

DIVERSIFIED COLLECTION SERVICES, INC.
A PERFORMANT COMPANY

333 NORTH CANYONS PARKWAY
SUITE 100
LIVERMORE, CA 94551

925 960 4800 MAIN
925 960 4880 FAX
PERFORMANTCORP.COM

DCS**WARNING SBU INFORMATION ATTACHED**

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FACSIMILE COVER

TO:	Steve Chernoff, Atty	FROM:	Donna Tesi
COMPANY:		COMPANY:	DCS, A Performant Company
PHONE:		PHONE:	209-858-3698
FAX:	703-584-8694	FAX:	
EMAIL:		EMAIL:	
DATE:	SEPTEMBER 5, 2008	PAGES:	

PLEASE DELIVER IMMEDIATELY

If incomplete transmission please call: Donna Tesi @ 209-858-3698

CONFIDENTIAL

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COMMENTS

RE: Progress International, LLC

Overnight Courier Address:
Wachovia QLP Wholesale Lockbox -NC0810
Lockbox 70949
1525 West WT Harris Blvd.
Charlotte, NC 28262

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DIVERSIFIED COLLECTION SERVICES, INC.
A PERFORMANT COMPANY

DCS

P.O. Box 9046, Pleasanton, CA 94566-9046

Toll free: 888-310-2006

September 5, 2008

5-23740065

STEVE CHERNOFF, ATTY
1650 TYSONS BLVD
MCLEAN VA 22102

Re: Diversified Collection Services, Inc.
Treasury Acct No: 2008139115A
Account No: 90203981395
Balance: as of: September 5, 2008

Claim of: FEDERAL COMMUNICATIONS COMMISSION
RE: PROGRESS INTERNATIONAL, L.L.C.

Dear STEVE CHERNOFF:

Enclosed are copies of the document(s) that you requested. Please review these document(s) with your client and notify us within the next ten (10) days whether your client intends to retire the obligation listed above. If you should have any questions regarding this matter, please do not hesitate to call your client's account representative at 888-310-2006.

As of the date of this letter, your client owes the balance reflected. Because of interest and other charges that may vary from day to day, the amount due on the day you pay may be greater. Hence, if your client pays the amount shown above, an adjustment may be necessary after we receive your client's check, in which event we will inform you. For further information on your balance, write to DCS or call the toll-free number shown above.

This is an attempt to collect a debt by a debt collector, and any information obtained will be used for that purpose.

Enclosure

**SEE THE REVERSE SIDE FOR THE FEDERAL VALIDATION NOTICE
AND OTHER REQUIRED STATE COMPLIANCE INFORMATION.**

LR100/TR03

PLEASE DETACH THIS STUB AND RETURN WITH PAYMENT

U.S. Department of the Treasury - FMS Check here for change of address and complete the reverse side.

Identification Number: 2008139115A Due Date: September 5, 2008

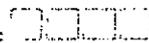
Please check payment type: Amount Due: _____

Check / Money Order American Express Amount Enclosed _____

MasterCard Diners Club Make check payable to: *U.S. Department of the Treasury*

VISA

Discover

Credit Card Number:  Expiration Date: 

Signature: _____ Remit To:

PROGRESS INTERNATIONAL, L.L.C.
1650 TYSONS BLVD
MCLEAN VA 22102

U.S. Department of the Treasury - FMS
Diversified Collection Services, Inc.
P.O. Box 70949
Charlotte, NC 28272-0949

DIVERSIFIED COLLECTION SERVICES, INC.
A PERFORMANT COMPANY

DCS

P.O. Box 9046, Pleasanton, CA 94566-9046

Toll free: 888-310-2006

September 5, 2008

5-23610094

PROGRESS INTERNATIONAL, L.L.C.
C/O STEVE CHERNOFF, ATTY
1650 TYSONS BLVD
MCLEAN, VA 22102

Re: Diversified Collection Services, Inc.
Account No: 90203981395
Treasury Acct No: 2008139115A
Balance: as of: September 5, 2008

As of the date of this letter, you owe the balance reflected. Because of interest and other charges that may vary from day to day, the amount due on the day you pay may be greater. Hence, if you pay the amount shown above, an adjustment may be necessary after we receive your check, in which event we will inform you. For further information on your balance, write to DCS or call toll-free number shown above.

Claim of: FEDERAL COMMUNICATIONS COMMISSION

This letter serves as formal notice that your delinquent debt has been placed with Diversified Collection Services, Inc. (DCS), a private collection firm, contracted by the U.S. Department of the Treasury, Financial Management Service (FMS) to begin collection efforts on your delinquent balance owed to FEDERAL COMMUNICATIONS COMMISSION.

Due to your failure to repay this obligation, the entire unpaid balance of your debt is now due and payable. Your delinquent debt(s) may have been reported to all national credit bureaus which could inhibit your ability to obtain future credit. Additionally, the Department of the Treasury and other government agencies may be authorized to withhold or offset government payments you receive such as income tax refunds, federal retirement benefits, and/or financial assistance, if your debt is not paid. Further, should you continue to refuse to resolve this debt, your debt may be reviewed for possible referral by FMS to the U.S. Department of Justice for legal action.

You are legally responsible to repay this debt, including any accrued interest, penalty charges, fees and collection costs. Under federal law, you are liable for the costs incurred by FMS to collect your debt. These costs include fees paid by FMS to DCS. The "Total Balance" shown above includes the amount needed to satisfy your entire debt including the collection fees.

To avoid further collection action, you must either arrange to repay this debt by sending payment in full (payable to the U.S. Department of the Treasury, along with the attached coupon in the return envelope provided) or contacting your DCS account representative, toll-free at 888-310-2006 or via e-mail at treasury@dcswins.com. This is an attempt to collect a debt by a debt collector, and any information obtained may be used for that purpose.

**SEE THE REVERSE SIDE FOR THE FEDERAL VALIDATION NOTICE
AND OTHER REQUIRED STATE COMPLIANCE INFORMATION.**

LR084/TR03

PLEASE DETACH THIS STUB AND RETURN WITH PAYMENT

U.S. Department of the Treasury - FMS

Check here for change of address and complete the reverse side.

Identification Number:

2008139115A

Due Date:

September 5, 2008

Please check payment type:

Check / Money Order

MasterCard

VISA

Discover

American Express

Diners Club

Amount Enclosed: _____

Make check payable to: *U.S. Department of the Treasury*

Credit Card Number: _____

Expiration Date: _____

Signature: _____

Remit To:

PROGRESS INTERNATIONAL, L.L.C.
C/O STEVE CHERNOFF, ATTY
1650 TYSONS BLVD
MCLEAN, VA 22102

U.S. Department of the Treasury - FMS
Diversified Collection Services, Inc.
P.O. Box 70949
Charlotte, NC 28272-0949

IMPORTANT NOTICE OF RIGHTS

If this is the first notice you receive, be advised that:

UNLESS YOU NOTIFY THIS OFFICE WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THIS DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN 30 DAYS FROM RECEIVING THIS NOTICE, THIS OFFICE WILL OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT AND MAIL YOU A COPY OF SUCH JUDGMENT OR VERIFICATION. IF YOU REQUEST THIS OFFICE IN WRITING WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE, THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

We are required under state law to notify consumers of the following rights. This list does not contain a complete list of the rights consumers have under state and federal law.

California – The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8:00 a.m. or after 9:00 p.m. PST. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.

Colorado – FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE WWW.AGO.STATE.CO.US/CADC/CADCMAN.CFM. A consumer has the right to request in writing that a debt collector or collection agency cease further communication with the consumer. A written request to cease communication will not prohibit the debt collector or collection agency from taking any other action authorized by law to collect the debt. Colorado residents may contact our office by telephone at 800-866-5317.

Maine – Maine residents may contact our office by telephone at 800-866-5317 between the hours of 9:00 a.m. to 6:00 p.m. PST.

Massachusetts – Massachusetts residents may contact our office by telephone at 800-866-5317 between the hours of 9:00 a.m. to 6:00 p.m. PST. The business address is: 333 North Canyons Parkway, Suite 100, Livermore, CA 94551-7661. Massachusetts Law requires that we inform you:

NOTICE OF IMPORTANT RIGHTS

YOU HAVE THE RIGHT TO MAKE A WRITTEN OR ORAL REQUEST THAT TELEPHONE CALLS REGARDING YOUR DEBT NOT BE MADE TO YOU AT YOUR PLACE OF EMPLOYMENT. ANY SUCH ORAL REQUEST WILL BE VALID FOR ONLY TEN (10) DAYS UNLESS YOU PROVIDE WRITTEN CONFIRMATION OF THE REQUEST POSTMARKED OR DELIVERED WITHIN SEVEN (7) DAYS OF SUCH REQUEST. YOU MAY TERMINATE THIS REQUEST BY WRITING TO THE DEBT COLLECTOR.

Minnesota – Minnesota Law requires that we inform you that "This collection agency is licensed by the Minnesota Department of Commerce."

New York – Diversified Collection Services, Inc. is licensed to operate in New York City under License Number 0958746.

North Carolina – Diversified Collection Services, Inc. is licensed to operate under Permit number 3142.

Tennessee – Diversified Collection Services, Inc. is licensed by the Collection Service Board, State Department of Commerce and Insurance, 500 James Robertson Parkway, Nashville, Tennessee 37243.

Wisconsin – Wisconsin Law requires that we inform you that "This collection agency is licensed by the Office of the Administrator of the Division of Banking, P.O. Box 7876, Madison, WI 53707."

EXHIBIT H

(REDACTED VERSION)

LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1650 TYSONS BOULEVARD, SUITE 1500
MCLEAN, VIRGINIA 22102
703 584 8678 • 703 584 8696 FAX

WWW.FCCLAW.COM

RUSSELL D. LUKAS
DAVID L. NACE
THOMAS GUTIERREZ*
ELIZABETH R. SACHS*
GEORGE L. LYON, JR.
PAMELA L. GIST
DAVID A. LAFURIA
TODD SLAMOWITZ*
TODD B. LANTOR*
STEVEN M. CHERNOFF*
KATHERINE PATSAS*

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEILA REZANAVAZ
OF COUNSEL
LEONARD S. KOLSKY*
JOHN CIMKO*
J. K. HAGE III*
JOHN J. MCAVOY*
HON. GERALD S. MCGOWAN*
TAMARA DAVIS-BROWN*

*NOT ADMITTED IN VA

FACSIMILE TRANSMISSION

TO: Donna Tesi

COMPANY: Diversified Collection Services (Fax: 925-960-4880)

FROM: Steven M. Chernoff

DATE: September 5, 2008

RE: Progress International LLC

LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1650 TYSONS BOULEVARD, SUITE 1500
MCLEAN, VIRGINIA 22102
703 584 8678 • 703 584 8696 FAX

WWW.FCCLAW.COM

RUSSELL D. LUKAS
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KATHERINE PATSAS*

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OF COUNSEL
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JOHN J. MCAVOY*
HON. GERALD S. MCGOWAN*
TAMARA DAVIS-BROWN*

*NOT ADMITTED IN VA

September 5, 2008

VIA FACSIMILE (925-960-4880)

Ms. Donna Tesi
Diversified Collection Services, Inc.
333 North Canyons Parkway
Suite 100
Livermore, CA 94551

Re: Progress International, LLC

Dear Ms. Tesi:

To follow up on our telephone conversation earlier today, my firm has been authorized by Progress International LLC ("Progress") to offer the following payment schedule in order to pay the full amount which you have indicated is outstanding. This payment plan addresses both outstanding amounts combined ()::

Month	Amount to Be Paid
October 2008	
November 2008	
December 2008	
January 2009	
February 2009	
March 2009	
April 2009	
May 2009	
June 2009	
July 2009	
August 2009	
September 2009	
Total:	

The schedule set forth above represents Progress's good-faith proposal for a realistic plan to pay

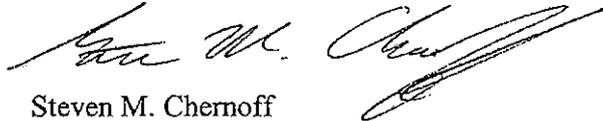
(703) 584-8670
schernoff@fcclaw.com

Donna Tesi
September 5, 2008
Page 2

the entire outstanding amount within as short a timeframe as is reasonably possible. Progress continues to believe that it is not required to pay the underlying contribution to the federal Universal Service Fund that is the cause of the FCC collection at issue. While Progress will cooperate fully with your organization, it will concurrently work with the FCC to attempt to reverse the agency determination that resulted in the debt that is being collected.

Please contact me at 703-584-8670 if any questions arise concerning the above-referenced proposal or if you require any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven M. Chernoff". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Steven M. Chernoff
Counsel for Progress International LLC

* * * COMMUNICATION RESULT REPORT (SEP. 5.2008 5:23PM) * * *

FAX HEADER: LUKAS NACE GUTIER

FILE MODE	OPTION	ADDRESS (GROUP)	RESULT	PAGE
130 MEMORY TX		919259604880--0942096	OK	P. 3/3

REASON FOR ERROR

E-1) HANG UP OR LINE FAIL
E-3) NO ANSWER

E-2) BUSY
E-4) NO FACSIMILE CONNECTION

LUKAS, NACE, GUTIERREZ & SACHS

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MCLEAN, VIRGINIA 22102
703 584 8678 • 703 584 8696 FAX

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JOHN J. MCAVOY*
HON. GERALD S. MCGOWAN*
TAMARA DAVIS-BROWN*

*Not Admitted in VA

FACSIMILE TRANSMISSION

TO: Donna Tesi

COMPANY: Diversified Collection Services (Fax: 925-960-4880)

FROM: Steven M. Chernoff

DATE: September 5, 2008

RE: Progress International LLC

EXHIBIT I

(REDACTED VERSION)

Steven Chernoff

From: Steven Chernoff
Sent: Saturday, September 06, 2008 4:19 PM
To: treasury@dcswins.com
Subject: Attn: Donna Tesi
Attachments: 2008 09 05 Progress letter to Diversified Collection Svcs.pdf

Importance: High

Dear Ms. Tesi:

To follow up on our telephone conversation earlier today, I am sending you the scanned version of the letter I faxed to your attention yesterday afternoon, along with the confirmation page. As of the time of our conversation, you had not been able to locate the fax.

Also, as we discussed, Progress International is awaiting documentation from you that indicates the specific FCC matters represented by the two collection amounts in question. As I mentioned, the company previously had several outstanding Universal Service Fund contributions that had been erroneously billed and then corrected and credited back to the company. Before initiating payment, the company would like to be sure that none of those cancelled debts are represented in the collection amounts you and I have been discussing. You have indicated that you have requested the documentation from the FCC and that you hope to receive it by Monday.

I will look forward to talking to you about the company's proposal on Monday.

Sincerely,

Steven M. Chernoff
Lukas, Nace, Gutierrez & Sachs, Chtd.
1650 Tysons Blvd., Suite 1500
McLean, VA 22102
703-584-8670 (Direct)
703-584-8694 (Fax)
703-254-4054 (Mobile)

If you have received this message in error, please contact me because it may contain information that is confidential or protected by the attorney-client privilege.

Tracking:

EXHIBIT J

(REDACTED VERSION)

LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

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MCLEAN, VIRGINIA 22102
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HON. GERALD S. MCGOWAN*
TAMARA DAVIS-BROWN*

*NOT ADMITTED IN VA

FACSIMILE TRANSMISSION

TO: Donna Tesi

COMPANY: Diversified Collection Services (Fax: 925-960-4880)

FROM: Steven M. Chernoff

DATE: September 10, 2008

RE: Progress International LLC

LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1650 TYSONS BOULEVARD, SUITE 1500
MCLEAN, VIRGINIA 22102
703 584 8678 • 703 584 8696 FAX

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JOHN J. MCAVOY*
HON. GERALD S. MCGOWAN*
TAMARA DAVIS-BROWN*

*NOT ADMITTED IN VA

September 10, 2008

VIA FACSIMILE (925-960-4880)

Ms. Donna Tesi
Diversified Collection Services, Inc.
333 North Canyons Parkway
Suite 100
Livermore, CA 94551

**Re: Progress International, LLC
Treasury Account Numbers 2008139115A and 2008139334A**

Dear Ms. Tesi:

To follow up on our telephone conversation earlier today, Progress International is awaiting documentation from you that indicates the specific FCC matters represented by the two collection amounts in question. As I mentioned, the company previously had several outstanding Universal Service Fund contributions that had been erroneously billed and then corrected and credited back to the company this July. The majority of the originally invoiced amounts are therefore no longer owed by the company. We have been told by the FCC, however, that many of these voided debts are currently under the control of the Treasury Department.

As we discussed today, the information you have provided to date is not sufficient for purposes of determining whether you are attempting to collect debts that are no longer owed. In addition, I mentioned that we have been attempting since last Thursday to obtain the necessary clarification in a series of communications with staff at USAC and the FCC.

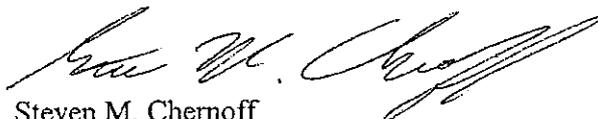
As I mentioned in our phone conversation, before initiating payment, the company would like to be sure that none of the cancelled debts are represented in the collection amounts you and I have been discussing. Until the FCC or Treasury provides information that allows us to make that determination, Progress will have to dispute the collection amounts. Once the Treasury Department, the FCC, or USAC provides this information, Progress intends to cooperate fully with the Treasury Department in negotiating and implementing a workable payment schedule.

(703) 584-8670
schernoff@fcclaw.com

Donna Tesi
September 10, 2008
Page 2

Please contact me at 703-584-8670 if any questions arise concerning this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven M. Chernoff". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Steven M. Chernoff
Counsel for Progress International LLC

* * * COMMUNICATION RESULT REPORT (SEP.11.2008 9:10AM) * * *

FAX HEADER: LUKAS NACE GUTIER

FILE MODE	OPTION	ADDRESS (GROUP)	RESULT	PAGE
137	MEMORY TX	919259604880---0080101	OK	P. 3/3

REASON FOR ERROR

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LUKAS, NACE, GUTIERREZ & SACHS

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TAMARA DAVIS-BROWN*

*NOT ADMITTED IN VA

FACSIMILE TRANSMISSION

TO: Donna Tesi

COMPANY: Diversified Collection Services (Fax: 925-960-4880)

FROM: Steven M. Chernoff

DATE: September 10, 2008

RE: Progress International LLC