operating leases which expire through 2011. Total lease expense was \$204,698 and \$137,620 in 2006 and 2005, respectively. Also see Note 11.

Total annual future minimum lease payments required under noncancelable operating leases are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2007	\$ 115,498
2008	103,850
2009	78,360
2010	55,027
2011	38,368

NOTE 10 - PENSION PLAN

TMT has established a profit sharing plan which covers substantially all employees. Contributions to the plan are determined annually at the discretion of the Board of Directors. No contributions were made to the plan in 2006 and 2005.

TMT is also a participating employer in a multiple employer 401(k) plan sponsored by its employee leasing firm. The Company may match employees' salary deferrals up to 4%. Contributions amounting to \$125,396 and \$16,754 were made to the plan in 2006 and 2005, respectively.

NOTE 11 - RELATED PARTY TRANSACTIONS

At December 31, 2006 and 2005, a total of four franchises were owned by TMT's shareholders and related individuals. Royalties, advertising fees and other revenues earned from these related parties were approximately \$537,000 and \$615,000 in 2006 and 2005, respectively. Accounts receivable from related parties amounted to approximately \$33,550 and \$37,400 at December 31, 2006 and 2005, respectively.

In addition, rent was paid to one of the related franchises for pro-shop and signage space rented. Total rent paid for these purposes was \$48,467 and \$47,962 for 2006 and 2005, respectively.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.,
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 11 - RELATED PARTY TRANSACTIONS (Concluded)

Notes receivable from related parties at December 31 consisted of the following:

	<u>2006</u>	<u>2005</u>
TMT - Lansing, LLC	\$ 218,992	\$ 99,068
Shareholder - trust	<u>506,108</u>	<u>361,328</u>
	<u>\$ 725,100</u>	<u>\$ 460,396</u>

NOTE 12 - TRADEMARK PROTECTION

In 1989 TMT began the registration process to obtain formal trademark protection from the Federal Office of Trademarks and Patents for the exclusive right to use the "Two Men and a Truck" corporate name and logo. TMT was a plaintiff in two trademark infringement lawsuits, which involved former franchisees. Judgments were rendered in the Company's favor amounting to approximately \$190,000 and \$70,000, respectively. Approximately \$8,500 has been received on the \$190,000 judgment. Nothing has been received on the \$70,000 judgment. TMT incurred legal and other costs of approximately \$203,000 and \$237,000 in 2006 and 2005, respectively, to protect its corporate franchise system rights. Management intends to vigorously contest any unauthorized use of its corporate franchise system by other than bona fide franchisees.

NOTE 13 - GUARANTEES

The Company has agreed to guarantee the leases of IP phones by the franchisees if leased through a particular vendor. As of December 31, 2006 only four lease guarantees were outstanding.

NOTE 14 - DIVIDENDS

Common stock dividends of \$1.00 per share are payable to stockholders of record on December 31, 2006 and 2005, respectively.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE**

**REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
(with additional information)**

YEARS ENDED DECEMBER 31, 2005 AND 2004

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**Maner,
Costerisan
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Member of Matter of 1921, 2000
Chartered Accountant
Firm established 1988

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Two Men and a Truck/International, Inc.,
Subsidiaries, and affiliate
Lansing, Michigan

February 2, 2006

We have audited the accompanying consolidated balance sheets of Two Men and a Truck/International, Inc. subsidiaries, and affiliate as of December 31, 2005 and 2004, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Two Men and a Truck/International, Inc., subsidiaries, and affiliate as of December 31, 2005 and 2004, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Maner, Costerisan & Ellis P.C.

TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2005 AND 2004

	2005	2004
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,104,967	\$ 2,425,280
Investments	2,519,399	
Accounts receivable - franchisees	1,306,960	1,004,652
Notes receivable - related parties	99,068	10,063
Notes receivable	47,289	27,790
Promotional supplies	351,008	363,293
Deferred income taxes	46,578	37,353
Prepaid expenses and other	133,559	116,981
TOTAL CURRENT ASSETS	<u>5,608,828</u>	<u>3,985,412</u>
PROPERTY AND EQUIPMENT, less accumulated depreciation	<u>6,098,488</u>	<u>5,990,965</u>
OTHER ASSETS:		
Intangible assets	806,644	806,644
Notes receivable - related party	361,328	207,675
Deposits	18,015	5,853
TOTAL OTHER ASSETS	<u>1,185,987</u>	<u>1,020,172</u>
TOTAL ASSETS	<u><u>\$ 12,893,303</u></u>	<u><u>\$ 10,996,549</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 241,041	\$ 151,990
Accounts payable	290,344	165,032
Accrued payroll and related	323,257	295,256
Unexpended advertising fees	418,788	333,189
Deferred initial franchise fees	316,995	375,474
Taxes payable	31,431	107,888
Property taxes payable	96,141	68,050
Dividends declared	100,000	20,000
TOTAL CURRENT LIABILITIES	<u>1,817,997</u>	<u>1,516,879</u>
DEFERRED INCOME TAXES	108,986	89,801
LONG-TERM DEBT, less current portion	<u>4,126,196</u>	<u>4,039,778</u>
TOTAL LIABILITIES	<u>6,053,179</u>	<u>5,646,458</u>
STOCKHOLDERS' EQUITY:		
Controlling interest in equity:		
Common stock, \$.01 par value, 100,000 shares authorized, issued and outstanding	1,000	1,000
Retained earnings	6,666,467	5,151,291
Noncontrolling interest in equity	172,657	197,800
TOTAL STOCKHOLDERS' EQUITY	<u>6,840,124</u>	<u>5,350,091</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 12,893,303</u></u>	<u><u>\$ 10,996,549</u></u>

See notes to consolidated financial statements.

TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
REVENUES:		
Royalties	\$ 10,776,788	8,723,292
Initial franchise fees	731,179	553,782
Advertising fees	1,628,795	1,406,128
Moving income	735,610	183,607
Carpet cleaning income	36,165	.
Miscellaneous revenue	416,065	329,805
	<hr/>	<hr/>
Total revenues	14,324,602	11,196,614
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	10,717,132	8,428,627
COST OF GOODS SOLD	<u>504,353</u>	<u>152,899</u>
	<hr/>	<hr/>
Income before legal and other costs described below	3,103,117	2,615,088
LEGAL AND OTHER COSTS including amounts incurred to reacquire certain franchises and to protect franchise system rights	<u>236,748</u>	<u>171,381</u>
	<hr/>	<hr/>
Income from operations	2,866,369	2,443,707
OTHER EXPENSE - NET	<u>316,722</u>	<u>258,547</u>
	<hr/>	<hr/>
Income before income tax expense	2,549,647	2,185,160
INCOME TAX EXPENSE	834,614	742,047
Cumulative effect of accounting change	<hr/>	<u>143,774</u>
	<hr/>	<hr/>
NET INCOME	1,715,033	1,586,887
Noncontrolling interest in net income	<u>(99,857)</u>	<u>(197,800)</u>
	<hr/>	<hr/>
CONTROLLING INTEREST IN NET INCOME	<u>\$ 1,615,176</u>	<u>\$ 1,389,087</u>

TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>Controlling interest</u>		<u>Noncontrolling interest in equity</u>	<u>Total</u>
	<u>Common stock</u>	<u>Retained earnings</u>		
BALANCE, January 1, 2004	\$ 1,000	\$ 3,782,204	\$	\$ 3,783,204
ADD (DEDUCT):				
Dividends to stockholders		(20,000)		(20,000)
Net income		1,389,087	197,800	1,586,887
BALANCE, December 31, 2004	1,000	5,151,291	197,800	5,350,091
ADD (DEDUCT):				
Dividends to stockholders		(100,000)		(100,000)
Distributions to members			(125,000)	(125,000)
Net income		1,615,176	99,857	1,715,033
BALANCE, December 31, 2005	<u>\$ 1,000</u>	<u>\$ 6,666,467</u>	<u>\$ 172,657</u>	<u>\$ 6,840,124</u>

TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
Cash flows from operating activities:		
Net income	\$ 1,715,033	\$ 1,586,887
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Cumulative effect of accounting change		(143,774)
Depreciation and amortization	463,178	327,590
Accounts receivable - franchises	(302,308)	(191,107)
Promotional supplies	12,285	(78,376)
Prepaid expenses and other	(28,740)	(34,293)
Accounts payable	125,312	(131,306)
Property taxes payable	28,091	(395)
Accrued expenses	28,001	152,548
Unexpended advertising fees	85,599	(40,496)
Deferred initial franchise fees	(58,479)	252,231
Taxes payable	(76,457)	201,324
Deferred income taxes	9,960	(65,777)
Gain on disposal of property and equipment		(6,812)
Net cash provided by operating activities	<u>2,001,475</u>	<u>1,828,244</u>
Cash flows from investing activities:		
Purchase of investments	(2,819,399)	
Proceeds from sale of investments	300,000	
Purchase of property and equipment	(570,701)	(1,741,999)
Purchase of territorial rights		(96,121)
Proceeds from sale of property and equipment		13,500
Issuance of note receivable	(310,806)	(721,253)
Note repayments received	48,649	6,054
Net cash used by investing activities	<u>(3,352,257)</u>	<u>(2,539,819)</u>
Cash flows from financing activities:		
Dividends paid to shareholders	(20,000)	(10,000)
Distribution to members of affiliate	(125,000)	
Proceeds from issuance of debt	367,173	1,347,218
Repayments of long-term debt	(191,704)	(249,569)
Net cash provided by financing activities	<u>30,469</u>	<u>1,087,649</u>
NET INCREASE (DECREASE) IN CASH	(1,320,313)	376,074
CASH:		
Beginning of year	<u>2,425,280</u>	<u>2,049,206</u>
End of year	<u>\$ 1,104,967</u>	<u>\$ 2,425,280</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 305,690</u>	<u>\$ 24,040</u>
Income taxes	<u>\$ 905,844</u>	<u>\$ 617,000</u>

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation - The accompanying consolidated financial statements include the accounts of Two Men and a Truck/International, Inc. (TMT), BHAG, Inc./D.B.A Two Men and a Truck/Sacramento, a wholly-owned subsidiary, BHAG, Washington, Inc./D.B.A Two Men and a Truck/Seattle, a wholly-owned subsidiary, Two Men and a Truck Carpet Care Corporation, a wholly-owned subsidiary, and TMT-Delhi, LLC, an affiliate (collectively the Company). TMT has no ownership interest in TMT-Delhi, LLC, but it does guarantee TMT-Delhi, LLC's debt and is the primary beneficiary of TMT-Delhi, LLC under FASB Interpretation No. 46, "Consolidation of Variable Interest Entities". Therefore, TMT consolidates the results of TMT-Delhi, LLC. Transactions and balances between TMT, subsidiaries, and affiliate company have been eliminated in consolidation. Total activity related to the affiliate, which has been eliminated, amounted to approximately \$725,000 and \$512,000 in 2005 and 2004, respectively.

Initial franchise fee revenue - Revenue from the sale of new franchises is recognized when all significant services required by the franchise agreement have been completed and generally coincides with commencement of operations by the franchisee.

Investments - The Company has investments in tax free municipal bonds which are available for sale and recorded at fair value which approximates cost. Because the investments are available for current operations, they are classified as current.

Accounts receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Promotional supplies - Promotional supplies represent items displaying the company logo which are made available to franchisees and are recorded at lower of identified cost or market.

Property, equipment and depreciation - Property and equipment are recorded at cost and depreciated over the estimated useful lives using straight-line and accelerated methods. The Company's policy is to capitalize fixed assets costing \$500 or more.

The following useful lives are being used to depreciate property and equipment.

Furniture and equipment	3 - 10 years
Building and improvements	10 - 40 years

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Intangible assets - Intangible assets consist of the costs to acquire territorial rights. These rights were determined to have an indefinite useful live and are evaluated annually for impairment.

Advertising - In accordance with the standard franchise agreement, TMT receives certain advertising fees from its franchisees. Such fees are recorded as a liability in the balance sheet until the related advertising expenses are incurred at which time revenue is recognized. The Company recorded advertising expense of approximately \$750,000 and \$600,000 in 2005 and 2004, respectively. Personnel, and other costs attributable to the advertising fund are classified to the applicable expense category.

Income taxes - The Company uses the asset and liability approach to account for income taxes. The differences between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce deferred tax assets to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period plus or minus the net change in the deferred tax assets and liabilities. TMT - Delhi, LLC is a limited liability company and is taxed as a partnership under provisions of the Internal Revenue Code. Accordingly, the Company does not pay federal income tax on taxable income of the LLC. Instead, the members are liable for individual federal income taxes on their respective shares of the LCC taxable income.

Compensated absences - The Company records the liability for accumulated and vested sick and vacation when it is earned.

NOTE 2 - NATURE OF ORGANIZATION, RISKS AND UNCERTAINTIES

Two Men and a Truck/International, Inc. ("TMT" or the "Company") is a franchisor of local moving businesses in the United States (142 total franchises in 28 states at December 31, 2005, 19 of which are located in Michigan). TMT earns revenues primarily from royalty fees charged to franchisees based on monthly sales and from initial fees charged to new franchisees.

BHAG, Inc. and BHAG, Washington, Inc. are franchises of TMT based in Sacramento, California and Seattle, Washington, respectively, and provide both residential and commercial moves on a local and long distance basis.

Two Men and a Truck Carpet Care Corporation is a corporation providing premiere floor cleaning services to both residential and commercial customers.

TMT-Delhi, LLC is a limited liability company that owns the building that houses TMT operations.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 2 - NATURE OF ORGANIZATION, RISKS AND UNCERTAINTIES (Concluded)

The Company is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the corporation to concentrations of credit risk consist principally of cash and franchisee and notes receivables.

The Company places its cash with high-credit quality financial institutions. Although such cash balances exceeded the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

The Company admits franchisees based upon evaluations of financial condition, and other information. Nonetheless, its ability to collect amounts due is affected by local economic conditions. Based on subsequent collections, receivables from franchisees are considered subject to minimal risk and no allowance for doubtful accounts is considered necessary at December 31, 2005.

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

NOTE 3 - INVESTMENTS

Following is a summary of the investments in municipal bonds classified as available for sale at December 31:

<u>Descriptions</u>	<u>2005</u>	<u>2004</u>
Municipal Bonds	<u>\$ 2,519,399</u>	<u>\$</u>

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 4 - PROPERTY AND EQUIPMENT

Major classes of property and equipment at December 31 consist of the following:

	2005	2004
Land	\$ 505,211	\$ 505,211
Furniture and equipment	1,739,250	1,176,073
Buildings and improvements	5,301,434	5,298,354
	7,545,895	6,979,638
Less accumulated depreciation	1,447,407	988,673
Net property and equipment	<u>\$ 6,098,488</u>	<u>\$ 5,990,965</u>
Depreciation expense	<u>\$ 463,178</u>	<u>\$ 327,590</u>

NOTE 5 - INTANGIBLE ASSETS

Intangible assets at December 31 consist of the following:

	2005	2004
East Coast territorial rights	\$ 700,293	\$ 700,293
Canada territorial rights	96,121	96,121
Florida territorial rights	10,230	10,230
Intangible assets	<u>\$ 806,644</u>	<u>\$ 806,644</u>

NOTE 6 - LINE-OF-CREDIT

TMT has a \$500,000 line of credit with no amounts outstanding at December 31, 2005 and 2004. Interest is charged at the prime rate (7.25% and 5.5% at December 31, 2005 and 2004). Borrowings are secured by substantially all company assets, and a personal guarantee by a shareholder.

TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT

Long-term debt at December 31 consists of the following obligations:

	<u>2005</u>	<u>2004</u>
Notes payable - vehicles - due in monthly installments ranging from \$649 to \$1,253 through December 2010, including interest from 5.99% to 7.32%, secured by vehicles.	\$ 372,084	\$ 120,397
Note payable - phones - due in monthly installments of \$1,960 through January 2008, including interest at 6.93%, secured by the phones.	45,497	
Note payable - building - due in monthly installments of \$23,393 through April 2022, including interest at 6.62%, secured by the building.	2,801,522	2,890,923
Note payable - building - due in monthly installments of \$8,948 through December 2009, including interest at 6.34%, secured by the building.	<u>1,148,134</u>	<u>1,180,448</u>
	4,367,237	4,191,768
Less current portion	<u>241,041</u>	<u>151,990</u>
	<u>\$ 4,126,196</u>	<u>\$ 4,039,778</u>

Maturities of long-term debt are summarized as follows:

Year ending December 31,	
2006	\$ 241,041
2007	259,396
2008	239,341
2009	1,222,786
2010	167,288
2011-2015	784,766
2016-2020	1,091,682
2021-2025	<u>360,937</u>
	<u>\$ 4,367,237</u>

Total interest expense charged to operations amounted to \$305,690 in 2005 and \$218,393 in 2004.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 8 - INCOME TAXES

The provision for income taxes at December 31 is as follows:

	<u>2005</u>	<u>2004</u>
Current	\$ 824,654	\$ 807,824
Deferred	<u>9,960</u>	<u>(65,777)</u>
Income tax expense	<u>\$ 834,614</u>	<u>\$ 742,047</u>

The difference between income tax expense and the tax as computed based on statutory rates is primarily attributable to the surtax exemption and other permanent differences.

The net deferred tax assets and liabilities presented in the accompanying balance sheets at December 31 consist of the following components:

	<u>2005</u>	<u>2004</u>
Net current asset	\$ 46,578	\$ 37,353
Net long-term liability	<u>(108,986)</u>	<u>(89,801)</u>
Net deferred tax liability	<u>\$ (62,408)</u>	<u>\$ (52,448)</u>

The net deferred tax liability results primarily from different methods of financial reporting for book and tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31 are as follows:

	<u>2005</u>	<u>2004</u>
Deferred tax assets:		
Deferred initial franchise fees	<u>\$ 107,778</u>	<u>\$ 127,661</u>
Deferred tax liabilities:		
Section 481(a) adjustment		(25,708)
Depreciation and amortization	<u>(170,186)</u>	<u>(154,401)</u>
	<u>(170,186)</u>	<u>(180,109)</u>
Net deferred tax liability	<u>\$ (62,408)</u>	<u>\$ (52,448)</u>

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 9 - OPERATING LEASES

The Company leases office space, warehouse, vehicles and certain equipment under non-cancelable operating leases which expire through 2009. Total lease expense was \$137,620 and \$95,665 in 2005 and 2004, respectively. Also see Note 11.

Total annual future minimum lease payments required under noncancelable operating leases are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2006	\$ 81,432
2007	53,920
2008	40,852
2009	12,744

NOTE 10 - PENSION PLAN

TMT has established a profit sharing plan which covers substantially all employees. Contributions to the plan are determined annually at the discretion of the Board of Directors. No contributions were made to the plan in 2005 and 2004.

TMT is also a participating employer in a multiple employer 401(k) plan sponsored by its employee leasing firm. The Company may match employees' salary deferrals up to 3.5% for 2005 and \$500 for 2004. Contributions amounting to \$16,754 and \$16,087 were made to the plan in 2005 and 2004, respectively.

NOTE 11 - RELATED PARTY TRANSACTIONS

At December 31, 2005 and 2004, a total of four franchises were owned by TMT's shareholders and related individuals. Royalties, advertising fees and other revenues earned from these related parties were approximately \$615,003 and \$544,688 in 2005 and 2004, respectively. Accounts receivable from related parties amounted to approximately \$37,431 and \$34,904 at December 31, 2005 and 2004, respectively.

In addition, rent was paid to one of the related franchises for pro-shop and signage space rented. Total rent paid for these purposes was \$47,962 and \$47,441 for 2005 and 2004, respectively.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 11 - RELATED PARTY TRANSACTIONS (Concluded)

Notes receivable from related parties at December 31 consisted of the following:

	2005	2004
TMT - Lansing Franchise	\$ 99,068	\$
Shareholder - trust	361,328	207,675
Shareholder		10,063
	<u>\$ 460,396</u>	<u>\$ 217,738</u>

NOTE 12 - TRADEMARK PROTECTION

In 1989 TMT began the registration process to obtain formal trademark protection from the Federal Office of Trademarks and Patents for the exclusive right to use the "Two Men and a Truck" corporate name and logo. TMT was a plaintiff in two trademark infringement lawsuits, which involved former franchisees. Judgments were rendered in the Company's favor amounting to approximately \$190,000 and \$70,000, respectively. Approximately \$8,500 has been received on the \$190,000 judgment. Nothing has been received on the \$70,000 judgment. TMT incurred legal and other costs of approximately \$237,000 and \$171,000 in 2005 and 2004, respectively, to protect its corporate franchise system rights. Management intends to vigorously contest any unauthorized use of its corporate franchise system by other than bona fide franchisees.

NOTE 13 - GUARANTEES

The Company has agreed to guarantee the leases of IP phones by the franchisees if leased through a particular vendor. As of December 31, 2005 only one lease guarantee was outstanding.

NOTE 14 - DIVIDENDS

Common stock dividends of \$1.00 and \$.20 per share are payable to stockholders of record on December 31, 2005 and 2004, respectively.

**TWO MEN AND A TRUCK/INTERNATIONAL, INC.
SUBSIDIARIES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 15 - CUMULATIVE EFFECT ON ACCOUNTING CHANGE/VARIABLE INTEREST ENTITY

In December 2003, the Financial Accounting Standards Board issued Interpretation 46 (FIN 46), "Consolidation of Variable Interest Entities." FIN 46 requires that a company that holds variable interests in an entity consolidate the entity if the company's interest in the variable interest entity (VIE) is such that the company will absorb a majority of the VIE's expected losses and/or receive a majority of the VIE's expected residual returns, if they occur. In such cases, the Company is the *primary beneficiary* of the VIE. FIN 46 also requires additional disclosures by primary beneficiaries and other significant variable interest holders.

This standard became effective for Two Men and a Truck/International and subsidiaries January 1, 2005. The effect of this standard is to require the consolidation of the financial statements of Two Men and a Truck/International and subsidiaries with TMT Delhi, LLC for the first time for the year ended December 31, 2005.

The cumulative effect of accounting change amounting to \$143,774 represents members' equity as of January 1, 2004 of TMT Delhi, LLC.

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Our report on our audits of the basic consolidated financial statements of Two Men and a Truck/International, Inc., subsidiaries, and affiliate for 2005 and 2004 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information on pages 16 through 18 is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Manney, International & Ellis P.C.

Certified Public Accountants

Lansing, Michigan
February 2, 2006

**TWO MEN AND A TRUCK/INTERNATIONAL, INC. SUBSIDIARIES, AND AFFILIATE
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2005**

	Two Men and a Truck/International	BHAG, Inc.	BHAG - Washington, Inc.	Two Men and a Truck Carpet Care	TMT - Delhi LLC	Eliminations	Total
ASSETS							
CURRENT ASSETS:							
Cash	\$ 829,546	\$ 15,830	\$ 2,909	\$ 3,660	\$ 253,022	\$	\$ 1,104,967
Investments	2,519,399						2,519,399
Accounts receivable - franchisees	1,303,850	4,373	8,625	2,529		(12,417)	1,306,960
Notes receivable - related parties	1,833,505					(1,734,437)	99,068
Notes receivable	47,289						47,289
Promotional supplies	351,008						351,008
Due from parent company		122,423	50,213	25,047		(197,703)	
Deferred income taxes	46,578						46,578
Prepaid expenses and other	172,148	15,106	3,455	3,267		(60,417)	131,559
TOTAL CURRENT ASSETS	7,103,323	157,732	65,222	34,503	253,022	(2,004,974)	5,608,828
INVESTMENT IN SUBSIDIARIES	1,020					(1,020)	
PROPERTY AND EQUIPMENT, less accumulated depreciation	573,148	291,141	172,669	27,159	5,085,571	(51,200)	6,098,488
OTHER ASSETS:							
Intangible assets	806,644						806,644
Notes receivable - related party	361,328						361,328
Deposits	10,765	3,500	3,750				18,015
TOTAL OTHER ASSETS	1,178,737	3,500	3,750				1,185,987
TOTAL ASSETS	\$ 8,856,228	\$ 452,373	\$ 241,641	\$ 61,662	\$ 5,338,593	\$ (2,057,194)	\$12,893,303
LIABILITIES AND STOCKHOLDERS' EQUITY							
CURRENT LIABILITIES:							
Current portion of long-term debt	\$ 27,008	\$ 58,642	\$ 21,264	\$	\$ 134,127	\$	\$ 241,041
Accounts payable	281,235	11,225	10,033	268		(12,417)	290,344
Accrued payroll and related	314,339	5,444	3,474				323,257
Unexpended advertising fees	419,426					(638)	418,788
Deferred initial franchise fees	316,995						316,995
Deferred rental income					60,417	(60,417)	
Taxes payable	31,431						31,431
Property taxes payable					96,141		96,141
Due to subsidiary	197,703					(197,703)	
Dividends declared	100,000						100,000
TOTAL CURRENT LIABILITIES	1,688,137	75,311	34,771	268	290,685	(271,175)	1,817,997
DEFERRED INCOME TAXES	79,756	24,845	5,329	(944)			108,986
LONG-TERM DEBT, less current portion	43,167	541,314	289,109	111,792	4,875,251	(1,734,437)	4,126,196
TOTAL LIABILITIES	1,811,060	641,470	329,209	111,116	5,165,936	(2,005,612)	6,053,179
STOCKHOLDERS' EQUITY:							
Common stock, \$.01 par value, 100,000 shares authorized, issued and outstanding	1,000	10	10	1,000		(1,020)	1,000
Noncontrolling interest in equity					172,657		172,657
Retained earnings	7,045,168	(189,107)	(87,578)	(50,454)		(50,562)	6,666,467
TOTAL STOCKHOLDERS' EQUITY	7,045,168	(189,097)	(87,568)	(49,454)	172,657	(51,582)	6,840,124
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 8,856,228	\$ 452,373	\$ 241,641	\$ 61,662	\$ 5,338,593	\$ (2,057,194)	\$12,893,303

TWO MEN AND A TRUCK/INTERNATIONAL, INC. SUBSIDIARIES, AND AFFILIATE
CONSOLIDATING STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2005

	Two Men and a Truck/International	BHAG, Inc.	BHAG - Washington, Inc.	Two Men a Truck Carpet Care	TMT - Delhi LLC	Eliminations	Total
REVENUES:							
Royalties	\$ 10,820,924	\$	\$	\$	\$	\$ (44,136)	\$10,776,788
Initial franchise fees	763,179					(32,000)	731,179
Advertising fees	1,635,512					(6,717)	1,628,795
Moving income		621,289	114,321				735,610
Carpet cleaning income				36,165			36,165
Rental income					725,004	(725,004)	
Miscellaneous revenue	420,856					(4,791)	416,065
Total revenues	13,640,471	621,289	114,321	36,165	725,004	(812,648)	14,324,602
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	10,660,632	310,415	149,673	77,814	309,093	(790,495)	10,717,132
COST OF GOODS SOLD		389,465	82,170	32,718			504,353
Income before legal and other costs described below	2,979,839	(78,591)	(117,522)	(74,367)	415,911	(22,153)	3,103,117
LEGAL AND OTHER COSTS including amounts incurred to reacquire certain franchises and to protect franchise system rights	236,748						236,748
Income (loss) from operations	2,743,091	(78,591)	(117,522)	(74,367)	415,911	(22,153)	2,866,369
OTHER (INCOME)/EXPENSE - NET	(63,431)	47,061	14,960	2,078	316,054		316,722
Income (loss) before income tax expense (benefit)	2,806,522	(125,652)	(132,482)	(76,445)	99,857	(22,153)	2,549,647
INCOME TAX EXPENSE/(BENEFIT)	948,336	(42,827)	(44,904)	(25,991)			834,614
NET INCOME/(LOSS)	\$ 1,858,186	\$ (82,825)	\$ (87,578)	\$ (50,454)	\$ 99,857	\$ (22,153)	\$ 1,715,033

TWO MEN AND A TRUCK/INTERNATIONAL, INC., SUBSIDIARIES, AND AFFILIATE
CONSOLIDATING SCHEDULE OF SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2005

	Two Men and a Truck/International	BHAG, Inc.	BHAG - Washington Inc.	Two Men and a Truck Carpet Care	TMT - Delhi LLC	Eliminations	Total
Leased employees compensation and benefits	\$ 5,260,813	\$	\$	\$ 38,148	\$	\$	\$ 5,298,961
Employee compensation and benefits		125,219	64,491				189,710
Advertising and promotion	656,203	47,669	21,973	33,790		(7,355)	752,280
Meetings and training	646,061		1,630				647,691
Field consultant and administrative travel	188,827	23					188,850
Rent and leases	812,739	28,335	21,550			(725,004)	137,620
Royalties	1,147,474	37,277	6,859			(44,136)	1,147,474
Office supplies	199,369	4,221	5,462	1,817	700		210,869
Professional fees	47,861	11,926	6,071				66,558
Contract services	458,932						458,932
Dues, subscriptions, and licenses	34,694	3,826	643	35			39,198
Telephone	54,677	5,938	6,092	1,668			68,375
Computer services	34,011						34,011
Franchisee startup documentation	260,468						260,468
Postage	81,983	4,489	466				86,938
Insurance	243,696	11,916	1,560	275	6,628		264,075
Depreciation and amortization	210,596	11,889	6,545		190,919	(9,600)	410,349
Direct franchise costs	19,384						19,384
Utilities	65,223	2,893	919				69,035
Repairs and maintenance	129,648	2,313	409	1,446			133,816
Automobile	18,124						18,124
Bank fees		8,785	1,786	635			11,206
Single business tax	62,699				110,846		62,699
Property taxes						(4,400)	110,846
Other	27,150	3,696	3,217				29,663
	<u>\$ 10,660,632</u>	<u>\$ 310,415</u>	<u>\$ 149,673</u>	<u>\$ 77,814</u>	<u>\$ 309,093</u>	<u>\$ (790,495)</u>	<u>\$ 10,717,132</u>