

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 PSCI [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 not possess [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 12<sup>th</sup> 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  
jaybishopp@aol.com

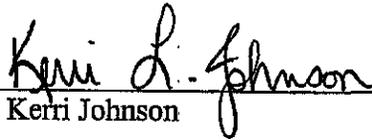
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Attorney for Pendleton C. Waugh

Administrative Law Judge Arthur I. Steinberg\*  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 1-C861

Washington, D.C. 20054

  
Kerri Johnson

\* Hand-Delivered and Courtesy Copies Sent Via E-Mail

\*\* Courtesy Copies Sent Via E-Mail (E-Mail service acceptable in lieu of hard copies for files 4 MB or less per agreement with counsel.)

**ATTACHMENT D**

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

In the Matter of	)	
	)	
<b>PENDLETON C. WAUGH,</b>	)	EB Docket No. 07-147
<b>CHARLES M. AUSTIN, and</b>	)	File No. EB-06-IH-2112
<b>JAY R. BISHOP</b>	)	NAL/Acct. No. 200732080025
	)	
<b>PREFERRED COMMUNICATION</b>	)	FRN No. 0003769049*
<b>SYSTEMS, INC.</b>	)	
	)	
Licensee of Various Site-by-Site Licenses	)	
in the Specialized Mobile Radio Service.	)	
	)	
<b>PREFERRED ACQUISITIONS, INC.</b>	)	FRN No. 0003786183*
	)	
Licensee of Various Economic Area Licenses in	)	
the 800 MHz Specialized Mobile Radio Service	)	
	)	
To: The Honorable Arthur I. Steinberg		
Administrative Law Judge		

**PREFERRED COMMUNICATION SYSTEMS, INC.'S RESPONSES TO THE  
ENFORCEMENT BUREAU'S FIRST SET OF WRITTEN INTERROGATORIES**

Preferred Communication Systems, Inc. ("PCSI"), by his attorneys, hereby responds to the *Enforcement Bureau's First Interrogatories to Communication Systems, Inc* , dated November 5, 2007, in the above-captioned matter. By mutual agreement between counsel, the date for this response was extended to Wednesday, December 12, 2007. Each interrogatory propounded is set forth below, with the same number assigned by the Enforcement Bureau ("Bureau"), followed by PAI's response.

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\* The FRNs listed in the caption are incorrect. They appear to be duplicates that have never been used for licensing. The licenses and applications of Preferred Communication Systems, Inc., are associated with the FRN 0003944097, and the, and licenses and applications of Preferred Acquisitions, Inc., are associated with the FRN 0004675617.

General Objections: In addition to the specific objections set forth below, PCSI incorporates herein by this reference the General Objections set forth at pages 1-2 of the *Response by Preferred Communication Systems, Inc. to Request for Production of Documents* (Nov. 26, 2007). All the responses set forth below are offered subject to and without waiving such General Objections.

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

Answer: PCSI was incorporated in the State of Delaware in January 1998. In April of 1999 the company was restructured by creating two classes of stock, common (voting) and preferred (nonvoting). In 2007 there was a further reorganization, resulting in four categories of stock: Classes A and B of common stock (each voting, but a Class B share having only 1/10 of the voting power of a Class A share), and Classes A and B preferred stock (non-voting stock, the difference between classes principally relating to liquidation priorities.

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.*

Answer: *Officers and Directors.* Chares M. Austin ("Austin") Austin is and at all relevant times has been the President of PCSI. Michelle Bishop was the Secretary/Treasurer of PCSI from January 1, 1998, to May 30, 2001, and no longer holds that position because she resigned. Linda McClain is and, since May 31, 2001, has been, the Secretary/Treasurer of PCSI.

*Shareholders.* At all relevant times, including the present, Charles M. Austin (“Austin”) has maintained voting control of PCSI. The particular percentages of stock ownership has varied from time to time, but Austin always had voting control. Currently, the percentage of voting control of PCSI is distributed as follows (approximate values rounded to the nearest tenth of percentage): (a) 75.8% – Austin; (b) 19.4% – Gerald E. Setka (6921 Colburn Drive, Annandale VA 22003; Tel. 703.354.3651); and (c) 1.1% – Estate of Chandu Patel &/or Amide Pharmaceutical, Inc. (101 East Main Street; Little Falls NJ 07424; Tel. 973.890.1440). The remaining voting stock (representing less than 4% of the voting control of PCSI) is distributed among several shareholders, each single person or entity holding less than 1% of the voting control. To the extent that PCSI has historical records of stock ownership, it will be reflected in “Separately Produced Documents.”<sup>1</sup> PCSI has also issued a number of stock warrants (also reflected in the Separately Produced Documents), in consideration for loans provided to the corporation, which are convertible to shares of common stock. Even when fully diluted, however, there will not be a significant change in the relative voting control of PCSI, i.e., Austin will at all times maintain voting control of PCSI.

*Creditors.* In addition to debt securities (see discussion of stock warrants in the preceding paragraph) there are outstanding loans to the corporation as follows: (a) a \$1,325,000 loan from ADS Partnership; (b) a \$5,032,000 loan from Amide Pharmaceutical, Inc.; and (c) a \$25,337,000 loan from Chandu Patel. See also the *Response by Preferred Acquisitions, Inc. to Request for Production of Documents* (Nov. 26, 2007).

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<sup>1</sup> As used herein, “Separately Produced Documents” means documents produced to the Bureau in connection with or pursuant to: (a) PCSI’s response to the Bureau’s June 30, 2006, pre-designation letter of inquiry (Jul. 27, 2006); (b) PCSI’s, response to the Bureau’s December 27, 2006, pre-designation letter of inquiry (Jan. 25, 2007); (c) the *Response by Charles M. Austin to Request for Production of Documents* (Nov. 26, 2007); (d) in the *Response by Preferred Acquisitions, Inc. to Request for Production of Documents* (Nov. 26, 2007); and (e) the *Response by Preferred Communication Systems, Inc. to Request for Production of Documents* (Nov. 26, 2007). PCSI hereby incorporates and adopts as its own these document productions, subject to any objections contained therein, to the extent responsive to these interrogatories.

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.*

Answer: To the extent PCSI has historical records, they are among the Separately Produced Documents as defined in footnote 1, above.

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.*

Answer: The Bureau is fully aware, of course, of Preferred Acquisitions, Inc. ("PAI"), a named party and subject licensee in these proceedings. Preferred has two dormant subsidiaries, Preferred Communications of California, Inc., and Preferred Communications of the Mid-Atlantic, Inc., but has never done any business through them. PCSI owns 81% of Preferred Operating Co., which in turn owns 100% of Venturitel 700, Inc., and applicant and bidder in FCC Auction Nos. 73 and 76, in an attempt to acquire 700 MHz wireless licenses. See also Separately Produced Documents.

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.*

Answer: PCSI have been involved in wireless communications and related activities, and in particular 800 MHz Specialized Mobile Radio ("SMR") service, including the acquisition of FCC authorizations for Conventional 800 MHz SMR (GX) facilities. PAI, a wholly-owned subsidiary PCSI, was formed for the purpose of applying for geographic 800 MHz

wireless licenses in FCC Auction No. 34. All significant business activities or interests of PCSI or PAI are and have been related to or in support of the activities just described.

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.*

Objection: PCSI incorporates herein by this reference the following objections previously tendered in this proceeding: (a) Objection to Interrogatory No. 4 in *Charles M. Austin's Supplemented and Revised Responses to the Enforcement Bureau's First Set of Written Interrogatories* (Dec. 3, 2007); (b) Objection to Interrogatory No. 5 in *Preferred Acquisitions, Inc.'s Supplemented and Revised Responses to the Enforcement Bureau's First Set of Written Interrogatories* (Dec. 3, 2007); (c) Objection to Document Request No. 1 in the *Response by Charles M. Austin to Request for Production of Documents* (Nov. 26, 2007); (d) Objection to Document Request No. 12 in the *Response by Preferred Acquisitions, Inc. to Request for Production of Documents* (Nov. 26, 2007); and (e) Objection to Document Request No. 12 in the *Response by Preferred Communication Systems, Inc. to Request for Production of Documents* (Nov. 26, 2007).

7. *Describe each and every professional and/or trade license held by PCSI between January 1, 1998, and the present.*

Answer: None.

8. *With respect to Station WCFG598 (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.*

Answer: (a) The license is issued to PCSI. (b) PCSI did timely complete construction of the facilities. (c) The authority represented by this license has been superseded by the EA license held by PAI for the same area, i.e., the authorized channel and service area footprint for this station are subsumed within the channel block and geographic area for PAI's EA authorization.

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.*

Answer: No. It is noted, however, that there was an oral agreement that PCSI stock would be issued to a voting trust for the benefit of Pendleton C. Waugh ("Waugh"), subject to prior FCC approval.

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.*

Answer: No.

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.*

Answer: No. It is noted, however, that there was an oral agreement that PCSI stock would be issued to a voting trust for the benefit of Jay R. Bishop ("Bishop"), subject to prior FCC approval.

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.*

Answer: No.

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.*

Answer: No.

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.*

Answer: No.

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.*

Answer: There are and have been no such written agreements. Waugh has performed consulting services for PCSI, but has no written employment contract. Further, see the Answer to Interrogatory No. 19, below.

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.*

Answer: None.

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.*

Answer: There are and have been no such written agreements. Bishop has performed consulting services for PCSI, but has no written employment contract. Further, see the Answer to Interrogatory No. 20, below.

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.*

Answer: No.

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.*

Answer: There was an oral understanding, previously disclosed to the Commission and reflected in Separately Produced Documents, whereby 800,000 shares of what was then a single class of common stock were to be transferred to a voting trust for the benefit of Waugh. This understanding was subject to certain conditions precedent that have not been satisfied to date, including, but not limited to, receipt of prior FCC approval. PCSI and Waugh still have an oral agreement in principle to effect such a transaction, subject to prior FCC approval, but the specific terms and conditions, particularly with regard to the number and class of shares to be issued to the trust, are still being discussed. Regardless of the terms that may be finally agreed upon, PCSI intends that (a) prior FCC approval will be required, even if the number and class of shares does not constitute a transfer of control requiring prior FCC approval, and (b) Austin will retain voting control of PCSI.

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.*

Answer: There are and have been no such written agreements. There was an oral understanding, previously disclosed to the Commission and reflected in Separately Produced Documents, whereby 800,000 shares of what was then a single class of common stock were to be transferred to a voting trust for the benefit of Bishop. This understanding was subject to certain conditions precedent that have not been satisfied to date, including, but not limited to, receipt of prior FCC approval. This agreement is no longer effective. In the interest of full disclosure, however, it is stated that PCSI is currently negotiating and anticipates entering into an arrangement warrants would be issued to Michelle Bishop (Bishop's wife and a former officer and employee of PCSI) for 500,000 shares (after a planned 2-for-1 stock split) of Class B

common stock, but the legal right to exercise the warrant will be expressly conditioned on prior FCC approval. If this warrant were exercised, the acquired stock would represent less than 2% of the voting control of PCSI, and Austin would continue to maintain voting control. Regardless of the terms that may be finally agreed upon, PCSI intends that (a) prior FCC approval will be required, even if the number and class of shares does not constitute a transfer of control requiring prior FCC approval, and (b) Austin will retain voting control of PCSI.

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.*

Answer: No.

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.*

Answer: No.

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.*

Answer: No.

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.*

Answer: No.

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.*

Answer: No.

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.*

Response Deferred: For reasons which undersigned counsel for PCSI has informally discussed with Bureau counsel, additional time is required to complete the responses to these interrogatories. Insofar as the majority of the responses are completed, they are being submitted now. Undersigned counsel is still working with PCSI to complete the remaining responses. Accordingly, responses to Interrogatory Nos. 26, 65, 66, and 77 are being partially or fully deferred and will be served as soon as possible.

Answer: PCSI incorporates herein by this reference its response Inquiry No. 20 of the Bureau's December 27, 2006, pre-designation letter of inquiry (Jan. 25, 2007). In accordance with the foregoing statement of deferral, PCSI is updating this information and will promptly supplement this answer to provide any additional information.

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.*

Answer: See Table 26, appended to these responses.

28. *Identify all individual(s) that have had unfettered use of all PCSI's licenses and/or equipment from January 1, 1998, to the present.*

Answer: The only single individual to have, now and during the relevant period, unfettered use of all such licenses and/or equipment is Austin.

29. *Identify all individual(s) that have had responsibility for control PCSI's daily operations from January 1, 1998, to the present.*

Answer: Austin.

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.*

Answer: During the entire relevant period, Austin's exclusive business activity has been the management and operation of PCSI (and, through it, PAI). PCSI has at all times had a relatively small number of employees, but they have all been subject to Austin's authority. He has made or authorized all personnel decisions. Being the soled director of PCSI, he obviously controls the directors. Austin has been involved in and approved all FCC filings. He is also personally responsible for all aspects of the financial management of PCSI. Austin has, at various times, relied on employees or outside contractors to assist in and discharge one or more of these functions, but always under his authority and oversight. No individual other than Austin has had full discretion.

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.*

Answer: Waugh has never been an employee of PCSI.

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.*