

Answer: Waugh had no responsibility for any of the enumerated items. As a consultant to PCSI, Waugh had no independent authority, no discretion, and all of his actions for or on behalf of PCSI were at the direction, under the supervision, and/or subject to the approval of Austin.

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.*

Answer: Bishop has never been an employee of PCSI.

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.*

Answer: Bishop had no responsibility for any of the enumerated items. As a consultant to PCSI, Bishop had no independent authority, no discretion, and all of his actions for or on behalf of PCSI were at the direction, under the supervision, and/or subject to the approval of Austin.

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.*

Answer: 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).

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.*

Answer: Waugh advised and assisted PCSI in connection with the FCC's scheme for the reconfiguration of the 800 MHz band and therefore may be deemed to have "participated in preparation" of submissions made by or on behalf of PCSI in the 800 MHz rebanding rulemaking or related matters. To the best of PCSI's recollection, Waugh has not generally been involved in PCSI's routine FCC filings, such as facilities applications and the like.² (Out of an abundance of caution, although

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.*

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 in Wikipedia: <[http://en.wikipedia.org/wiki/Action item](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.

² Out of an abundance of caution, PCSI discloses that Waugh was consulted to verify factual information and in provided some assistance in the preparation of PCSI's responses to the pre-designations letters of inquiry, dated June 30, 2006 (PCSI response filed July 27, 2006) and December 27, 2006 (PCSI response filed January 25, 2007). This is, of course, obvious from the fact that each response is supported in part by a declaration of Waugh.

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.*

Objection: PCSI incorporates herein by this reference the Objection to Interrogatory No. 37, above.

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.*

Objection: This interrogatory is vague and overbroad, and it seeks information that 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.

Answer: Notwithstanding and without waiving the foregoing objection, PCSI provides this partial response. Austin has at all times had and exercised sole ultimate authority and responsibility for activities of the sort described. Others (not including clerical, non-substantive, and non-discretionary support functions) who from time to time have been involved in assisting Austin or performing such functions at his direction and subject to his oversight and approval, to the extent not reflected in the Table 26, appended hereto, include: Waugh (see Answer to Interrogatory No. 40, below); Charles Guskey; Bond and Pecaro; and CTO, i.e., Concepts-to-Operations, Inc..

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.*

Answer: Waugh from time to time assisted PCSI by making presentations designed to educate potential investors or lenders on the FCC-licensed wireless mobile communications industry and PCSI's actual, proposed, and potential activities therein. In that regard he did from time to time advise and assisted PCSI in the preparation of such correspondence or materials.

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.*

Answer: To the extent not reflected in the Table 26, appended hereto, and excluding legal counsel for PCSI, these would include: Waugh (see Answer to Interrogatory No. 40, below); Charles D. Guskey; Charles M. Ryan; and CTO, i.e., Concepts-to-Operations, Inc.

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.*

Answer: Waugh often assisted and advised PCSI on such matters, and on occasion was involved in the initial stages of negotiating agreements, but this was usually done with Austin, and always subject to Austin's supervision and approval. Waugh never had independent authority to deal on behalf of or contractually bind PCSI.

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

Answer: PCSI has never developed annual budgets as such. All financial matters are directly supervised by Austin and other employees or agents of PCSI have no discretion in this regard. This answer applies to actual expenditures in addition to decisions and actions that might be considered to be in the nature of "budgeting" or "financial planning."

44. *State whether Pendleton C. Waugh has ever participated in creating the annual budget for PCSI. If so, explain fully such participation.*

Answer: See the Answer to Interrogatory No. 43, above.

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.*

Answer: See the Answer to Interrogatory No. 43, above.

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.*

Answer: No.

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.*

Answer: To date, PCSI has had no profits.

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.*

Answer: To date, PCSI has had no profits, nor has it had a positive cash flow from operations of facilities.

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

Answer: As a start-up concern still in the licensing and initial implementation phase, PCSI has had a very small number of employees. Austin has always been ultimately responsible for hiring and firing of employees. Linda McClain has and has on at least one occasion exercised such authority as to administrative staff. Robert Estrada was responsible for hiring the personnel who worked for him in Escondido, California, office.

50. *State whether Pendleton C. Waugh has ever hired, fired, or supervised PCSI's employees. If so, explain fully.*

Answer: Waugh had neither the authority nor the responsibility for hiring and firing PCSI employees. To the best of PCSI's recollection, there was one occasion in which Waugh took the final steps in hiring an employee on behalf of PCSI, namely, when Robert Estrada was

engaged to manage PCIS's former office in Escondido, California. All details of the agreement were negotiated and agreed to by Austin via telephone. Mr. Estrada wanted a signed agreement, and Waugh, who was in Escondido at the time, signed the agreement on behalf of PCSI in his capacity as a consultant.

51. *Specify the date on which PCSI became a Commission licensee.*

Answer: PCSI acquired its first license sometime in 1998.

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.*

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, PAI 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: A Listing of the active licenses (i.e., in "active" status in the ULS) with requested information for PAI is set forth in Table 38.1 in *Charles M. Austin's Supplemented and Revised Responses to the Enforcement Bureau's First Set of Written Interrogatories*, served and filed December 3, 2007.

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.*

Answer: None, except that Austin controls any licenses held or controlled by 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.*

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: PAI incorporates herein and adopts as its own the Table 39.1 and the Answer to Interrogatory No. 39 of Charles M. Austin’s Supplemented and Revised Responses to the Enforcement Bureau’s First Set of Written Interrogatories , being served and filed concurrently in this proceeding.

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.*

Answer: No.

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.*

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.

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.*

Answer: Austin learned of Waugh's state conviction in May 1999 pursuant to a telephone call from Waugh.

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.*

Answer: Austin does not recall the 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.

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.*

Answer: PCSI 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 was involved.

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.*

Answer: PCSI 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 was involved.

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 Dr 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 PCSI's best recollection, and based on 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 correct and truthful.

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.*

Objection: PCSI incorporates herein by this reference and adopts as its own the Objection to Interrogatory No. 39 in *Charles M. Austin's Supplemented and Revised Responses to the Enforcement Bureau's First Set of Written Interrogatories* (Dec. 3, 2007).

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.*

Answer: No. But see the Answer to Interrogatory No. 36, above.

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.*

Answer: No.

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.*

Response Deferred: See response to Interrogatory No. 26, above.

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.*

Response Deferred: See response to Interrogatory No. 26, above.

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.*

Answer: Operation of one or more of the facilities licensed to PCSI may have been discontinued for more than one year, but in most if not all such cases the authority represented by such licenses has been superseded by the EA license held by PAI for the same area, i.e., the authorized channels and service area footprints for such stations are subsumed within the channel blocks and geographic areas for PAI's EA authorizations.

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 been cancelled.*

Answer: PCSI does not recall ever having cancelled any license.

69. *Provide a complete list of, and identify, all customers of PCSI's wireless network or services from 1998 to the present.*

Objection: This interrogatory seeks information that is neither relevant to the issues designated in this proceeding nor likely to lead to the production or preservation of admissible evidence. It is therefore beyond the scope of proper discovery.

70. *Provide the buildout date for all licenses held by PCSI. If the buildout dates were not met, explain fully why not.*

Objection: This interrogatory appears to ask for a legal conclusion. To the extent the information request is factual, it is information already known to the Commission and the Bureau and of which official notice may be taken. Furthermore, as a legal/regulatory matter, it is respectfully submitted that the concept of "buildout" is not applicable to the types of authorizations held by PCSI.

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.*

Answer: PCSI interprets this interrogatory as referring to leases for the antenna site and transmitter facilities (as opposed to spectrum leases). It that regard, PCSI generally leases its sites and it is believed that, to the extent available, copies of site leases have been produced to the Bureau, either in response to pre-designation letters of inquiry or in response to prior discovery request in this proceeding by PCSI, PAI, and/or Austin. See : (a) Response No. 20 in the *Response by Preferred Communication Systems, Inc. to Request for Production of Documents* (Nov. 26, 2007); and (b) the Answer to Interrogatory No. 59 in *Preferred Acquisitions, Inc.'s Supplemented and Revised Responses to the Enforcement Bureau's First Set of Written Interrogatories* (Dec. 3, 2007).

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.*

Objection: PCSI incorporates herein by this reference and adopts as its own the Objection to Interrogatory No. 47 in *Charles M. Austin's Supplemented and Revised Responses to the Enforcement Bureau's First Set of Written Interrogatories* (Dec. 3, 2007).

Answer: PCSI incorporates herein by this reference and adopts as its own the limited Answer to Interrogatory No. 47 in *Charles M. Austin's Supplemented and Revised Responses to the Enforcement Bureau's First Set of Written Interrogatories* (Dec. 3, 2007).

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.*

Objection: The Objection to Interrogatory No. 72, above, is incorporated by this reference.

Answer: The Answer to Interrogatory No. 72, above, is incorporated by this reference.

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.*

Objection: The Objection to Interrogatory No. 72, above, is incorporated by this reference.

75. *With respect to each of the emails attached as confidential exhibits and numbered PCSIOO106, 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.*

Objection: Neither PCSI nor Austin is the author of any of the four email messages in question. Austin is the addressee as to one of the emails, and is shown as a carbon copy on the others. Questions regarding these emails are best directed to their authors. Subject to and without waiving this objection, PCSI offers the following limited response.

Answer: PCSI00106 appears to be an email from Waugh to Austin. The context appears to be Waugh offering comment and opinion regarding an possible arrangement with the family of Chandu Patel. PCSI does not recall any action taken in response to this email.

PCSI00982 appears to be an email from Ron Cocks to Waugh, with copies to Austin and Robert Estrada. Mr. Estrada was the manager of and Mr. Cocks an employee in PCSI's former office at Escondido, California. This appears to be what might be characterized at Mr. Cocks "blowing off some steam" due to a personality conflict with Waugh. PCSI does not recall any action taken in response to this email.

PSI00983 appears to be an email from Waugh addressed to Lynn Flanders, a former employee in the Escondido office, with copies to Austin, Robert Estrada, and Ron Cocks. Cocks and Flanders are former employees in PCSI's Escondido, California, office. These messages appear to be expressions of Waugh's emotional frustration regarding some aspects of his work with these people. PCSI does not recall any action taken in response to this email.

PCSI009990 appears to be an email from Waugh to Lynn Flanders with a copy to Austin. From the salutation in the body of the email, however, it appears the message may have been directed to Ron Cocks. Without reviewing the message in its full context, PCSI declines to attempt to characterize it further, and respectfully suggests that such questions be directed to the author. PCSI does not recall any action taken in response to this email.

As to all four messages, for purposes of this limited response to Interrogatory No. 75, and subject to the foregoing objection, PCSI neither confirms nor denies the factual accuracy of any statement contained in these email messages. To assess the accuracy of any purported factual assertion, PCSI would have to take the isolated statements out of context and make assumptions as to the precise meaning intended by the author. Most of the statements, moreover, appear to be expressions of opinion rather than factual assertions.

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 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.*

Objection: The Objection to Interrogatory No. 72, above, is incorporated by this reference. For the reasons set forth in that objection, asking the same questions that have already been answered is improper. To repeatedly ask the same question after it has already been answered is objectionable. But the Bureau now goes to the further and absurd extreme of asking PCSI whether it said what it said. In each of subsections (a) through (f) in this Interrogatory No. 76, PCSI is asked to “state whether it stated” X in the earlier response, where X is essentially a quote from the previous response. Following this to its next absurd step, PCSI half expects to be served with a second set of interrogatories asking it whether it answered as it answered to the first set! Suffice it to say that PCSI’s response to the Bureau’s December 27, 2006, pre-designation letter of inquiry (Jan. 25, 2007)—submitted in writing and supported by Austin’s declaration (sworn to under penalty of perjury)—speaks for itself.

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.*

Response Deferred: See response to Interrogatory No. 65, above, subject to preliminary answer below.

Answer: PCSI incorporates herein by this reference its response Inquiry No. 40 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.

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.*

Answer: PCSI received the designation order but does not recall precisely when.

Respectfully submitted,

PREFERRED COMMUNICATION SYSTEMS, INC.



By: _____

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Its Attorneys

Date: December 17, 2007

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 December 17, 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
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Robert J. Keller



**The FCC Acknowledges Receipt of Comments From ...
Preferred Communication Systems, Inc.
...and Thank You for Your Comments**

Your Confirmation Number is: '20071217192862 '

Date Received: Dec 17 2007

Docket: 07-147

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updated 12/11/03

CERTIFICATE OF SERVICE

Kerri Johnson a Paralegal Specialist in the Enforcement Bureau's Investigations and Hearings Division, certifies that she has, on this 19, day of February 4, 2008, sent by first class United States mail or electronic mail, as noted, copies of the foregoing "Enforcement Bureau's Motion to Compel Document Production and Interrogatory Answers from Preferred Communication Systems, Inc." to:

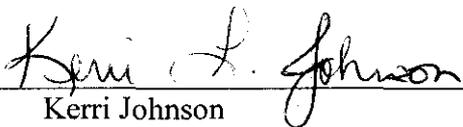
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