

in their entirety to read as follows:

4A.3 As compensation for such services, Amcell shall be entitled to a Management Fee, calculated and prepared monthly, equal to 9% of "Gross System Revenues" during the initial term of this Article IV and any renewals thereof. For purposes of the foregoing Gross System Revenues shall include all charges billed to system users, including home, foreign and reseller users, including roamer and toll pass through revenues and all charges for equipment sold or licensed to third parties.

4A.4 Amcell shall be entitled to reimbursement for its reasonable out-of-pocket expenses incurred by Amcell in the management of the System. Operating and management expenses may include telephone, travel and copying charges and salaries of any full or part-time employees used in operating, marketing and engineering services to the extent required for the operation of the System, but may not include reimbursements to Amcell for its own management salaries, corporate overhead, rent, leasehold or utilities expenses. Licensee shall pay such reimbursements to Amcell at the end of each month upon receipt of expense statements or vouchers for such expenses.

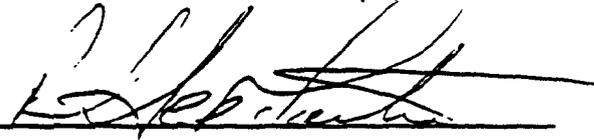
2. The last sentence of Section 4A.7 of the Agreement is hereby amended in its entirety to read as follows:

Amcell agrees that from June 1, 1989, Amcell shall not solicit or serve as a reseller any new customers in Atlantic City.

3. Except as set forth in this Amendment, the terms and conditions of the Agreement remain in full force and affect without modification.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment No. 2 on the date first written above.

AMCELL OF ATLANTIC CITY, INC.

By: 

ELLIS THOMPSON CORPORATION

By: 
President

By: 
ELLIS THOMPSON

AMENDMENT NO. 3 TO AGREEMENT

This AMENDMENT NO. 3 is made as of this 23rd day of November, 1990 between AMCELL OF ATLANTIC CITY, INC. ("Amcell"), having an office at 1414 South Penn Square, Philadelphia, Pennsylvania 19102-2408, ELLIS THOMPSON, an individual, and ELLIS THOMPSON CORPORATION (together, "Licensee"), each having an address at 5406 North Missouri Avenue, Portland, Oregon 97217. All capitalized terms used herein and not otherwise defined shall have the respective meanings given to them in the December Agreement (as such term is defined below).

W I T N E S S E T H :

WHEREAS, the parties hereto entered into an Agreement (the "December Agreement") dated December 30, 1987 pursuant to which Amcell agreed to construct, maintain and provide telephone switching services for the System; and

WHEREAS, the parties hereto entered into an Amendment No. 1 to the Agreement ("Amendment 1") dated September 8, 1988 pursuant to which, inter alia, Amcell agreed to manage the System; and

WHEREAS, the parties hereto entered into an Amendment No. 2 ("Amendment 2") dated June 16, 1989 pursuant to which the terms of the compensation to be paid to Amcell to manage the System were modified (the December Agreement, Amendment 1 and Amendment 2 collectively, the "Agreement").

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Section 4A.4 of the Agreement is hereby amended in its entirety to read as follows:

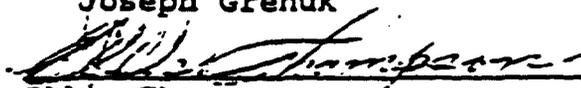
"4A.4 The parties acknowledge that as of the date hereof, the management of the System will be conducted by Amcell through the services of its personnel and the personnel of its corporate parent, American Cellular Network Corp. ("Parent"), located at their offices at 1414 South Penn Square, Philadelphia, Pennsylvania, and that such personnel also provide services to Parent and other affiliates and subsidiaries of Parent, including Wilmington Cellular Telephone Company ("WCTC"). The parties agree that, as of the date of this Amendment No. 3, the day-to-day activities of the System will be administered by WCTC. Amcell shall be entitled to reimbursement for the reasonable out-of-pocket expenses of Amcell and Parent incurred in the management of the System, and for an allocated share of expenses and overhead costs of WCTC including without limitation telephone, travel, copying charges, salaries and benefits of employees, rent and leasehold and utilities expenses, based upon the methods of allocation indicated in the attachment hereto entitled "Allocation of Costs". Licensee shall pay such reimbursement at the end of each month upon receipt of expense statements or vouchers for such expenses."

2. Except as set forth herein, the terms and conditions of the Agreement remain in full force and effect without modification.

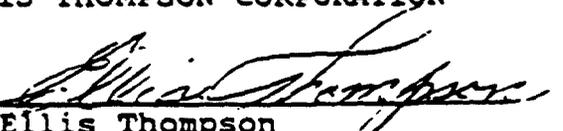
IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment No. 3 to Agreement on the date first written above.

AMCELL OF ATLANTIC CITY, INC.

By: 
Joseph Grenuk


Ellis Thompson

ELLIS THOMPSON CORPORATION

By: 
Ellis Thompson

ALLOCATION OF COSTS

Percentage of Costs
Allocable on Basis Of:

	<u>Pop</u>	<u>Subs</u>
<u>General & Administrative</u>		
Salaries & Benefits	50%	50%
Admin Office Telephone	50%	50%
Admin Office Supplies & Expenses	50%	50%
Audit Fees	Direct	
Insurance	Direct	
Admin Office Rent	50%	50%
Legal	Direct	
Billing Expense	Direct	
Bad Debt	Direct	
Credit & Collection	Direct	
PRV	Direct	
 <u>Sales & Marketing</u>		
	Direct	
 <u>Operations</u>		
Salaries & Benefits		System Usage
Cell Site Rent, Elec, Phone		Direct
Equip Maintenance		Direct
Interconnect		System Usage
Switch Related Expenses		Not Allocable- Included in switching fee
 <u>Customer Service</u>		
	0%	100%

Hypothetical Example - Office Rent:

	<u>Wilm</u>	<u>AC</u>	<u>Total</u>
1991 Population	\$577,900	\$325,420	\$903,320
1/1/91 Retail Subs	9,774	2,791	12,564
1991 Population Percent/Total	64%	36%	100%
1991 Retail Subs Percent/Total	<u>78%</u>	<u>22%</u>	<u>100%</u>
50/50 Pops/Subs Average	<u>71%</u>	<u>29%</u>	<u>100%</u>
Office Rent is - \$80,000:			
Allocation is ----->	<u>\$ 56,800</u>	<u>\$ 23,200</u>	<u>\$ 80,000</u>

*New Wilson limits 4/17/92
contract 25,000
revenue 100,000*

ELLIS THOMPSON CORPORATION

POLICY STATEMENT

POLICY NO: 200ETC

DATE ISSUED: December 18, 1989

PAGE: 1 of 3

SUBJECT: CAPITAL AND EXPENSE APPROVAL GUIDELINES AND REQUIREMENTS

OBJECTIVE

This policy provides the guidelines for the approval process for all spending.

SCOPE

This statement applies to Ellis Thompson Corporation.

POLICY

Capital and Expense spending approval limits are set according to the type of spending (See attached matrix).

Purchase orders are required for all Capital items and for the following specific expense items over \$500: Professional Fees, Contract Labor and other Contracts, any Maintenance Materials, Donations and Employee activities (See separate guidelines for use of purchase orders).

All Capital requisitions must be submitted with Budget approval.

All Out-of-Budget Capital requisitions must be approved by Ellis Thompson.

Travel & Entertainment Expenses

Department Heads must sign T&Es for their department. General Manager will sign T&Es for Department Heads. Corporate Vice President of Finance or Corporate President will sign T&Es for General Manager.

The attached matrix gives minimum approval requirements only. General Manager may require additional approvals at his discretion.



AM 141418

POLICY STATEMENT
POLICY NO: 200ETC
SUBJECT: CAPITAL AND EXPENSE APPROVAL GUIDELINES AND
REQUIREMENTS
PAGE 2 OF 3

ELLIS THOMPSON CORPORATION
MINIMUM APPROVAL REQUIREMENTS

<u>AMOUNT</u>	<u>REQUISITIONS FOR SPECIFIC EXPENSES</u>	<u>CAPITAL EXPENSES</u>
\$1 - \$ 499	Department Head; and GM or Controller	N/A
\$500 - \$5,000	Department Head; and GM	Division Director; Engineering; and Comcast Corporate VP of Engineering
\$5,001 - \$25,000	Department Head; GM; Comcast Corporate Department Head; Comcast Corporate VP of Finance; and Ellis Thompson	Division Director; Engineering; Comcast Corporate VP of Engineering; Comcast Corporate President; and Ellis Thompson
\$25,001 - \$100,000	Department Head; GM; Comcast Corporate Department Head; Comcast Corporate VP of Finance; Comcast Corporate President; and Ellis Thompson	Division Director; Engineering; Comcast Corporate VP of Engineering; Comcast Corporate Engineering; Comcast Corporate President; and Ellis Thompson

*In the absence of a Signatory because of illness, vacation or some other unforeseen event, the next higher level must approve the request.

Check Signing

~~All checks in excess of \$5,000 must bear the signature of Ellis Thompson. (Exceptions - See Next Page).~~

All checks in excess of \$1,000 must bear the signature of Comcast Corporate Vice President of Finance (Exceptions - See Next Page).

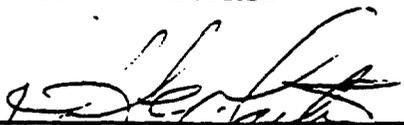
POLICY STATEMENT
POLICY NO. 200ETC
SUBJECT: CAPITAL AND EXPENSE APPROVAL GUIDELINES AND REQUIREMENTS
PAGE 3 OF 3

Checking Signing Exceptions

The following is a list of recurring expenses which require the signature of Ellis Thompson for amounts \$25,000 and over, and Comcast Corporate Vice President of Finance for amounts \$5,000 and over:

<u>Type</u>	<u>Description</u>
Roamer Payable	Amounts payable to other Cellular carriers for usage of their system by Ellis Thompson Subscribers (Per Contract).
Agent Commissions, Residuals, Co-Op, and Incentives	Amounts payable to agents for subscribers added to the Ellis Thompson system (Per Contract).
Cell Site Phone, Electric, Rent	
Office Phone, Electric, Rent	
NJ State Sales Federal Excise Tax	Taxes collected from subscribers in accordance with State law.
Inventory Purchases	Purchase of telephones for sale to new subscribers.

COMCAST CORPORATE



President

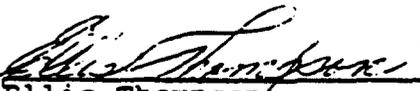
JAN 24 1990
(Date Approved)



Vice President & Controller

JAN 22 1990
(Date Approved)

ELLIS THOMPSON CORPORATION



Ellis Thompson

JAN 19 1990
(Date Approved)

1 that it would be feasible to receive some benefit
2 from it.

3 Q. And this would have gone to members of
4 the alliance, is that correct?

5 A. Yes.

6 Q. And so you viewed that at least as a
7 moral responsibility of yours, is that correct?

8 A. Well, that would have been a fair thing
9 to do, yes.

10 Q. Have any disbursements been made to the
11 settlement group yet?

12 A. No.

13 Q. And is this at least in part because of
14 litigation concerning the system?

15 A. Yes, that was primarily the reason for
16 it. The litigation being ongoing like it was,
17 why we retracted the disbursement.

18 Q. Now, are the system's -- when I "say
19 system," the Atlantic City system -- are its
20 capital and operating expenses your
21 responsibility?

22 A. Yes.

23 Q. Now, the money to pay for these
24 expenses, does it come from accounts controlled
25 by you?

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1 A. Yes, that's true.

2 Q. And I think you mentioned before that
3 it's you that decides who has access to these
4 accounts?

5 A. Yes.

6 Q. And you limit this access to a certain
7 number of people, is that correct?

8 A. Yes.

9 Q. And you determine the maximum amount of
10 money that a particular person can draw from this
11 account, is that correct?

12 A. That's true.

13 Q. And you decide what this money is going
14 to be used for, is that correct?

15 A. Yes.

16 MR. REIDELER: Joe?

17 EXAMINATION BY COUNSEL FOR

18 FEDERAL COMMUNICATIONS COMMISSION

19 BY MR. WEBER:

20 Q. You mentioned earlier that all checks
21 over \$5,000 are sent to Portland for your
22 signature. How often are checks sent for your
23 signature?

24 A. Ordinarily almost every week we receive
25 some checks for my signature, yes.

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ERRATA SHEET FOR THE TRANSCRIPT OF:

Notice Date: 04/28/95
 Case Name: In Re: Ellis Thompson Corporation
 Case Number: 14261-CL-P-134-A-86
 Dep. Date: 04/27/95
 Deponent: Christine Van Horne
 Place: Washington, D.C.

CORRECTIONS:

<u>Page</u>	<u>Line</u>	<u>Now Reads</u>	<u>Should Read</u>	<u>Reasons Therefore</u>
6	16	...and a master's and a.	...and a master's and a (no period)	Clarification
7	16	...assurance...	...insurance...	Clarification
18	12	...what is the ammendment...	...was the amendment...	Clarification

Christine Van Horne
 Signature of Deponent

4/28/95
 Date of Signature

ERRATA SHEET FOR THE TRANSCRIPT OF:

Notice Date: 04/28/95
Case Name: In Re: Ellis Thompson Corporation
Case Number: 14261-CL-P-134-A-86
Dep. Date: 04/27/95
Deponent: Christine Van Horne
Place: Washington, D.C.

1 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

2 WASHINGTON, D.C. 20554

3 CC DOCKET NO. 94-136

4 - - - - - X

5 In re Application of :

6 ELLIS THOMPSON : File No.

7 CORPORATION : 14261-CL-P-134-A-86

8 - - - - - X

9 Washington, D.C.

10 Thursday, April 27, 1995

11 Deposition of CHRISTINE VAN HORNE, a
12 witness herein, called for examination by counsel
13 for Federal Communications Commission in the
14 above-entitled matter, pursuant to agreement, the
15 witness being duly sworn by JAN A. WILLIAMS, a
16 Notary Public in and for the District of
17 Columbia, taken at the offices of Gurman, Kurtis,
18 Blask & Freedman, Suite 500, 1400 16th Street,
19 N.W., Washington, D.C., 20036, at 10:00 a.m.,
20 Thursday, April 27, 1995, and the proceedings
21 being taken down by Stenotype by JAN A. WILLIAMS
22 and transcribed under her direction.

23
24
25

1 APPEARANCES:

2

3 On behalf of the Wireless Telecommunications
4 Bureau of the Federal Communications
5 Commission:

6 JOSEPH PAUL WEBER, ESQ.

7 TERRENCE E. REIDELER, ESQ.

8 The Wireless Telecommunications Bureau
9 Federal Communications Commission

10 1919 M Street, N.W., Room 644

11 Washington, D.C. 20554

12 (202) 418-1317

13

14 On behalf of Ellis Thompson Corporation:

15 STEVE D. LARSON, ESQ.

16 Stoll, Stoll, Berne, Lokting &

17 Shlachter, P.C.

18 209 Southwest Oak Street

19 Portland, Oregon 97204

20 (503) 227-1600

21

22

23

24

25

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1 APPEARANCES: (Continued)

2

3 On behalf of American Cellular Network
4 Corp.:

5 LOUIS GURMAN, ESQ.

6 Gurman, Kurtis, Blask & Freedman

7 Suite 500

8 1400 16th Street, N.W.

9 Washington, D.C. 20036

10 (202) 328-8200

11

12 On behalf of Telephone & Data Systems, Inc.:

13 HERBERT D. MILLER, JR., ESQ.

14 Koteen & Naftalin

15 1150 Connecticut Avenue

16 Washington, D.C. 20036

17 (202) 467-5700

18

19

20

21

22

23

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25

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1 PROCEEDINGS

2 Whereupon,

3 CHRISTINE VAN HORNE,

4 business address at 1500 Market Street,

5 Philadelphia, Pennsylvania, was called as a

6 witness by counsel for Federal Communications

7 Commission, and having been duly sworn by the

8 Notary Public, was examined and testified as

9 follows:

10 EXAMINATION BY COUNSEL FOR

11 FEDERAL COMMUNICATIONS COMMISSION

12 BY MR. WEBER:

13 Q. Good morning, Ms. Van Horne, my name is

14 Joseph Weber and I represent the Wireless

15 Telecommunications Bureau of the FCC.

16 Could you please state your name for

17 the record.

18 A. Christine Van Horne.

19 Q. Have you ever had your deposition taken

20 before?

21 A. No.

22 Q. I'm sure Mr. Gurman has explained the

23 process to you somewhat, but I'll go ahead and go

24 into a little more detail. I'll be asking you

25 questions this morning and I want you to answer

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1 as truthfully and as fully as possible. If you
2 ever don't understand a question, just let me
3 know and I'll rephrase. Be sure you do answer
4 verbally as the court reporter cannot take down
5 shakes of the head or nods. And I think that's a
6 pretty just brief description of what we'll be
7 doing here.

8 Did you do anything to prepare for
9 today's deposition?

10 A. No. Well, I did talk to Mr. Gurman
11 last week about more or less what I should expect
12 and we reviewed the papers.

13 Q. You did review some documents?

14 A. Yes.

15 Q. What is your educational background?

16 A. I have an M.B.A. and a master's and a
17 B.A.

18 Q. And your master's is in what?

19 A. Russian Slavic languages and
20 literatures.

21 Q. That's interesting. What is your
22 current occupation?

23 A. I am the assistant treasurer at Comcast
24 Corporation.

25 Q. And how long have you been in that

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1 position?

2 A. I haven't thought about it in awhile.
3 About three years, but I've been with the company
4 for eight years. I'm not sure what you meant.

5 Q. Before you were the assistant
6 treasurer, what was your position?

7 A. Corporate finance manager.

8 Q. And did you have that position for the
9 five years previous?

10 A. Yes.

11 Q. What are your duties and
12 responsibilities as assistant treasurer?

13 A. I'm responsible together with the
14 treasurer for all the banking relationships and
15 all the private financing that Comcast
16 Corporation does with banks and assurance
17 companies.

18 Q. And what were your duties and
19 responsibilities as corporate finance manager?

20 A. It was the same type of thing at a more
21 junior level, more assisting I would say.

22 Q. What is your business telephone number?

23 A. (215) 981-7551.

24 Q. I'm sorry, I'm not sure if I asked you
25 your business address.

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1 A. It's 1500 Market Street, Philadelphia,
2 Pennsylvania.

3 Q. Who do you report to in your current
4 position?

5 A. John Alchin, the senior vice-president
6 and treasurer of Comcast.

7 Q. Who did you report to as the corporate
8 finance manager?

9 A. John Alchin and before that his
10 predecessor who was also the treasurer.

11 Q. Do any employees report to you?

12 A. Yes.

13 Q. How many?

14 A. For part of the year, it was two, now
15 just one.

16 Q. And who is that person?

17 A. Amy Kothari, K-o-t-h-a-r-i.

18 Q. And what is her position?

19 A. She is a financial analyst.

20 Q. Do you know I believe the name is
21 Lauranne Traister or Lori Ann?

22 A. I don't believe so.

23 Q. I may be mispronouncing the name.

24 A. How do you spell it?

25 MR. GURMAN: Traister?

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1 THE WITNESS: No.

2 MR. GURMAN: I think that's the right
3 spelling.

4 BY MR. WEBER:

5 Q. Do you do work for all the cellular
6 systems which Comcast either owns or manages?

7 A. I do the bank financing work, yes.

8 Q. For all the systems?

9 A. Yes, although I am now sharing those
10 duties with another person in the office. So,
11 you know, as we have grown, basically we have --
12 you know, we share the work load.

13 Q. And who is it you share the work load
14 with?

15 A. Ken Mikalauskas, K-e-n
16 M-i-k-a-l-a-u-s-k-a-s.

17 Q. Is the Atlantic City cellular system
18 one of the systems for which you do some work?

19 MR. GURMAN: Excuse me, Joe. This is
20 Dominic Villedo.

21 MR. WEBER: Yes.

22 Can we go off the record a moment.

23 (Discussion off the record.)

24 MR. WEBER: Back on the record.

25 BY MR. WEBER:

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1 Q. Is the Atlantic City system one of the
2 systems for which you do some work?

3 A. I guess I don't understand what you
4 mean by do some work actually.

5 Q. Is the Atlantic City system just one of
6 the systems for which work is done that you are
7 responsible for?

8 A. I think it's fair to say that I have
9 given some advice on the only -- I mean the only
10 contact I would have with them is through the
11 financings. And I have given some financing
12 advice.

13 Q. And what type of financing advice have
14 you given?

15 A. Well, as you know Ellis Thompson has a
16 bank loan. And I and Bernard Gallagher who was
17 the previous treasurer talked with some of the
18 banks that we know, specifically the current
19 lender, Provident, and basically put them in
20 touch with Ellis Thompson and advised on, you
21 know, certain aspects of the loan.

22 Q. You mentioned the name Ellis Thompson.
23 Can you tell us who he is?

24 A. He's the owner of Ellis Thompson
25 Corporation as far as I know.

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1 Q. How do you know this?

2 A. Well, I have met him and I know that
3 he -- you know, he is the signer on all the loan
4 documentation. And it was represented to me that
5 he more or less held the license for the Atlantic
6 City system. I'm not very familiar with all the
7 various legal arrangements and organizational
8 structure or all the details of it.

9 Q. You mentioned that it was represented
10 to you that he owns Ellis Thompson Corporation.

11 A. Uh-huh.

12 Q. Can you recall who would have made that
13 representation?

14 A. He himself.

15 Q. How did you meet him?

16 A. In connection with arranging this
17 loan.

18 Q. Why did you arrange a loan for him?

19 A. Well, maybe arrange is too strong a
20 word. Kind of consult and advise. Basically I
21 have a lot of experience arranging loans. And I
22 was told that Ellis Thompson didn't. And we
23 have, you know, a lot of banking relationships.
24 So we basically talked to -- it was Provident
25 Bank at the time, now PNC Bank, and alerted them

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1 to this financing opportunity. They were at the
2 time and still are a major cellular lender.

3 Q. Who told you that Mr. Thompson didn't
4 have experience getting loans?

5 A. Either he or his attorney.

6 Q. And what was the time period when you
7 were advising him on this loan?

8 A. Well, prior to its closing which quite
9 honestly I have forgotten the date, I think it
10 was in early '89. I just don't remember
11 exactly.

12 Q. Your attorney actually can't help you.

13 A. Okay. All right. It's a fact that I
14 just don't remember.

15 Q. Did Mr. Thompson have a loan prior to
16 getting the loan from Provident?

17 A. Not that I'm aware.

18 Q. Can you recall the amount of the loan?

19 A. I think initially it was \$1.85
20 million.

21 Q. Can you recall if this was a secured
22 loan?

23 A. Yes, I can, and it was secured.

24 Q. And what was the security for this
25 loan?

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