

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FILED/ACCEPTED

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Federal Communications Commission
Office of the Secretary

In the Matter of)
)
PENDLETON C. WAUGH, CHARLES M.)
AUSTIN, and JAY R. BISHOP)
)
PREFERRED COMMUNICATION)
SYSTEMS, INC.)
)
Licensee of Various Site-by-Site Licenses in)
the Specialized Mobile Radio Service.)
)
PREFERRED ACQUISITIONS, INC.)
)
Licensee of Various Economic Area Licenses)
in the 800 MHz Specialized Mobile Radio)
Service)

EB Docket No. 07-147

File No. EB-06-IH-2112

NAL/Acct. No. 200732080025

FRN No. 0003769049

FRN No. 0003786183

To: Preferred Communication Systems, Inc.

ENFORCEMENT BUREAU'S FIRST INTERROGATORIES
TO
PREFERRED COMMUNICATION SYSTEMS, INC.

1. The Enforcement Bureau ("Bureau"), pursuant to Sections 1.311 and 1.323 of the Commission's rules, 47 C.F.R. §§ 1.311 and 1.323, submits the following interrogatories to Preferred Communication Systems, Inc. ("PCSI").

2. PCSI shall deliver its responses to the offices of the Investigations and Hearings Division, Enforcement Bureau, Suite 4-C330, 445 12th Street, S.W., Washington, DC 20554 (or at some other location that is mutually acceptable to the Bureau and PCSI) within 14 days of the date of these interrogatories.

3. The obligation of PCSI to answer these interrogatories is continuing in nature. PCSI has an obligation to provide in the future any and all additional responsive

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information that may come to its attention subsequent to its answering these interrogatories but not initially disclosed at the time, date and place set forth herein or in any supplemental answers that it submits. In this regard, PCSI must supplement its initial and supplemental responses if it learns that, in some material respect, the responses initially provided, or as supplemented, were incomplete or incorrect or if additional responsive information is acquired by or has become known to it after its initial or supplemental responses.

Definitions and Instructions

- a. As used herein, the term "PCSI" means Preferred Communication Systems, Inc., its subsidiaries and affiliates.
- b. The term "Commission" means Federal Communications Commission and includes any and all Bureaus, Divisions, Branches, and offices thereof.
- c. The terms "relate to" and "relating to" mean constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or in any way is pertinent to the specified subject, including documents concerning the preparation of the documents.
- d. The term "and" also means "or" and the term "or" also means "and."
- e. The term "each" also means "every" and the term "every" also means "each."
- f. The term "all" also means "any" and the term "any" also means "all."
- g. The term "identify" when used with reference to a person or persons, means to state his or her full name; last known business and residence addresses; and last known business and residence telephone numbers.
- h. The term "Document" means the complete original (or in lieu thereof, exact copies of the original) and any non-identical copy (whether different from the original

because of notations on the copy or otherwise), regardless of origin or location, of any taped, recorded, transcribed, written, typed, printed, filmed, videotaped, punched, computer-stored, or graphic matter of every type and description, however and by whomever prepared, produced, disseminated, or made, including but not limited to any book, pamphlet, periodical, contract, agreement, correspondence, letter, facsimile, e-mail, file, invoice, memorandum, note, telegram, report, record, handwritten note, working paper, routing slip, chart, graph, photograph, paper, index, map, tabulation, manual, guide, outline, script, abstract, history, calendar, diary, agenda, minutes, marketing plan, research paper, preliminary drafts, or versions of all of the above, and computer material (print-outs, cards, magnetic or electronic tapes, disks and such codes or instructions as will transform such computer materials into easily understandable form) in the possession, custody, or control of PCSI.

i. With regard to each answer, identify the person(s) or document(s) relied upon by PCSI in determining the substance of the answer.

j. The terms "authorization," "authorizations," "license" or "licenses" refer to those licenses identified in footnotes 1-2 of the Commission's Order in the above-captioned proceeding, *Pendleton C. Waugh, et al.*, Order to Show Cause and Notice of Opportunity for Hearing, FCC 07-125, released July 20, 2007, as amended October 22, 2007.

Interrogatories

1. Describe fully PCSI's corporate structure for each year from January 1, 1998, to the present.

2. Identify all officers, directors, shareholders, and creditors of PCSI at any and all *times during each year from January 1, 1998, to the present. As to each such person:*
 - a. Specify his or her office, title, or position held with PCSI and dates of service in each office or position;
 - b. Specify the nature and extent of his or her stock interest in PCSI, including percentages of ownership and voting rights; and
 - c. If the person no longer is an officer, director, shareholder, and/or creditor of PCSI, specify the date and reason that the person ceased being an officer, director, shareholder, and/or creditor of PCSI.
3. List all stock certificates PCSI has prepared and/or issued since its inception.

For each such stock certificate:

- a. Identify the person or entity to which the stock certificate was prepared or issued;
 - b. specify the amount and class of stock shares;
 - c. specify the date that the stock certificate was prepared and, if also issued, the date that the stock certificate was issued;
 - d. if the stock certificate was prepared, but not issued, explain fully why it was not issued and Identify the persons who were involved in making the decision not to issue the stock certificate.
4. Identify the name of all entities under which PCSI has done business at any time during the period from January 1, 1998, to the present. For each such entity:
 - a. Specify the principal place of business;

- b. Specify the telephone number;
 - c. Specify the dates of operation; and
 - d. Specify the nature of such business.
5. Describe any ownership interest in any business that PCSI has held at any time during the period from January 1, 1998, to the present, and, for each such business, provide the dates of operation.
6. State whether PCSI has filed federal income tax returns for each year between January 1, 1998, and the present. If not, explain fully why not.
7. Describe each and every professional and/or trade license held by PCSI between January 1, 1998, and the present.
8. With respect to Station WPMG598 (Aguada, PR):
 - a. State whether PCSI holds the license for this Station;
 - b. State whether PCSI has completed construction of the facilities for this license. If not, explain fully the reasons why PCSI has not completed construction of the facilities for this license;
 - c. State whether PCSI has operated this license continuously since December 2005. If not, specify the date(s) on which PCSI discontinued operations for this license for more than one year.
9. State whether Pendleton C. Waugh has ever held an interest of any kind and to any extent whatsoever in PCSI, its applications, and or its licenses. If so, describe fully.

10. State whether Pendleton C. Waugh has ever held an interest of any kind and to any extent whatsoever in PAI, its applications, and or its licenses. If so, describe *fully*.
11. State whether Jay R. Bishop has ever held an interest of any kind and to any extent whatsoever in PCSI, its applications, and or its licenses. If so, describe *fully*.
12. State whether Jay R. Bishop has ever held an interest of any kind and to any extent whatsoever in PAI, its applications, and or its licenses. If so, describe *fully*.
13. State whether Pendleton C. Waugh has ever directly or indirectly held any shares of PCSI stock. If so, specify the number and class of shares that Pendleton C. Waugh has held, the dates of such acquisition, the terms of such acquisition, and the percentage of overall outstanding and issued stock shares those shares represented for every year that Pendleton C. Waugh held such stock.
14. State whether Jay R. Bishop has ever directly or indirectly held any shares of PCSI stock. If so, specify the number and class of shares that Jay R. Bishop has held, the dates of such acquisition, the terms of such acquisition, and the percentage of overall outstanding and issued stock shares those shares represented for every year that Jay R. Bishop held such stock.
15. Identify all contracts, agreements, or understandings, whether oral or written, whether currently in existence or otherwise, of any kind whatsoever, between Pendleton C. Waugh and PCSI.

16. Identify all contracts, agreements, or understandings, whether oral or written, whether currently in existence or otherwise, of any kind whatsoever, between Pendleton C. Waugh and PAI.
17. Identify all contracts, agreements, or understandings, whether oral or written, whether currently in existence or otherwise, of any kind whatsoever, between Jay R. Bishop and PCSI.
18. Identify all contracts, agreements, or understandings, whether oral or written, whether currently in existence or otherwise, of any kind whatsoever, between Jay R. Bishop and PAI.
19. State whether Pendleton C. Waugh has ever entered into any agreements to acquire shares of PCSI stock directly or indirectly. If so, specify the number and class of any shares he agreed to acquire and identify the parties to, dates of, and terms of each such agreement.
20. State whether Jay R. Bishop has ever entered into any agreements to acquire shares of PCSI stock directly or indirectly. If so, specify the number and class of any shares he agreed to acquire and identify the parties to, dates of, and terms of each such agreement.
21. State whether any of the authorizations licensed to PCSI are or ever have been controlled in part or in full by Pendleton C. Waugh. If so, state the type of control or ownership interest. For each ownership interest, state the percentage of such ownership.
22. State whether any of the authorizations licensed to PCSI are or ever have been controlled in part or in full by Jay R. Bishop. If so, state the type of control or

ownership interest. For each ownership interest, state the percentage of such ownership.

23. State whether Pendleton C. Waugh is or at any time has been the real party-in-interest behind any of PCSI's licenses or applications.
24. State whether Jay R. Bishop is or at any time has been the real party-in-interest behind any of PCSI's licenses or applications.
25. State whether PCSI or any individual on behalf of PCSI has entered into a management contract (whether written or otherwise) for control of the day-to-day operations of PCSI. If so, provide the dates, terms, and description of the services/responsibilities of the manager under such contract.
26. Identify all current and former employees of PCSI during the period from January 1, 1998, to the present. As to each such person:
 - a. Specify his or her title, position held, job responsibilities, and dates of service in such title and/or position held; and
 - b. If the person no longer is an employee of PCSI, specify the date and reason the person left the employment of PCSI.
27. Identify all current and former managers and supervisors of PCSI during the period from January 1, 1998, to the present. As to each such person:
 - a. Specify his or her title, position held, job responsibilities, and dates of service in each position held; and
 - b. If the person no longer is an employee of PCSI, specify the date and reason the person left the employment of PCSI.

28. Identify all individual(s) that have had unfettered use of all of PCSI's licenses and/or equipment from January 1, 1998, to the present.
29. Identify all individual(s) that have had responsibility for control of PCSI's daily operations from January 1, 1998, to the present.
30. Describe in detail Charles M. Austin's responsibilities for the day-to-day operations of PCSI between January 1, 1998, and the present, including but not limited to (1) supervision of employees; (2) control of directors; (3) FCC filings; (4) debt or operations financing; and (5) revenue generation and allocation. If the nature of such involvement has changed in any way between the period of time from January 1, 1998, to the present, describe fully how such involvement changed.
31. State whether PCSI has ever employed Pendleton C. Waugh. If so, state the dates and terms of such employment, the nature of the services provided by Pendleton C. Waugh, and compensation paid for such services.
32. Describe in detail Pendleton C. Waugh's responsibility for the day-to-day operations of PCSI between January 1, 1998, and the present, including but not limited to (1) supervision of employees; (2) control of directors; (3) FCC filings; (4) debt or operations financing; and (5) revenue generation and allocation. If the nature of such involvement has changed in any way between the period of time from January 1, 1998, to the present, describe fully how such involvement changed.

33. State whether PCSI has ever employed Jay R. Bishop. If so, state the dates and terms of such employment, the nature of the services provided by Jay R. Bishop, and compensation paid for such services.
34. Describe in detail Jay R. Bishop's responsibilities for the day-to-day operations of PCSI between January 1, 1998, and the present, including but not limited to (1) supervision of employees; (2) control of directors; (3) FCC filings; (4) debt or operations financing; and (5) revenue generation and allocation. If the nature of such involvement has changed in any way between the period of time from January 1, 1998, to the present, describe fully how such involvement changed.
35. Identify all individual(s) that have ever been responsible for preparing, filing, or assisting in preparing and filing, Documents on behalf of PCSI with the Commission.
36. State whether Pendleton C. Waugh has ever participated in preparation, filing, or assisting in preparing and filing, of Documents on behalf of PCSI with the Commission. If so, explain fully such participation.
37. Identify all individual(s) that have ever prepared Documents containing the phrase "action items" on behalf of PCSI. Provide a general explanation of the content of each such Document.
38. State whether Pendleton C. Waugh has ever prepared Documents containing the phrase "action items" on behalf of PCSI. If so, explain fully such participation.
39. Identify all individual(s) that have ever prepared, or assisted in preparing, correspondence or other materials to investors on behalf of PCSI. Provide a general explanation of the content of each such Document.

40. State whether Pendleton C. Waugh has ever prepared, or assisted in preparing, correspondence or other materials to investors on behalf of PCSI. If so, explain fully his involvement.
41. Identify all individual(s) that have ever been responsible for negotiating with other parties on behalf of PCSI, such as in contracts, investment agreements, and/or legal proceedings.
42. State whether Pendleton C. Waugh has ever participated in negotiation with other parties on behalf of PCSI, such as in contracts, investment agreements, and/or legal proceedings. If so, explain fully such participation.
43. Identify all individual(s) responsible for the creation of the annual budget for PCSI for each year beginning in 1998 to the present.
44. State whether Pendleton C. Waugh has ever participated in creating the annual budget for PCSI. If so, explain fully such participation.
45. Identify all individual(s) that have been responsible for payment of financing obligations that PCSI has incurred, including expenses arising out of operating, since the date of PCSI's inception.
46. State whether Pendleton C. Waugh has ever fully held or shared responsibility for payment of financing obligations that PCSI has incurred, including expenses arising out of operating. If so, explain fully. If Pendleton C. Waugh has ever shared such responsibility, identify with whom he has shared it.
47. Identify all individual who have ever received consideration of any kind whatsoever, compensation, monies, and/or profits from the operation of PCSI's facilities or business. Describe fully what share, percentage, and/or amount of

such consideration, compensation, monies, and/or profits that each individual receives and disclose any agreements pertaining to such receipt. As to each individual, state the time period(s) during which such receipt of compensation, monies, and/or profits occurred.

48. State whether Pendleton C. Waugh has ever received consideration of any kind whatsoever, compensation, monies and/or profits from the operation of PCSI's facilities or business. If so, explain fully.
49. Identify all individual(s) that have had authority to hire, fire, or supervise PCSI's employees, since the date of its inception.
50. State whether Pendleton C. Waugh has ever hired, fired, or supervised PCSI's employees. If so, explain fully.
51. Specify the date on which PCSI became a Commission licensee.
52. Specify by licensee name, licensee address, licensee telephone number, call sign, service, location, and expiration date all FCC licenses held and/or controlled by PCSI.
53. Specify by licensee name, licensee address, licensee telephone number, call sign, service, location, and expiration date all FCC licenses held and/or controlled by each and every officer, director, and shareholder of PCSI.
54. Identify by file number, application number, application title, date of filing, purpose, and disposition of each and every application filed with the Commission by or on behalf of PCSI between January 1, 1998, and the present.
As to each such application:

- a. Identify each and every person who was engaged in the planning, preparation, review, and/or filing of the application; and
 - b. Describe fully the nature and extent of his or her involvement therein.
55. State whether any officer, director, and/or shareholder of PCSI has ever been convicted of a felony in a state or federal court. If so, as to each such conviction:
- a. Specify the case number;
 - b. Identify the convicted felon;
 - c. Specify the court in which the conviction occurred;
 - d. State the date of the conviction;
 - e. Describe the nature of the offense;
 - f. State the date of the offense; and
 - g. Describe the nature and extent of the sentence handed down.
56. Specify when, where, and by what means Charles M. Austin learned that Pendleton C. Waugh had been convicted of a felony in federal court involving structuring financial transactions with intent to evade federal reporting requirements. Describe fully any Documents relevant to the discovery of such information.
57. Specify when, where, and by what means Charles M. Austin learned that Pendleton C. Waugh had been convicted of a felony in state court involving securities fraud. Describe fully any Documents relevant to the discovery of such information.
58. Specify when, where, and by what means Charles M. Austin learned that Jay R. Bishop had been convicted of felonies in federal court involving intent to defraud

the U.S. government and tax evasion. Describe fully any Documents relevant to the discovery of such information.

59. State whether PCSI ever reported the felony convictions of Pendleton C. Waugh to the Commission at any time prior to July 27, 2006. If so, identify by whom and specify when and the method by which PCSI reported such convictions to the Commission. If not, explain fully why PCSI did not report such convictions to the Commission prior to July 27, 2006.
60. State whether PCSI ever reported the felony convictions of Jay R. Bishop to the Commission at any time prior to January 25, 2007. If so, identify by whom and specify when and the method by which PCSI reported such convictions to the Commission. If not, explain fully why PCSI did not report such convictions to the Commission prior to January 25, 2007.
61. Identify by file number, application number, application title, date of filing, purpose of the application, and disposition each and every application that PCSI has filed with the Commission between January 1, 1998, and the present in which it responded "No" to the question, "Has the applicant to this application or any party directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court?" As to each such application, describe fully the basis for such "No" response.
62. State whether PCSI acquired any of its licenses by assignment. If so, describe fully all applications pertaining to such assignment, any amendments thereto, and related materials. If not, then state how PCSI acquired its licenses. Additionally, with respect to each such application:

- a. Identify each and every person who was involved in any manner and to any extent in the decision to file the application.
 - b. Describe the nature and extent of each person's involvement.
 - c. Describe fully the basis for the decision to file the application.
63. State whether Pendleton C. Waugh has ever been involved in any aspect of drafting, filing, or submitting any applications on behalf of PCSI before the FCC. If so, state the full name, date, and if applicable, FCC File Number, of each such application, and describe fully the extent of his involvement as to each application.
64. State whether Jay R. Bishop has ever been involved in any aspect of drafting, filing, or submitting any applications on behalf of PCSI before the FCC. If so, state the full name, date, and if applicable, FCC File Number, of each such application, and describe fully the extent of his involvement as to each application.
65. State whether PCSI has met all construction deadlines applicable to its licenses. If so, state when it met each deadline for each license, and submit any supporting Documents. If not, list the licenses for which PCSI has not met applicable construction deadlines, explain fully why PCSI did not meet applicable construction deadlines, and provide copies of any Documents concerning PCSI's failure to meet such construction deadlines.
66. State the date on which PCSI acquired each of its licenses. As to each license, state whether PCSI has been operating such license since the date PCSI acquired it. If so, specify dates of operation as to each license.

67. State whether PCSI has ever discontinued operation of its licenses for more than one year. If so, specify by call sign the licenses for which PCSI discontinued operation for more than one year, the basis for such discontinued operation, and the dates during which PCSI so discontinued operation. State whether PCSI notified the Commission of such discontinuation of operation, and explain fully the basis for such notification or lack thereof.
68. State whether any of PCSI's licenses have been cancelled for any reason. If so, identify which licenses and explain fully why such licenses have cancelled.
69. Provide a complete list of, and Identify, all customers of PCSI's wireless network or services from 1998 to the present.
70. Provide the buildout date for all licenses held by PCSI. If the buildout dates were not met, explain fully why not.
71. State whether PCSI has constructed its own facilities to build out its licenses, or whether it has leased facilities to enable operation of its licenses. If the former, identify the address of such facilities. If the latter:
- a. Identify each company from which PCSI has leased such facilities, including the name, address, and phone number of a contact person at the company; the dates of such leases; the parties to such leases; the licenses to which such leases apply; and payments that PCSI makes under such leases. Submit copies of such leases and related Documents, including proof that PCSI has made payments under such leases.
 - b. State whether PCSI has ever defaulted on any tower leases relating to its licenses. If so, (i) Identify the contracts in which default occurred and

parties to those contracts; (ii) State the dates in which the contracts the *contracts were in effect*; (iii) *Explain fully the basis for such default*; (iv) Explain whether PCSI owes money due to such default; and (v) Explain whether there is any past or current litigation concerning such default.

72. State whether all statements in PCSI's responses to the Enforcement Bureau's June 30, 2006, and December 27, 2006, letters of inquiry were accurate when submitted to the Commission. If not, explain fully why not.
73. State whether all statements in PCSI's responses to the Enforcement Bureau's June 30, 2006, and December 27, 2006, letters of inquiry remain accurate. If not, explain fully why not.
74. State whether PCSI has any materials that would supplement its responses to the Enforcement Bureau's June 30, 2006, and December 27, 2006, letters of inquiry. If so, provide such supplemental responses and/or materials, as applicable.
75. With respect to each of the emails attached as confidential exhibits and numbered PCSI00106, PCSI00982-PCSI00983, and PCSI00990, to PCSI's response, dated July 27, 2006, to the Enforcement Bureau's first letter of inquiry:
- a. Identify the sender and recipient of each email.
 - b. Describe fully the basis for initiating the email.
 - c. Describe fully the context of the message discussed in each email.
 - d. Describe fully any actions taken by PCSI or its staff as the result of the transmittal of the email.
 - e. Describe any factual inaccuracies contained in any of the emails.

76. With respect to PCSI's response, dated January 25, 2007, to the Enforcement Bureau's second letter of inquiry:

- a. State whether PCSI stated in response to Inquiry 1 that "[a]s of the date of this response the remaining items need to be completed to effectuate the Raymond A. Hebrank Voting Trust: (1) initial payment of the trustee's compensation; (2) filing for the voting trust's taxpayer identification number; and (3) transfer of funds by Mr. Waugh to the voting trust that then would tender such funds to Preferred to purchase the shares to be issued to the voting trust." If so:
 - i. Identify the individual(s) on whom PCSI relied in making that statement.
 - ii. State whether the statement was accurate on January 25, 2007.
 - iii. State whether the statement is currently accurate. If not, explain fully why not.
 - iv. State why Waugh did not effectuate the Raymond A. Hebrank Voting Trust.
 - v. State the amounts of (1) the referenced "initial payment of the trustee's compensation;" (2) the referenced "funds to Preferred to purchase shares to be issued to the voting trust; (3) the value of 800,000 shares of PCSI stock on April 14, 2000; and (4) the current value of 800,000 shares of PCSI stock.

- vi. State what funds, compensation, services, or other items of value that Waugh has tendered, or is required to tender, to PCSI in order to effectuate the Raymond A. Hebrank Voting Trust.
 - vii. State what percentage of ownership interest and voting stock was represented by 800,000 shares at the time that the Raymond A. Hebrank Voting Trust was drafted and executed.
- b. State whether PCSI stated in response to Inquiry 1 that "Certificate C-17 was never issued, but remained on Preferred's books to be issued (with the correct name of the Trust) at such time as Mr. Waugh or Mr. Hebrank presented executed voting trust documents together with a taxpayer identification number and the voting trust tendering funds to Preferred in the appropriate amount to purchase the 800,000 shares." If so:
- i. Identify the individual(s) on whom PCSI relied in making that statement.
 - ii. State whether the statement was accurate on January 25, 2007.
 - iii. State whether the statement is currently accurate. If not, explain fully why not.
 - iv. State what funds, compensation, services, or other items of value that Waugh has tendered, or needs to tender, to PCSI in order to purchase the referenced 800,000 shares of PCSI stock.
- c. State whether PCSI stated in response to Inquiry 28 that "Preferred does not have in its possession a certified copy of Mr. Waugh's convictions and sentencing documents. Mr. Waugh has been requested to provide those

documents to PCSI [sic.]. Mr. Waugh has contacted the clerk of courts possessing such records and requested that they provide certified copies on an expedited basis. Once the Company receives such certified copies, it will forward them to the Commission.” If so:

- i. Identify the individual(s) on whom PCSI relied in making that statement.
 - ii. State whether the statement was accurate on January 25, 2007.
 - iii. State whether the statement is currently accurate. If not, explain fully why not.
 - iv. State whether PCSI has provided to the Commission the requested conviction and sentencing materials for Pendleton C. Waugh. If so, explain when and to whom such records were sent. If not, explain why PCSI has not sent such Documents.
- d. State whether PCSI stated in response to Inquiry 30 that “Mr. Bishop was convicted in November 2000 of federal tax evasion. The Company does no posses [sic.] copies of his conviction and sentencing records.”
- i. Identify the individual(s) on whom PCSI relied in making that statement.
 - ii. State whether the statement was accurate on January 25, 2007.
 - iii. State whether the statement is currently accurate. If not, explain fully why not.
 - iv. State whether PCSI has provided to the Commission the requested conviction and sentencing materials for Jay R. Bishop. If so,

explain when and to whom such records were sent. If not, explain why PCSI has not sent such Documents.

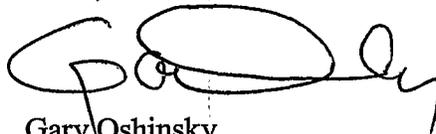
- e. State whether PCSI stated in response to Inquiry 34(b) that "Requests have been made to Mr. Waugh and Mr. Bishop for their individual tax returns. The Company will forward the documents when it is in receipt of them." If so:
- i. Identify the individual(s) on whom PCSI relied in making that statement.
 - ii. State whether the statement was accurate on January 25, 2007.
 - iii. State whether the statement is currently accurate. If not, explain fully why not.
 - iv. State whether PCSI has provided to the Commission the requested individual tax records for Pendleton C. Waugh and Jay R. Bishop. If so, explain when and to whom such records were sent. If not, explain why PCSI has not sent such Documents.
- f. State whether PCSI stated in response to Inquiry 34(c) that "On August 16, 2005, Preferred Communication Systems, Inc. retained Whitley Penn, a Certified Public Accounting and Consulting firm, to assist in a corporate accounting and tax audit from 1998 to present and the preparation of current and past filings of corporate tax returns. The Company will forward the returns as they come available." If so:
- i. Identify the individual(s) on whom PCSI relied in making that statement.

- ii. State whether the statement was accurate on January 25, 2007.
- iii. State whether the statement is currently accurate. If not, explain fully why not.
- iv. State whether PCSI has yet provided to the Commission the requested individual tax records for Pendleton C. Waugh and Jay R. Bishop. If so, explain when and to whom such records were sent. If not, explain why PCSI has not sent such Documents.

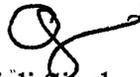
77. State whether PCSI, or any entity controlled or operated by PCSI, is or has been involved in any litigation between January 1, 1998, and the present. If so, identify the parties, and describe the nature and status of all such litigation.

78. State whether PCSI received a copy of the Order to Show Cause and Notice of Opportunity for Hearing in *Pendleton C. Waugh, et al.*, FCC 07-125 (released July 20, 2007), and if so, the date on which PCSI received it.

Respectfully submitted,
Kris Anne Monteith
Chief, Enforcement Bureau



Gary Oshinsky
Attorney, Investigations and Hearings Division



Anjali Singh
Attorney, Investigations and Hearings Division

Federal Communications Commission
445 12th Street, S.W., Room 4-C330
Washington, D.C. 20554
(202) 418-1420

November 5, 2007

CERTIFICATE OF SERVICE

Kerri Johnson, a Paralegal Specialist in the Enforcement Bureau's Investigations and Hearings Division, certifies that she has, on this 5th day of November, 2007, sent by first class United States mail or electronic mail, as noted, copies of the foregoing "Enforcement Bureau's First Interrogatories to Preferred Communication Systems, Inc."

to:

Jay R. Bishop
c/o Michelle Bishop
1190 South Farrell Drive
Palm Springs, CA 92264
jaybishopps@aol.com

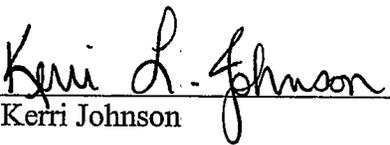
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Attorney for Preferred Communication Systems, Inc., Preferred Acquisitions, Inc., and Charles M. Austin

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