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

In the Matter of	)	
	)	
PENDLETON C. WAUGH,	)	EB Docket No. 07-147
CHARLES M. AUSTIN, and	)	File No. EB-06-IH-2112
JAY R. BISHOP	)	NAL/Acct. No. 200732080025
	)	
PREFERRED COMMUNICATION SYSTEMS, INC.	)	FRN No. 0003769049
	)	
Licensee of Various Site-by-Site Licenses in the Specialized Mobile Radio Service.	)	
	)	
PREFERRED ACQUISITIONS, INC.	)	FRN No. 0003786183
	)	
Licensee of Various Economic Area Licenses in the 800 MHz Specialized Mobile Radio Service	)	

CHARLES M. AUSTIN'S RESPONSES TO THE ENFORCEMENT BUREAU'S FIRST SET OF WRITTEN INTERROGATORIES

Charles M. Austin ("Austin"), by his attorneys, hereby responds to the *Enforcement Bureau's First Interrogatories to Charles M. Austin* served on October 15, 2007, in the above-captioned matter. By mutual agreement between counsel, the date for this response was extended to November 8, 2007. Each interrogatory propounded is set forth below, with the same number assigned by the Enforcement Bureau ("Bureau"), followed by Austin's response.

1. Identify all businesses in which Austin has engaged. As to each such business:
- *a. Specify the name, address, and telephone number;*
- *b. Specify the nature of such business;*
- *c. Specify the duration of Austin's involvement;*
- *d. Describe fully the nature and extent of Austin's involvement.*

Answer: Austin's business activities have been exclusively the management and operation of Preferred Acquisitions, Inc. ("PAI") and Preferred Communication Systems, Inc. ("PCSI"). During the relevant time period, Austin has served full time as President, CEO, and Chairman of PCSI and PAI.

2. State whether Austin has or has had a financial interest of any kind in any business entity. If so, as to each such business entity:
- *a. Identify the name, address, and telephone number of the business entity;*
- *b. Describe the nature and extent of such financial interest;*
- *c. Specify the date such financial interest was acquired and explain fully how such financial interest was acquired;*
- *d. If Austin no longer holds such financial interest, so state and specify how and when Austin disposed of such financial interest.*

Objection: This interrogatory, taken on face value, seeks information on each and every financial interest in any business of any kind over a ten year period. The request is therefore overly broad and unduly burdensome. Moreover, the requested information is neither relevant to the designated issues nor likely to lead to the production or preservation of admissible evidence. It is therefore beyond the scope of proper discovery. Notwithstanding and without waiving this objection, Austin voluntarily offers the following limited response.

Answer: Austin does not have and has not had any significant financial interest in any business other than business other than PCSI. Austin was a founding shareholder of and has continuously held a majority equity position in and voting control of PCSI at all times from its formation to present.

3. State whether Austin has ever held a controlling interest in any business entity. If so, as to each such entity:

a. Identify the name, address, and telephone number of the business entity;

b. Describe the nature and extent of such controlling interest;

c. Specify the date such controlling interest was acquired and explain fully how such controlling interest was acquired;

d. If Austin no longer holds such controlling interest, so state and specify how and when Austin disposed of such controlling interest.

Objection: The Objection to Interrogatory No. 2, above, is incorporated by this reference.

Answer: The Answer to Interrogatory No. 2, above, is incorporated this reference.

4. State whether Austin has filed a federal income tax return for each year between January 1, 1998, and the present. If not, explain fully why not.

Objection: In addition to being an improper intrusion into the private, financial matters of Austin, the requested information is beyond the scope of proper discovery. It is neither relevant to the designated issues nor likely to lead to the production or preservation of admissible evidence.

5. Describe each and every professional and/or trade license held by Austin. If Austin held a license but no longer holds such license, so state and specify how and when Austin relinquished such license.

Answer: None.

6. State whether any of the authorizations licensed to Preferred Communication Systems, Inc. ("PCSI") are, in fact, held or controlled in part or in full by Austin. If so, state the type of ownership interest and control, and, for each ownership interest, state the percentage of such ownership.

Answer: Austin has indirect control of the licenses held by PCSI. Austin does not and has not directly held any authorizations licensed to PCSI.

7. State whether any of the authorizations licensed to Preferred Acquisitions, Inc. ("PAI"), are, in fact, held or controlled in part or in full by Austin. If so, state the type of ownership interest and control, and, for each ownership interest, state the percentage of such ownership.

Answer: Austin has indirect control of the licenses held by PAI. Austin does not and has not directly held any authorizations licensed to PAI.

8. State whether Austin is or at any time has been the sole real party-in-interest behind any of PCSI's licenses.

Objection: This interrogatory purports to call for a legal opinion. The term “real party-in-interest” is a legal term of art. Austin can merely provide factual information, provided a request is otherwise proper and unobjectionable. Whether a given set of facts comes within the scope of a particular legal term of art, however, is a question of law for the presiding judge, and not the proper domain of non-expert witnesses. Notwithstanding and without waiving this objection, Austin voluntarily offers the following limited response, making a good faith effort to provide information known to him that is responsive to the interrogatory interpreted as a general factual question, and without attempting to evaluate the extent to which the factual information stated does or does not come within the scope of “real party-in-interest” as a formally defined legal term.

Answer: Austin holds, and at all relevant times has held, a majority equity position in and voting control of PCSI. No other person or entity has or has ever had or attempted to exercise control of PCSI. Out of an abundance of caution and in the interest of full and candid disclosure, it is noted that the following persons hold and/or have held minority voting and/or equity interests in PCSI, but do not now and never have controlled PCSI:

Gerald E. Setka 6921 Colburn Drive Annandale, Virginia 22003 703-354-3651	Amide Pharmaceutical, Inc. 101 East Main Street Little Falls, New Jersey 07424 973-890-1440

9. State whether Austin is or at any time has been the sole real party-in-interest behind any of PAI's licenses.

Objection: The Objection to Interrogatory No. 8, is incorporated by this reference.

Answer: The Answer to Interrogatory No. 8, above, is incorporated by this reference. PAI is a subsidiary of PCSI. Austin has continuously held a majority equity position in and voting control of PCSI,

and he thereby indirectly controls PAI. Without opining to a legal opinion, therefore, Austin considers himself to be the real party in interest in PCSI and, indirectly, in PAI.

10. *State whether Austin or any other individual 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.*

Answer: No.

11. *State whether Austin or any other individual has entered into a management contract (whether written or otherwise) for control of the day-to-day operations of PAI. If so, provide the dates, terms, and description of the services/responsibilities of the manager under such contract.*

Answer: No.

12. *Identify all individuals that have been members of PCSI's Board of Directors from January 1, 1998 to the present. If these individuals are no longer engaged on the Board, explain fully why not.*

Answer: Austin is the sole director of PCSI. In some previous statements and documents, Michelle Bishop (1190 S Farrell Drive; Palm Springs CA 92264; Tel. 760-992-3302) may have been identified as a former PCSI director. This is not accurate. Ms. Bishop was formerly an employee and officer of PCSI, and she was a director of PAI (see the following response), but she was not a director of PCSI.

13. *Identify all individuals that have been members of PAI's Board of Directors from January 1, 1998 to the present. If these individuals are no longer engaged on the Board, explain fully why not.*

Answer: Austin and Linda A. McClain are the only directors of PAI. Michelle Bishop (1190 S Farrell Drive; Palm Springs CA 92264; Tel. 760-992-3302) was a director from January 1998 until May 30, 2001, when she resigned.

14. *State whether Austin, PCSI, or PAI has ever employed Pendleton C. Waugh. If so, state the dates and terms of such employment, the nature of the services provided by him, whether there has ever existed an employment contract, agreement or understanding (whether written or otherwise), and compensation paid for such services. .*

Answer: Pendleton C. Waugh ("Waugh") has never been an employee of Austin, PCSI, or PAI. Waugh has, as an independent contractor, provided consulting services to PCSI.

15. *State whether Austin, PCSI, or PAI has ever employed Jay R. Bishop. If so, state the dates and terms of such employment, the nature of the services provided by him, whether there has ever existed an employment contract, agreement or understanding (whether written or otherwise), and compensation paid for such services. .*

Answer: Jay R. Bishop ("Bishop) has never been an employee of Austin, PCSI, or PAI. Bishop has, as an independent contractor, provided consulting services to PCSI.

16. State whether Austin has or has had unfettered use of all of PCSI's facilities, licenses and/or equipment. If not, explain fully the extent of Austin's use of and access to PCSI's facilities, licenses and/or equipment. Provide the specific locations of all facilities and equipment used by PCSI.

Answer: Austin has at all relevant times (including the present) had unfettered use of all of PCSI's licensed facilities and equipment. The locations of PCSI licensed facilities are a matter of Commission record, but are also listed in response to Interrogatory No. 38, Table 38.1, below.

17. State whether Austin has or has had unfettered use of all of PAI's facilities, licenses and/or equipment. If not, explain fully the extent of Austin's use of and access to PAI's facilities, licenses and/or equipment. Provide the specific locations of all facilities and equipment used by PAI.

Answer: Austin has at all relevant times (including the present) had unfettered use of all of PAI's licensed facilities and equipment. The locations of PAI licensed facilities are a matter of Commission record, but are also listed in response to Interrogatory No. 38, Table 38.1, below.

18. Identify all individual(s) who have had responsibility for control of PCSI's daily operations from the date of its inception and, as to each such person, describe the nature of his or her responsibilities.

Answer: Austin has at all relevant times (including the present) been actively involved and primarily responsible for all daily operations of PCSI. All other individuals involved in any capacity have acted at the behest of Austin and have reported to him.

19. Identify all individual(s) who have had responsibility for control of PAI's daily operations from the date of its inception and, as to each such person, describe the nature of his or her responsibilities.

Answer: Austin has at all relevant times (including the present) been actively involved and primarily responsible for all daily operations of PAI, which itself has no employees. All functions of PAI are performed by PCSI for the benefit of PAI. In that regard, the Answer to Interrogatory No. 18, above, in incorporated by this reference.

20. Describe in detail Austin's responsibilities for the day-to-day operations of PCSI, 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 during the relevant period, describe fully how such involvement changed.

Answer: The Answer to Interrogatory No. 18, above, is incorporated by this reference. Further, Austin has at all relevant times (including the present): (a) maintained full authority over and responsibility for the supervision of PCSI employees (including hiring and firing); (b) been the majority equity holder, controlling shareholder, President, CEO, and Chairman of PCSIA; (c) been personally and fully responsible

for all substantive matters, including, but not limited to, FCC filings and regulatory matters, financing, revenue generation and allocation, etc. Others may have assisted with such functions from time to time, but only under the direct supervision of Austin or pursuant to directions and parameters established by him, and always subject to his final approval. With regard to the construction and operation of licensed facilities, Austin has been particularly involved, even spending several weeks at a time in the Caribbean in order to personally oversee the implementation of PCSI's licensed facilities in Puerto Rico and the Virgin Islands.

21. Describe in detail Austin's responsibilities for the day-to-day operations of PAI, 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 during the relevant period, describe fully how such involvement changed.

Answer: At all relevant times (including the present), PAI has not had any employees, and all such functions are performed through PCSI. In that regard, the Answer to Interrogatory No. 20, above, in incorporated by this reference.

22. Identify all individual(s) who have ever been responsible for preparing, filing, or assisting in preparing and filing, Documents on behalf of PCSI with the Commission.

Austin has at all relevant times (including the present) had full authority and responsibility with respect to the preparation and filing of FCC submissions by and on behalf of PCSI and PAI. To the best of Austin's recollection, the following individuals and firms have, from time to time, assisted or advised in such matters: (a) Michelle Bishop; (b) Linda McClain; (c) Pendleton C. Waugh; (d) Charles Guskey; (e) Brown, Nietert & Kaufman; (f) Charles J. Ryan III, Esq.; PO Box 4782; Upper Marlboro MD 20775; Tel. 301-249-3010); (g) Patton Boggs, LLP; 2550 M Street NW; Washington DC 20037; Tel. 202-456-6000; (h) Rini, Coran & Lancellotta (1615 L Street NW Suite 1325; Washington DC 20036; Tel. 202-296-2007); and (i) CTO, i.e., Concepts-to-Operations, Inc. (801 Compass Way Suite 217; Annapolis MD 21401; Tel. 410-224-8911).

23. Identify all individual(s) who have ever been responsible for preparing, filing, or assisting in preparing and filing, Documents on behalf of PAI with the Commission.

Answer: The response to Interrogatory No. 22, above, is incorporated by this reference.

24. *Identify all individual(s) who have ever prepared Documents containing the phrase "action items" on behalf of PCSI. Provide a general explanation of the content of each such Document.*

Objection: The term "action items" is a generic, ubiquitous term, particularly in business and management settings where it is used on all sorts of documents, both formal and informal, including, but not limited to, to-do lists, agendas, meeting notes, memoranda, etc. See, e.g., the entry on the term in Wikipedia: <http://en.wikipedia.org/wiki/Action_item>. Accordingly, the request is overbroad, and responding to it would be unduly burdensome. Moreover, due to the virtually unlimited scope of the interrogatory, much of the requested information is likely neither relevant to the designated issues nor likely to lead to the production or preservation of admissible evidence. It is therefore beyond the scope of proper discovery.

25. *Identify all individual(s) who have ever prepared Documents containing the phrase "action items" on behalf of PAI. Provide a general explanation of the content of each such Document.*

Objection: The Objection to Interrogatory No. 24, above, is incorporated by this reference.

26. *Identify all individual(s) who 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.*

Objection: This request is overbroad and unduly burdensome. It calls for information regarding virtually anyone who has had any role in preparing—or merely assisting in preparing—correspondence with investors over a ten year period. Responding would therefore be unduly and unnecessarily burdensome. Moreover, due to the virtually unlimited scope of the interrogatory, much of the requested information is likely neither relevant to the designated issues nor likely to lead to the production or preservation of admissible evidence. It is therefore beyond the scope of proper discovery. Notwithstanding and without waiving this objection, Austin voluntarily offers the following limited response.

Answer: Austin has at all relevant times (including the present) had full authority and responsibility with respect to the preparation of such materials.

27. *Identify all individual(s) who have ever prepared, or assisted in preparing, correspondence or other materials to investors on behalf of PAI. Provide a general explanation of the content of each such Document.*

Objection: The Objection to Interrogatory No. 26, is incorporated by this reference.

Answer: The Answer to Interrogatory No. 26, above, is incorporated by this reference.

28. *Identify all individual(s) who have ever been responsible for negotiating contracts, investment agreements, and/or legal proceedings on behalf of PCSI, and as to each such person describe fully the negotiations in which he or she was involved, the parties to the negotiations, and the dates of such negotiations.*

Objection: This request is overbroad. It calls for information regarding virtually every contract, agreement, or legal proceeding over a ten year period. Responding would therefore be unduly and unnecessarily burdensome. Moreover, due to the virtually unlimited scope of the interrogatory, much of the requested information is likely neither relevant to the designated issues nor likely to lead to the production or preservation of admissible evidence. It is therefore beyond the scope of proper discovery. Notwithstanding and without waiving this objection, Austin voluntarily offers the following limited response.

Answer: Austin has at all relevant times (including the present) had full authority and responsibility with respect to such matters.

29. *Identify all individual(s) who have ever been responsible for negotiating contracts, investment agreements, and/or legal proceedings on behalf of PAI, and as to each such person describe fully the negotiations in which he or she was involved, the parties to the negotiations, and the dates of such negotiations.*

Objection: The Objection to Interrogatory No. 28, is incorporated by this reference.

Answer: The Answer to Interrogatory No. 28, above, is incorporated by this reference.

30. *Identify all individual(s) responsible for the creation of the annual budget and business plan for PCSI for each year beginning in 1998 to the present.*

Answer: Austin has at all relevant times (including the present) had full authority and responsibility with respect to such matters.

31. *Identify all individual(s) responsible for the creation of the annual budget and business plan for PAI for each year beginning in 1998 to the present.*

Answer: The Answer to Interrogatory No. 30, above, is incorporated by this reference.

32. *Identify all individual(s) who have been responsible for payment of financing obligations incurred on behalf of PCSI, including expenses arising out of daily operations, since the date of PCSI's inception.*

Answer: Austin has at all relevant times (including the present) had full authority and responsibility with respect to such matters.

33. *Identify all individual(s) who have been responsible for payment of financing obligations incurred on behalf of PAI, including expenses arising out of daily operations, since the date of PAI's inception.*

Answer: The Answer to Interrogatory No. 32, above, is incorporated by this reference.

34. *Identify all individual(s) or business entities that have ever received consideration of any kind, compensation or revenue arising from the operation of PCSI's facilities or business. Describe fully the nature and extent of such consideration, what share, percentage, and/or amount of such compensation or revenue that each individual or entity received and any agreements establishing the right to such receipt. As to each individual, state the time period(s) during which each such receipt of compensation or revenue continued.*

Answer: PCSI has never and does not now pay compensation based on, arising from, or keyed to the operations of PCSI's facilities or business, including its licensed facilities.

35. *Identify all individual(s) or business entities that have ever received consideration of any kind, compensation or revenue arising from the operation of PAI's facilities or business. Describe fully the nature and extent of such consideration, what share, percentage, and/or amount of such compensation or revenue that each individual or entity received and any agreements establishing the right to such receipt. As to each individual, state the time period(s) during which each such receipt of compensation or revenue continued.*

Answer: At all relevant times (including the present) PAI has not had any employees and has not directly engaged any outside agents or consultants. To the extent that PCSI employees or outside agents or consultants have performed any services for the benefit of PAI, the Answer to Interrogatory No. 34, above, is incorporated by this reference.

36. *Identify all individual(s) who have had authority to hire, fire, or supervise PCSI's employees, since the date of its inception.*

Answer: Austin has at all relevant times (including the present) had full authority and responsibility with respect to such matters.

37. *Identify all individual(s) who have had authority to hire, fire, or supervise PAI's employees, since the date of its inception.*

Answer: At all relevant times (including the present) PAI has not had any employees.

38. *Specify by licensee name, licensee address, licensee telephone number, call sign, service, location, and expiration date all FCC licenses held and/or controlled by Austin from January 1, 1998 to the present.*

Objection: This interrogatory is overly broad and unduly burdensome to the extent it calls for information regarding licenses that may have been held in the past, but are no longer held and are not reflected in the Commission Uniform Licensing System ("ULS") database. Moreover, due to the virtually unlimited scope of the interrogatory, much of the requested information is likely neither relevant to the designated issues nor likely to lead to the production or preservation of admissible evidence. It is therefore beyond the scope of proper discovery. Notwithstanding and without waiving this objection, Austin voluntarily

offers the following limited response with respect to facilities reflected in the ULS database and any other past facilities for which Austin has been able to locate records.

Answer: At all relevant times (including the present) Austin has not directly held any licenses. Austin indirectly control licenses held by PCSI and PAI, by virtue of his control of those companies. Listings of the active licenses (i.e., in "active" status in the ULS) with requested information for PCSI and PAI are set forth in Tables 38.1 and 38.2, respectively, appended to this document.

39. Identify by file number, application number, application title, date of filing, purpose, and disposition each and every application filed with the Commission by or on behalf of Austin and/or entities owned or controlled by Austin. 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.

Objection: This interrogatory is overly broad and unduly burdensome to the extent it calls for information regarding applications that may have filed and processed in the past, are no longer pending, and are not reflected in the Commission's Uniform Licensing System ("ULS") database. Moreover, due to the virtually unlimited scope of the interrogatory, much of the requested information is likely neither relevant to the designated issues nor likely to lead to the production or preservation of admissible evidence. It is therefore beyond the scope of proper discovery. Notwithstanding and without waiving this objection, Austin voluntarily offers the following limited response with respect to applications reflected in the ULS database and any other past applications for which Austin has been able to locate records.

Answer: At all relevant times (including the present) Austin has filed any applications in his own name. Austin is the controlling principal of PCSI and PAI, each of which has filed applications. A listing of applications reflected in the ULS for PCSI and PAI is being prepared to be appended hereto as Tables 39.1 and 39.2, respectively, but is not complete to due to possible discrepancy in the ULS and CORES records. This matter is being evaluated and an explanation/clarification as well as the tables will be supplied on or before Monday, December 3, 2007.

Listings of applications reflected in the ULS with requested information for PCSI and PAI are set forth in Tables 39.1 and 39.2, respectively, appended to this document.

40. State whether Austin 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. Specify the court in which the conviction occurred;
c. State the date of the conviction;
d. Describe the nature of the offense;
e. State the date of the offense; and
f. Describe the nature and extent of any sentence.

Answer: No.

41. State whether Austin is or has been aware that Pendleton C. Waugh has ever been convicted of a felony or felonies in a state or federal court. If so, specify when, where, and by what means Austin came to have the knowledge that Pendleton C. Waugh had been convicted of a felony or felonies; describe fully any documents related to Austin's acquisition of such knowledge, and describe any actions taken by Austin as a result of receipt of this knowledge.

Answer: Austin was informed of Waugh's federal conviction by a letter sent to him and others by Waugh in October 1994 discussing Waugh's guilty plea. Austin learned of Waugh's state conviction in May 1999 pursuant to a telephone call from Waugh.

42. State whether Austin is or has been aware that Jay R. Bishop has ever been convicted of a felony or felonies in a state or federal court. If so, specify when, where, and by what means Austin came to have the knowledge that Jay R. Bishop had been convicted of a felony or felonies; describe fully any documents related to Austin's acquisition of such knowledge, and describe any actions taken by Austin as a result of receipt of this knowledge.

Answer: Austin does not recall specific communication(s) in which he first became aware of Bishop's conviction. Austin and Bishop have been friends since childhood and speak frequently and often informally. It was in the context of this ongoing personal relationship that Austin became aware of Bishop's legal problems.

43. State whether, at any time prior to July 27, 2006, Austin, PCSI, PAI, or Pendleton C. Waugh ever reported the felony convictions of Pendleton C. Waugh to the Commission. If so, identify by whom and specify when and the method by which Austin, PCSI, PAI, or Pendleton C. Waugh reported such convictions to the Commission. If not, explain fully why Austin, PCSI, PAI, and Pendleton C. Waugh did not report such convictions to the Commission prior to reporting such conviction on July 27, 2006.

Partial Objection: Austin objects to this interrogatory insofar as it seeks information about reports, communications, or other action of or by Waugh, who is in any event a party to this action and may be questioned directly by the Bureau. Without waiving this objection, the answer below is provided only as to Austin, PCSI, and PAI.

Answer: Austin, PCSI, and PAI did not report any such matter because it was not relevant to nor was the disclosure required in connection with any active FCC matter in which PCSI or PAI was involved.

44. *State whether, at any time prior to January 25, 2007, Austin, PCSI, PAI, or Jay R. Bishop ever reported the felony convictions of Jay R. Bishop to the Commission. If so, identify by whom and specify when and the method by which Austin, PCSI, PAI, or Jay R. Bishop reported such convictions to the Commission. If not, explain fully why Austin, PCSI, PAI, or Jay R. Bishop did not report such convictions to the Commission prior to January 25, 2007.*

Partial Objection: Austin objects to this interrogatory insofar as it seeks information about reports, communications, or other action of or by Bishop, who is in any event a party to this action and may be questioned directly by the Bureau. Without waiving this objection, the answer below is provided only as to Austin, PCSI, and PAI.

Answer: The Answer to Interrogatory No. 43, above, is incorporated by this reference.

45. *Identify by file number, application number, application title, date of filing, purpose of the application, and disposition of each and every application that Austin, or any entity owned or controlled by Austin, has filed with the Commission, 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.*

Answer: To the best of Austin's recollection, and based on his good faith information and belief, any application falling within the scope of this interrogatory would have contained such a "No" response. The basis for such response is that it was the correct and truthful.

46. *State whether all statements by Austin or by PCSI 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.*

Answer: Each LOI was verified by an accompanying sworn declaration executed by Austin.

47. *State whether all statements by Austin or by PCSI 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.*

Objection: The Bureau has, in effect, incorporated by reference in this single interrogatory both of its pre-designation letters of inquiry ("LOI's"). The LOI's propounded well over 40 specific requests for information and documents, most of them extremely detailed and of very wide scope. PCSI provided over 50 pages of written responses and produced literally thousands of pages of documents. That was, however, in the context of a pre-designation investigation, one of the purposes of which is to determine, narrow, and formulate issues for possible hearing or other enforcement action. Even a "continuing" obligation to update responses cannot be construed as perpetual—Austin respectfully submits that it expires when the Commission initiates a hearing proceeding based on such investigation and formulates specific issues for adjudication. At

that point any further information requests should be propounded under the auspices of and in accordance with the discovery regulations promulgated for that purpose. The Bureau has already demonstrated its ability to formulate discrete and specific discovery requests that cover much of the same ground as the LOIs, and each one can then be evaluated in terms of relevance and other standards of propriety. If there is more that the Bureau still needs to ask, it should formulate additional discrete discovery requests. An all-inclusive cross-reference vaguely seeking to re-propound each of the Bureau's pre-designation inquiries is clearly unreasonable and objectionable. Without waiving this objection, the following limited answer is provided.

Answer: Notwithstanding the foregoing objection, Austin made a good faith effort to review the LOI responses to determine the completeness and continued accuracy of such matters as may be relevant to these hearing proceedings. It is Austin's good faith belief that the responses were accurate when made and continue to be accurate, except as otherwise corrected or clarified. As one minor point, in the response to Inquiry No. 1 of the December 27, 2006, letter of inquiry (the second LOI), "receipt of FCC approval" should be added: (a) as item No. 7 to the enumerated list beginning at the bottom page 1 and carrying over to the top of page 2, and (b) as item No. 34 to the first three-item enumerated list near the top of page 2. Although not expressly stated in this particular LOI response at the time, the fact that the issuance of stock was subject to and conditioned on prior FCC approval was clearly stated in the prior FCC approval was a prerequisite was clearly stated in the FCC Form 175 filing itself.

48. State whether Austin has any information or materials that would supplement PCSI's responses to the Enforcement Bureau's June 30, 2006, and December 27, 2006, letters of inquiry. If so, provide such supplemental responses, information, and/or materials, as applicable, attached as responses to these interrogatories.

Objection: The Objection to Interrogatory No. 47, above, is incorporated by this reference.

Respectfully submitted,

PREFERRED ACQUISITIONS, INC.

By: _____

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Its Attorneys

Date: November 29, 2007

Table 38.1 – Licenses Held by PCSI
(in response to Interrogatory No. 38)

Licensee Name: Preferred Communication Systems, Inc.
Licensee Address: 6311 North O'Connor Blvd. N24
Irving, TX 75039
Telephone Number: 972-869-7626

Call Sign	Svc	Location	Exp. Date
WPDU206	GX	Santurce, PR	19-May-09
WPDU210	GX	Santurce, PR	19-May-09
WPDU214	GX	Santurce, PR	19-May-04
WPDU218	GX	Santurce, PR	19-May-09
WPDU222	GX	Santurce, PR	19-May-09
WPDU259	GX	Saanturce, PR	28-Feb-05
WPDU263	GX	Santurce, PR	15-Jun-09
WPDU266	GX	Santurce, PR	24-May-09
WPDU271	GX	Santurce, PR	15-Jun-09
WPDU275	GX	Santurce, PR	15-Jun-09
WPDU279	GX	Santurce, PR	15-Jun-09
WPDU287	GX	Santurce, PR	15-Jun-09
WPEF461	GX	Santurce, PR	25-May-09
WPEU434	GX	Santurce, PR	08-Jun-09
WPEX345	GX	Santurce, PR	12-May-09
WPEY418	GX	Santurce, PR	19-May-09
WPEY419	GX	Santurce, PR	19-May-09
WPEY420	GX	Santurce, PR	19-May-04
WPEY421	GX	Santurce, PR	19-May-09
WPEY422	GX	Santurce, PR	19-May-09
WPEY423	GX	Santurce, PR	19-May-09
WPEY424	GX	Santurce, PR	19-May-09
WPEY425	GX	Santurce, PR	19-May-09
WPEY426	GX	Santurce, PR	19-May-04
WPEY427	GX	Santurce, PR	19-May-09
WPEY429	GX	Santurce, PR	19-May-09
WPEY430	GX	Santurce, PR	19-May-09
WPEY431	GX	Santurce, PR	19-May-09
WPEY432	GX	Santurce, PR	19-May-09
WPEY445	GX	Santurce, PR	24-May-09
WPEY446	GX	San Juan, PR	24-May-09
WPEY447	GX	Santurce, PR	24-May-09
WPEY448	GX	Santurce, PR	24-May-09
WPEY450	GX	Santurce, PR	24-May-09
WPEY451	GX	Santurce, PR	24-May-09
WPEZ750	GX	Santurce, PR	08-Jun-09
WPFA265	GX	San Juan, PR	09-Jun-09
WPFA266	GX	Santurce, PR	09-Jun-09
WPFA268	GX	Santurce, PR	09-Jun-09
WPFA269	GX	Santurce, PR	09-Jun-09
WPFA270	GX	Santurce, PR	09-Jun-09
WPFA273	GX	Santurce, PR	09-Jun-09
WPFA278	GX	Santurce, PR	09-Jun-09

Call Sign	Svc	Location	Exp. Date
WPFA280	GX	Santurce, PR	09-Jun-09
WPFD607	GX	Santurce, PR	22-Jun-09
WPFD742	GX	Aguada, PR	07-Jul-04
WPFD808	GX	Santurce, PR	23-Jun-09
WPFD809	GX	Santurce, PR	28-Feb-10
WPFD810	GX	Santurce, PR	23-Jun-09
WPFD811	GX	Santurce, PR	23-Jun-09
WPFD812	GX	Santurce, PR	23-Jun-09
WPFE472	GX	Santurce, PR	24-Jun-09
WPFE934	GX	Cayey, PR	18-Jul-09
WPFF659	GX	Aguada, PR	30-Sep-04
WPFF670	GX	Aguada, PR	30-Sep-04
WPFG589	GX	Caguas, PR	07-Jul-09
WPFG598	GX	Aguada, PR	14-Jun-10
WPFG599	GX	Caguas, PR	14-Jun-15
WPFM581	GX	Aguada, PR	08-Aug-04
WPFM597	GX	Cayey, PR	08-Aug-09
WPFM600	GX	San Juan, PR	08-Aug-09
WPFN354	GX	Aguada, PR	06-Oct-09
WPFN600	GX	Anasco, PR	09-Aug-09
WPFN636	GX	Anasco, PR	09-Aug-09
WPFN725	GX	Anasco, PR	30-Sep-09
WPFQ293	GX	Charlotte Amalie, VI	25-Feb-10
WPFS846	GX	Saint Croix, VI	05-Oct-09
WPFS856	GX	St Croix, VI	05-Oct-09
WPFT334	GX	Saint Croix, VI	04-Oct-09
WPFT335	GX	Aguada, PR	04-Oct-09
WPFT356	GX	Aguada, PR	07-Oct-09
WPFT357	GX	Saint Croix, VI	07-Oct-09
WPFT369	GX	Charlotte Amalie, VI	13-Oct-09
WPFT416	GX	Charlotte Amalie, VI	04-Oct-09
WPFT417	GX	Saint Croix, VI	05-Oct-09
WPFT968	GX	Charlotte Amalie, VI	06-Oct-09
WPFV692	GX	Charlotte Amalie, VI	21-Oct-09
WPFV884	GX	Mayaguez, PR	24-Oct-09
WPFX997	GX	Mayaguez, PR	28-Oct-09
WPFZ805	GX	Mayaguez, PR	09-Nov-09
WPFZ806	GX	Mayaguez, PR	09-Nov-09
WPFZ807	GX	Mayaguez, PR	09-Nov-09
WPFZ808	GX	Mayaguez, PR	09-Nov-09
WPGD849	GX	Mayaguez, PR	22-Dec-04
WPGD852	GX	Mayaguez, PR	22-Dec-09
WPGD855	GX	Mayaguez, PR	22-Dec-09

Table 38.2 – Licenses Held by PCSI
(in response to Interrogatory No. 38)

Licensee Name: Preferred Acquisitions, Inc.
Licensee Address: 6311 North O'Connor Blvd. N24
Irving, TX 75039
Telephone Number: 972-869-7626

Call Sign	Service	Location	Exp. Date
WPRQ941	YC	Washington-Baltimore, DC-MD-VA	12/20/2010
WPRQ942	YC	Richmond-Petersburg, VA	12/20/2010
WPRQ943	YC	Staunton, VA-WV	12/20/2010
WPRQ944	YC	Roanoke, VA-NC-WV	12/20/2010
WPRQ945	YC	Charleston, WV-KY-OH	12/20/2010
WPRQ946	YC	Sacramento-Yolo, CA	12/20/2010
WPRQ947	YC	Redding, CA-OR	12/20/2010
WPRQ948	YC	Puerto Rico & Virgin Isl.	12/20/2010
WPRQ949	YC	Staunton, VA-WV	12/20/2010
WPRQ950	YC	Roanoke, VA-NC-WV	12/20/2010
WPRQ951	YC	Charleston, WV-KY-OH	12/20/2010
WPRQ952	YC	Fresno, CA	12/20/2010
WPRQ953	YC	Redding, CA-OR	12/20/2010
WPRQ954	YC	Puerto Rico & Virgin Isl.	12/20/2010
WPRQ955	YC	Staunton, VA-WV	12/20/2010
WPRQ956	YC	Roanoke, VA-NC-WV	12/20/2010
WPRQ957	YC	Charleston, WV-KY-OH	12/20/2010
WPRQ958	YC	Fresno, CA	12/20/2010
WPRQ959	YC	San Francisco-Oakland-San Jose	12/20/2010
WPRQ960	YC	Sacramento-Yolo, CA	12/20/2010
WPRQ961	YC	Redding, CA-OR	12/20/2010
WPRQ962	YC	Puerto Rico & Virgin Isl.	12/20/2010
WPRQ963	YC	Washington-Baltimore, DC-MD-VA	12/20/2010
WPRQ964	YC	Richmond-Petersburg, VA	12/20/2010
WPRQ965	YC	Staunton, VA-WV	12/20/2010
WPRQ966	YC	Roanoke, VA-NC-WV	12/20/2010
WPRQ967	YC	Puerto Rico & Virgin Isl.	12/20/2010
WPRQ968	YC	Washington-Baltimore, DC-MD-VA	12/20/2010
WPRQ969	YC	Richmond-Petersburg, VA	12/20/2010
WPRQ970	YC	Staunton, VA-WV	12/20/2010
WPRQ971	YC	Roanoke, VA-NC-WV	12/20/2010
WPRQ972	YC	Puerto Rico & Virgin Isl.	12/20/2010
WPRQ973	YC	Washington-Baltimore, DC-MD-VA	12/20/2010
WPRQ974	YC	Richmond-Petersburg, VA	12/20/2010
WPRQ975	YC	Staunton, VA-WV	12/20/2010
WPRQ976	YC	Roanoke, VA-NC-WV	12/20/2010
WPRQ977	YC	Fresno, CA	12/20/2010
WPRQ978	YC	Sacramento-Yolo, CA	12/20/2010

Table 39.1 – Applications Filed by PCSI
(in response to Interrogatory No. 39)

Licensee Name:	Preferred Communication Systems, Inc.
Licensee Address:	6311 North O'Connor Blvd. N24 Irving, TX 75039
Telephone Number:	972-869-7626

Note: A listing of applications reflected in the ULS for PCSI is being prepared to be appended hereto as Tables 39.1, but is not complete to due to possible discrepancy in the ULS and CORES records. This matter is being evaluated and an explanation/clarification as well as the tables will be supplied on or before Monday, December 3, 2007.

Table 39.2 – Applications Filed by PCSI
(in response to Interrogatory No. 39)

Licensee Name:	Preferred Acquisitions, Inc.
Licensee Address:	6311 North O'Connor Blvd. N24 Irving, TX 75039
Telephone Number:	972-869-7626

Note: A listing of applications reflected in the ULS for PAI is being prepared to be appended hereto as Tables 39.2, but is not complete to due to possible discrepancy in the ULS and CORES records. This matter is being evaluated and an explanation/clarification as well as the tables will be supplied on or before Monday, December 3, 2007.

In re: EB Docket No. 07-147

DECLARATION OF CHARLES M. AUSTIN

I, Charles M. Austin, hereby depose and state that I am an individual named party in the above-referenced proceeding, and am also the principal of Preferred Acquisitions, Inc.; that I have assisted hearing counsel in the preparation of *Charles M. Austin'S Responses to the Enforcement Bureau's First Set of Written Interrogatories* and of Preferred Acquisitions, Inc.'s Responses to the Enforcement Bureau's First Set of Interrogatories being served on the parties and submitted to the Commission on or about November 29, 2007; that I have personal knowledge of the factual matters asserted in said response; and that such factual statements, save and except matters of which official notice may be taken, are truthful, accurate of my personal knowledge (save and except statements made on information and belief), and are made in good faith.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in the United States of America on this 29th day of November, 2007.

Charles M. Austin, Individually and as
President of Preferred Acquisitions, Inc.

Certificate of Service

I, Robert J. Keller, counsel for Charles M. Austin; Preferred Communication Systems, Inc.; and Preferred Acquisitions, Inc., in EB Docket No. 07-147, hereby certify that I have, on November 29, 2007, caused copies of the foregoing filing to be served to the following addressees via electronic mail (with paper copies to be sent subsequently via first class U.S. mail, postage prepaid) to the persons indicated and at the addresses shown below.

The Honorable Arthur I. Steinberg, Esquire
Administrative Law Judge
Federal Communications Commission
445 12th Street, S.W., Room 1-C861
Washington, D.C. 20554
arthur.steinburg@fcc.gov

Gary A. Oshinsky, Esquire
Anjali K. Singh, Esquire
Investigations and Hearings Division
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Robert J. Keller

Date: November 30, 2007