

EXHIBIT A



NUMBER

C-10

Incorporated under the laws of the State of Delaware

SHARES

6,250

Preferred Communication Systems, Inc.

Total Authorized Issue 15,500,000 Shares

15,000,000 Shares \$0.001 Par Value
Common Stock

500,000 Shares \$0.001 Par Value
Series A 11% Cumulative Convertible Preferred Stock

*See Reverse for
Certain Restrictions*

THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST SHOULD BE ADDRESSED TO THE SECRETARY OF THE CORPORATION

This is to Certify that Michael D. Judy is the owner of
SIX THOUSAND TWO HUNDRED AND FIFTY

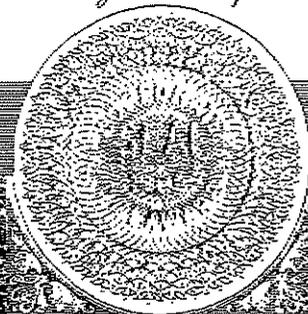
Fully Paid and Non-Assessable Shares of Common Stock of
Preferred Communication Systems, Inc.

transferable only on the books of the Corporation by the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated February 10, 1999

Michael D. Judy
Michael D. Judy, Secretary



Charles M. Ansh
Charles M. Ansh, Attorney

SEP. 07 2009 11:28AM P4

FAX NO. : 559 299 5839

FROM :

NUMBER

C-15

SHARES

2,083.33

Incorporated under the laws of the State of Delaware

Preferred Communication Systems, Inc.

Total Authorized Issue 15,500,000 Shares

15,000,000 Shares \$0.001 Par Value
Common Stock

500,000 Shares \$0.001 Par Value
Series A 11% Cumulative Convertible Preferred Stock

See Reverse for
Certain Definitions

THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST SHOULD BE ADDRESSED TO THE SECRETARY OF THE CORPORATION.

This is to Certify that Michael D. Judy is the owner of
TWO THOUSAND EIGHTY-THREE AND ONE-THIRD

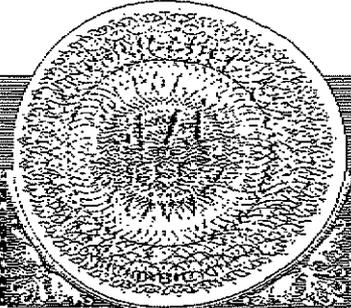
Fully Paid and Non-Assessable Shares of Common Stock of
Preferred Communication Systems, Inc.

transferable only on the books of the Corporation by the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated February 16, 1999

Nichelle G. [Signature]



Charles M. [Signature]

NUMBER

16

SHARES

3,333 1/3

Incorporated under the laws of the State of Delaware

Preferred Communication Systems, Inc.

Total Authorized Issue
500,000 Shares \$0.001 Par Value
Series A 11% Cumulative Convertible Preferred Stock

See Reverse for
Certain Provisions

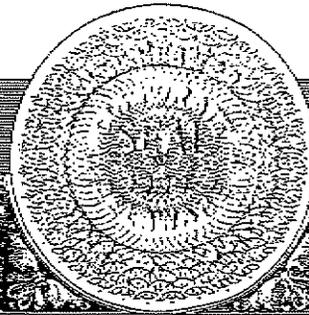
THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST SHOULD BE ADDRESSED TO THE SECRETARY OF THE CORPORATION.

This is to Certify that Michael D. Judy is the owner of
THREE THOUSAND THREE HUNDRED THIRTY-THREE AND ONE-THIRD fully paid and
non-assessable shares of the above Corporation transferable only on the books of the Corporation by
the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate
properly endorsed.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated April 28, 1999


Michael D. Judy, Secretary




Charles M. Austin, President

NUMBER

SHARES

Preferred Communication Systems, Inc.

Total Authorized Issue
720,000 Shares \$0.001 Par Value
Series B Preferred Stock

See Reverse for
Certain Provisions

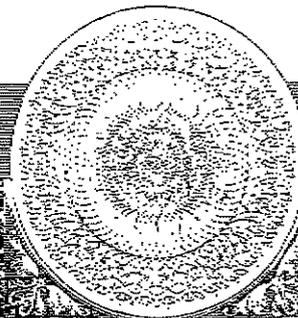
This is to certify that Michael D. Judy is the owner of

Four Thousand (4,000) fully paid and non-assessable
shares of the above Corporation transferable only on the books of the Corporation by the holder thereof in
person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

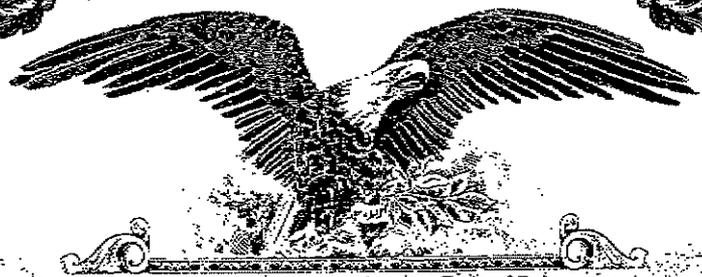
Dated October 10, 2007

Chad M. Anster
Secretary



Leander H. Miller
President

NUMBER
C-B002



SHARES
4,000
See Reverse for
Certificate Restrictions

Incorporated under the laws of the State of Delaware

Preferred Communication Systems, Inc.

Total Authorized Issue
15,000,000 Shares \$0.001 Par Value
Class B-Common Stock

This is to Certify that Michael D. Judy is the owner of

Four Thousand (4,000) fully paid

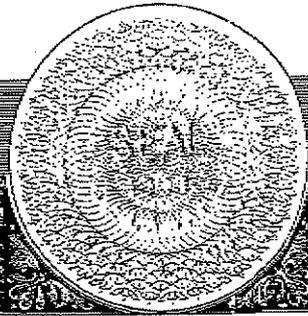
and non-assessable shares of the above Corporation transferable only on the books of the Corporation by the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the Signatures of its duly authorized officers.

Dated February 07, 2008

Charles M. Austin

Charles M. Austin, President



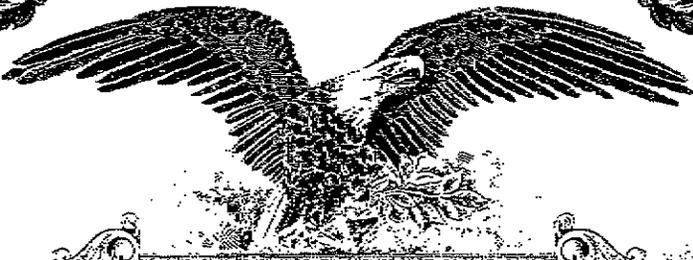
Kimberly M. Miller

Kimberly M. Miller, Secretary

C-A017

21,000

See Reverse for
Certain Restrictions



Incorporated under the laws of the State of Delaware.

Preferred Communication Systems, Inc.

\$0.001 Par Value
Class A Common Stock

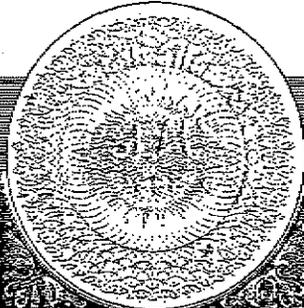
This is to Certify that Michael D. Judy is the owner of
Twenty-One Thousand (21,000) fully paid

and non-assessable shares of the above Corporation transferable only on the books of the Corporation by the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the Signatures of its duly authorized officers.

Dated June 19, 2008

Charles M. Austin, President



Linda A. McClain, Secretary



SEALER
G-A018

SERIAL
5800
See Remarks for
Certain Provisions

Preferred Communication Systems, Inc.

Incorporated under the laws of the State of Delaware

\$0.001 Par Value
Class A Common Stock

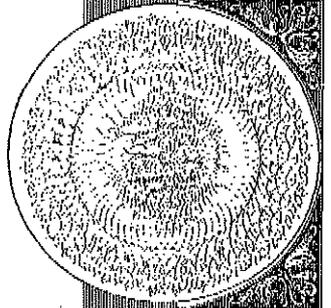
This is to Certify that Michael D. Judy is the owner of

Twenty-One Thousand (21,000) fully paid

and non-assessable shares of the above Corporation transferable only on the books of the Corporation by the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the Signatures of its duly authorized officers.

Dated June 27, 2008



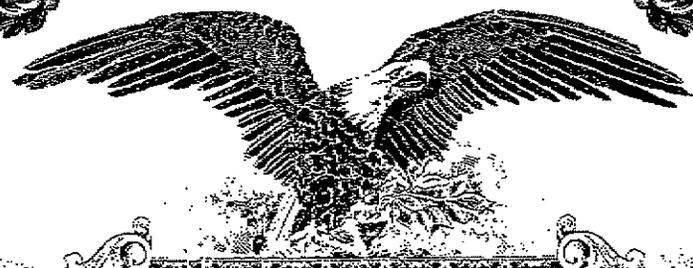
Charles A. [Signature]
Frank J. [Signature]

FROM :

FXR NO. : 559 299 5839

Sep. 08 2009 06:10PM P1

NUMBER
C-A020



SHARES
10,000
See Reverse for
Certificate Conditions

Incorporated under the laws of the State of Delaware

Preferred Communication Systems, Inc.

\$0.001 Par Value
Class A Common Stock

This is to Certify that Michael D. Judy is the owner of

Ten Thousand (10,000) fully paid

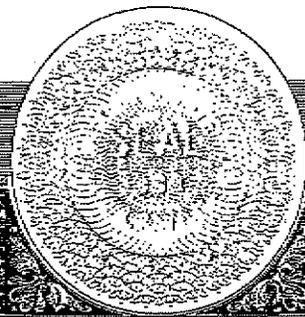
and non-assessable shares of the above Corporation transferable only on the books of the Corporation by the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the Signatures of its duly authorized officers.

Dated August 12, 2008

Charles M. ...

Charles M. ... President



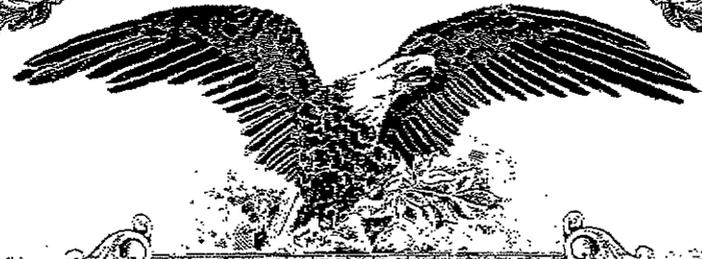
... Secretary

... Secretary

C-B006

25,000

See Reverse for
Certificate Conditions



Incorporated under the laws of the State of Delaware

Preferred Communication Systems, Inc.

Total Authorized Issue
15,000,000 Shares \$0.001 Par Value
Class B Common Stock

This is to Certify that Michael D. Judy is the owner of

Twenty-Five Thousand (25,000) _____ *fully paid*

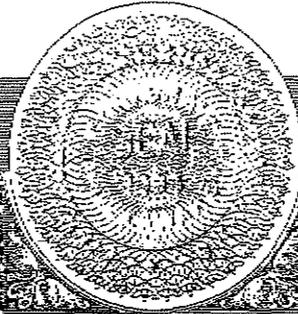
and non-assessable shares of the above Corporation transferable only on the books of the Corporation by the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the Signatures of its duly authorized officers.

Dated August 12, 2008

Chak N. Ansh

President



Linda A. Miller

Secretary

FROM : Fwd: Warrant and Stock Certs - Yahoo! Mail

FAX NO. : 559 299 5839

Sep. 08 2009 06:14PM P3
Page 1 of 1

Fwd: Warrant and Stock Certs

Tuesday, August 12, 2008 1:59 PM

From: "michellebishopps@aol.com" <michellebishopps@aol.com>
To: destunymike@yahoo.com
Class_A_Warrant_Cert_Judy_10,000_B-12-2008.pdf (290KB),
Judy_stock_cert.pdf (469KB)

-----Original Message-----

From: PreComSys@aol.com
To: Michellebishopps@aol.com
Sent: Tue, 12 Aug 2008 1:38 pm
Subject: Warrant and Stock Certs

Michael Judy,

Upon approval by the FCC of the recent settlement proposal submitted by Preferred Communication Systems, Inc, Preferred Acquisitions, Inc., Charles M. Austin, Pendleton C. Waugh and Jay R. Bishop, the 25,000 of Class B Common Stock issued today, will be exchanged for the equal amount of Class A common Stock.

Charles M. Austin

Attached:
Class A Common Stock Purchase Warrant
Class A Common Stock Cert.

Charles M. Austin
Preferred Communication Systems, Inc.
President
400 E. Royal Lane.
N24
Irving, TX 75039
972-860-7626 ext 411
972-860-7625 fax
214-325-1648 cell

Looking for a car that's sporty, fun and fits in your budget? Read reviews on AOL Autos.

It's time to go back to school! Get the latest trends and gadgets that make the grade on AOL Shopping.

THIS IS FOR STOCK CERT
C-3006 DATE OF 8/12/08

EXHIBIT B

Michael Judy

1227 East Muncie Freno, CA 93720

May 17, 2008

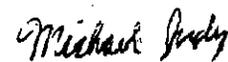
Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

Dear Mr. Austin:

I am writing you as a shareholder of Preferred Communication Systems, Inc. ("Preferred" or the "Company") to request that as Chairman of the Board and President, you call an Annual Shareholders' Meeting to be held in the San Diego area on Saturday, June 28 commencing at 10:00 a.m. PDST.

Sincerely,



Michael Judy

EXHIBIT C

Michael Judy
1227 East Muncie Freno, CA 93720

September 1, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039]

Re: Shareholders' Meeting

Dear Mr. Austin:

I am writing you as a shareholder of Preferred Communication Systems, Inc. ("Preferred" or the "Company") to request that as Chairman of the Board and President, you call an Annual Shareholders' Meeting to be held on or before October 25, 2008.

Sincerely,



Michael Judy

*Request for Call of
Preferred Communication Systems, Inc.
Annual Shareholders' Meeting*

1

✂ COPY OF LETTER I SENT IN ... ✂

EXHIBIT D

MICHAEL JUDY

**1227 East Muncie
Fresno, California 93720
(559) 438-6224**

November 11, 2008

Mr. Lance Hardenburg
Hallett & Perrin, P.C.
2001 Bryan Tower
Suite 3900
Dallas, Texas 75201

Dear Mr. Hardenburg:

Pursuant to our telephone conversation on Wednesday, November 5, I am writing you to request formally the following documents relating to Preferred Communication Systems, Inc. ("PCSI"). On behalf of myself (one of PCSI's first shareholders) and in my capacity as Chairman of a Shareholders Association Management Committee representing approximately 160 very concerned shareholders and note holders, please send me the following documents at your earliest convenience:

1. A copy of PCSI's original co. bylaws;
2. A copy of PCSI's original stock ledger;
3. A copy of any material contracts or leases that PCSI has entered into during the past three years;
4. Copy of the last 3 years audited or unaudited financial statements.

You should note that I did not submit this request to you on Thursday, November 6 as I had intended. On the morning of November 6, I talked with Matt Austin and requested verbally that he provide to me the documents set forth immediately above. He responded by stating that he "would see what he could do" and indicated that he would "work on it." He further indicated that he would call and talk to me during the weekend.

Mr. Austin never called me during the weekend. Instead, he contacted me on Monday, November 10, and asked what information I was sending out to PCSI's investors and to cease conducting any further informal Shareholders'/Investors' meetings. I informed Mr. Austin that I had not sent any documents to PCSI's investors that they were not entitled to receive as a matter of Delaware corporate law. I again asked if he possessed the requested documents and would provide them to me. Our telephone conversation ended inconclusively with Mr. Austin seeming to lack any interest in sending me the requested documents. Since I did not receive a positive response from Mr. Austin, I have forwarded my formal written request to you for the documents set forth above.

I appreciate your assistance in this matter. Please send the requested documents by e-mail to: mshaggy06@yahoo.com or by mail to: 1227 E. Muncie Fresno, Ca. 93720. My contact phone # is (559) 438-6224.

Sincerely,

Michael Judy

Michael Judy

EXHIBIT E

NOV. 20. 2008 4:58PM

HALLETT PERRIN

NO. 737 P. 2/2



Hallett & Perrin, P.C.
Attorneys and Counselors

2001 Bryan Street
Suite 3900
Dallas, Texas 75201
(214) 953-0053
(214) 922-4142 Fax
www.hallettperrin.com

Direct Dial Number
(214) 922-4113
direct fax (214) 922-4144

November 20, 2008

**VIA FAX
AND REGULAR MAIL**

Mr. Michael Judy
1227 East Muncie
Fresno, California 93720
Fax: 559-438-6224

Re: Internal Documents of Preferred Communication Systems, Inc. ("PCSI")

Dear Mr. Judy:

We are in receipt of your letter dated November 11, 2008 requesting copies of PCSI's: (i) original bylaws; (ii) original stock ledger; (iii) material contracts entered into during the past three (3) years; and (iv) audited and unaudited financial statements for the past three (3) years.

While we are willing to assist you in any way possible, as you know we are outside counsel to PCSI, and, consequently, do not have the authority to release any records of PCSI without its express consent. Accordingly, any request for PCSI's books and records must be made directly to PCSI, in accordance with Section 220 of the Delaware General Corporation Law.

If you have any questions, please do not hesitate to call me.

With best regards,

Reed Runnels

EXHIBIT F

Elaine
William & Ethel Smith
1417 East Kramer Street Mesa, AZ 85203

May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

Dear Mr. Austin:

I am writing you as a shareholder of Preferred Communication Systems, Inc. ("Preferred" or the "Company") to request that as Chairman of the Board and President, you call an Annual Shareholders' Meeting to be held in the San Diego area on Saturday, June 28 commencing at 10:00 a.m. PDST.

Sincerely,

Handwritten signature of William & Ethel Smith in cursive script.

William & Ethel Smith

John & Dorothea Talcott III
48 Main Street ~~Vernon Rockville~~, CT 06066
TALCOTTVILLE

May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

Dear Mr. Austin:

I am writing you as a shareholder of Preferred Communication Systems, Inc. ("Preferred" or the "Company") to request that as Chairman of the Board and President, you call an Annual Shareholders' Meeting to be held in the San Diego area on Saturday, June 28 commencing at 10:00 a.m. PDST.

Sincerely,

John G. Talcott III
Dorothea Talcott

John & Dorothea Talcott III

DeDe Vacio

2034 Trevino Avenue Oceanside, CA 92056

May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

Dear Mr. Austin:

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Sincerely,



DeDe Vacio

Robert & Mary Zerphey
881 Windsong Drive Arnold, MD 21012

May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

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I am writing you as a shareholder of Preferred Communication Systems, Inc. ("Preferred" or the "Company") to request that as Chairman of the Board and President, you call an Annual Shareholders' Meeting to be held in the San Diego area on Saturday, June 28 commencing at 10:00 a.m. PDST.

Sincerely,

Robert S. Zerphey
Mary Zerphey
Robert & Mary Zerphey

Sims & Jean Buckley
3010 Oneida Drive San Antonio, TX 78230-3431

May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

Dear Mr. Austin:

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Sincerely,



Sims & Jean Buckley TRUST

Paul Tucker

4004 Old Crain Highway Upper Marlboro, MD 20772

May 17, 2008

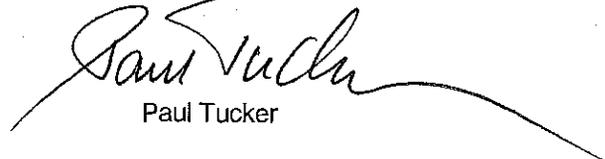
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Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

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Sincerely,



Paul Tucker

Albert Peterson

2034 Trevino Ave. Oceanside, CA 92056

May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

Dear Mr. Austin:

I am writing you as a shareholder of Preferred Communication Systems, Inc. ("Preferred" or the "Company") to request that as Chairman of the Board and President, you call an Annual Shareholders' Meeting to be held in the San Diego area on Saturday, June 28 commencing at 10:00 a.m. PDST.

Sincerely,

A handwritten signature in black ink that reads "Albert Peterson". The signature is written in a cursive style with a large, stylized "P" and "T".

Albert Peterson

Gregory & Gloria Greggs

330 Jordan Avenue Clovis, CA 93611

May 17, 2008

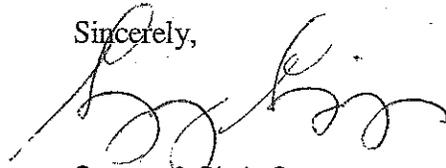
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400 E. Royal Lane
Suite N24
Irving, Texas 75039

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Sincerely,



Gregory & Gloria Greggs

Fe Azcona
8663 Gregory Lane Des Plaines, IL 60016

May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

Dear Mr. Austin:

I am writing you as a shareholder of Preferred Communication Systems, Inc. ("Preferred" or the "Company") to request that as Chairman of the Board and President, you call an Annual Shareholders' Meeting to be held in the San Diego area on Saturday, June 28 commencing at 10:00 a.m. PDST.

Sincerely,



Fe Azcona

Richard & Mary Thayer
2034 Alessandro Trail Vista, CA 92084

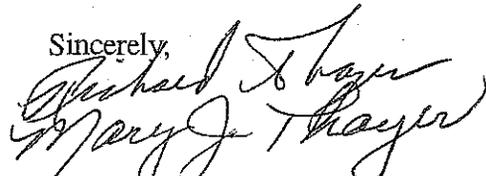
May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

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Sincerely,

Richard & Mary Thayer

J.M. Leedy
202 Santa Clara Drive Vista, CA 92083

May 17, 2008

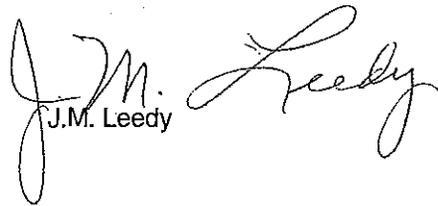
Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

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Sincerely,


J.M. Leedy

Glenn & Vera Clark

2650 North West Linnan Circle Corvallis, OR 97330

May 17, 2008

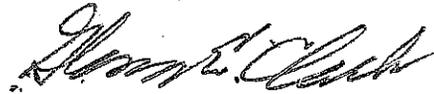
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Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

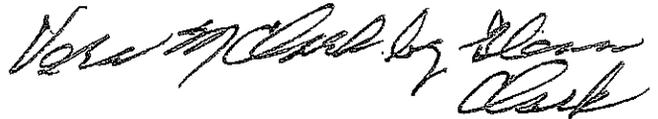
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Sincerely,



Glenn & Vera Clark



Glenn & Vera Clark

2650 North West Linnan Circle Corvallis, OR 97330

May 17, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

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Sincerely,



Glenn & Vera Clark



Kenneth & Alison Aull
21 Harvest Lane Hockessin, DE 19707

May 17, 2008

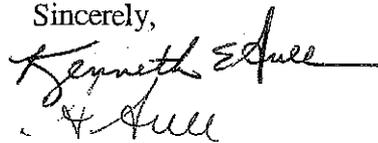
Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

Re: Shareholders' Meeting

Dear Mr. Austin:

I am writing you as a shareholder of Preferred Communication Systems, Inc. ("Preferred" or the "Company") to request that as Chairman of the Board and President, you call an Annual Shareholders' Meeting to be held in the San Diego area on Saturday, June 28 commencing at 10:00 a.m. PDST.

Sincerely,

Handwritten signature of Kenneth & Alison Aull in cursive script.

Kenneth & Alison Aull

Ray Leedy

PO Box 39593 Los Angeles, CA 90039-0593

May 17, 2008

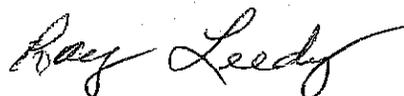
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Sincerely,



Ray Leedy

Rodney & Dorothy Agar
615 Harrogate Road Pittsburgh, PA 15241

May 17, 2008

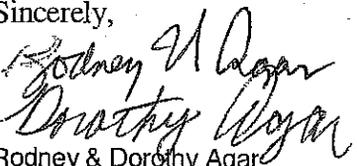
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Sincerely,


Rodney & Dorothy Agar

George & Tamela Sechrist
8280 West Coal Mine Ave #15 Littleton, CO 80123

May 17, 2008

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Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

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Sincerely,

George Sechrist
Tamela Sechrist
George & Tamela Sechrist

Michael Judy
1227 East Muncie Freno, CA 93720

May 17, 2008

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Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

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Sincerely,



Michael Judy

C. Robert Allen

NEW ADDRESS : ~~Route 2 Box 72 Hannonsville, MO 65674~~
435 N. TWIN OAKS VALLEY ROAD, SAN MARCOS, CA 92069

May 17, 2008

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Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

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Sincerely,



C. Robert Allen

Paul Tucker
4004 Old Crain Highway Upper Marlboro, MD 20772

September 1, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039

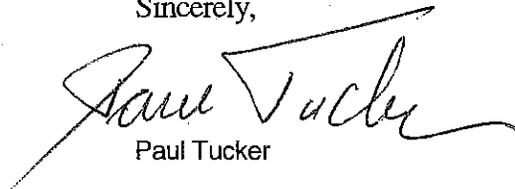
1

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Sincerely,



Paul Tucker

Harold & Johnnie Langford
9428 St. Andrews Drive Santee, CA 92071

September 1, 2008

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Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039]

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Sincerely,



Harold & Johnnie Langford



Ronald & Mary Ellen Brogdon
1164 Casa Bonita Way Vista, CA 92081

September 1, 2008

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Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039]

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Sincerely,

A handwritten signature in cursive script, appearing to read "Ronald & Mary Ellen Brogdon". The signature is written in black ink and is positioned above the printed name.

Ronald & Mary Ellen Brogdon

Kenneth & Alison Aull
21 Harvest Lane Hockessin, DE 19707

September 1, 2008

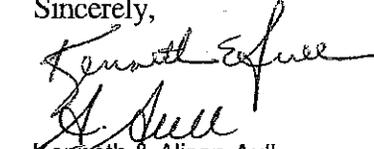
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Sincerely,


Kenneth & Alison Aull

John & Dorothea Talcott III
48 Main Street Talcottville, CT 06066

September 1, 2008

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Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
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Irving, Texas 75039]

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Sincerely,

John C. Talcott III
Dorothea J. Talcott

John & Dorothea Talcott III

VernKary
4740 Columbia River Road Pasco, WA 99301

September 1, 2008

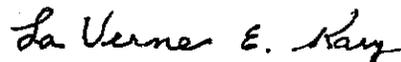
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Sincerely,



Vern Kary

John & MaryCwyner
2110 Via Del Prado Vista, CA 92084

September 1, 2008

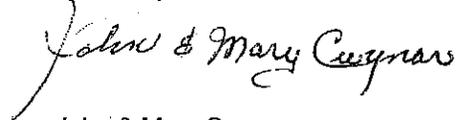
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Sincerely,



John & Mary Cwyner

DocScott
PO Box 2029 Oceanside, CA 92051

September 1, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039]

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Sincerely,

9/9/08
For Am Law Pure Trust Org.
Doc Scott

Doc Scott

Tommie & Ozella Griffin
P.O. Box 3513 Oceanside, CA 92051

September 1, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039]

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Sincerely,

Tommie & Ozella Griffin

Request for Call of
Preferred Communication Systems, Inc.
Annual Shareholders' Meeting

1

Barbara Allen
Route 2 Box 72 Humansville, MO 65674

September 1, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039]

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Sincerely,



Barbara Allen

*Carole,
I stayed in Canada
longer than planned -
hope this arrives in
time to do some good.
Take care*



Request for Call of
Preferred Communication Systems, Inc.
Annual Shareholders' Meeting

RayLeedy
PO Box 39593 Los Angeles, CA 90039-0593

September 1, 2008

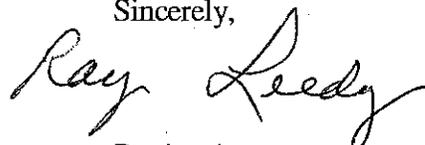
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Sincerely,



Ray Leedy

Michael Judy
1227 East Muncie Freno, CA 93720

September 1, 2008

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Sincerely,



Michael Judy

John & Sharlene Herrick
7305 Daniel Court Linda Vista, CA 92111

September 1, 2008

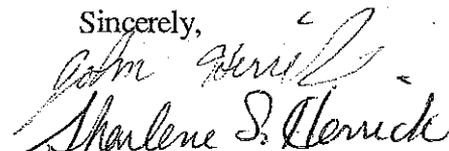
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Sincerely,


John & Sharlene Herrick

John Orlof
2108 Alexander Drive Escondido, CA 92025

September 1, 2008

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Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039]

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Sincerely,



John Orlof

Please correct
my zip is 92025
Ligle name
WLADYSLAW-ORLOF
nike: john
Thank you

Request for Call of
Preferred Communication Systems, Inc.
Annual Shareholders' Meeting

Lee Jones
8 Lakeshore Circle Lake St. Louis, MO 63367

September 1, 2008

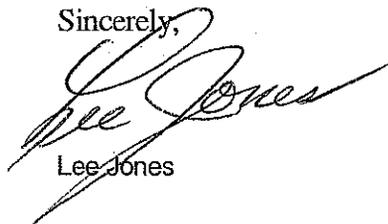
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Chairman of the Board and President
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Sincerely,

A handwritten signature in cursive script that reads "Lee Jones". The signature is written in dark ink and is positioned above the printed name "Lee Jones".

Lee Jones

Jeffrey King
670 Parkside Trail Marietta, GA 30064

September 1, 2008

Mr. Charles M. Austin,
Chairman of the Board and President
Preferred Communication Systems, Inc.
400 E. Royal Lane
Suite N24
Irving, Texas 75039]

Re: Shareholders' Meeting

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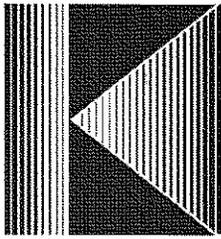
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Sincerely,



Jeffrey King

EXHIBIT G



KAGAN MEDIA APPRAISALS
a service of Kagan Research, LLC

ONE LOWER RAGSDALE DRIVE
BUILDING ONE, SUITE 130
MONTEREY, CA 93940
TEL: 831-624-1536
FAX: 831-624-3105

October 24, 2005

Charles M. Austin
President
PREFERRED COMMUNICATIONS SYSTEMS
400 E. Royal Lane
N24
Irving, TX 75039

Tel: (972) 869-7626 x 411
Fax: (972) 869-7625

Dear Mr. Austin:

In accordance with your request, **KAGAN MEDIA APPRAISALS (KMA)** has prepared an opinion (the "Opinion"), as to the current Fair Market Value¹ of Preferred Communications' portfolios of SMR licenses (currently owned plus pending acquisitions) located in the 800-900 MHz SMR bands (the "Property") in Puerto Rico and the U.S. Virgin Islands and in two regions within the continental U.S., as shown in Exhibit 1 of the attached report. Pro forma pending acquisitions, Preferred has licenses for approximately 17.5 MHz of SMR spectrum in Puerto Rico and the U.S. Virgin Islands, an average of 2.0 MHz of gross population-weighted SMR spectrum in its CA portfolio and an average of 4.9 MHz of gross population-weighted SMR spectrum in its Washington DC/East coast portfolio. Because there remain some regulatory uncertainties regarding the actual unencumbered population base Preferred will eventually be able to serve in both Puerto Rico and its U.S. markets, KMA has given a *best case/worst case* valuation range to reflect Preferred's holdings at 100% of its licensed territories as well as at a reduced level, including only territories with currently fully cleared spectrum.

KMA was assigned to appraise the value of Preferred's spectrum licenses to a third party, not to assess the viability or value of Preferred's proposed operating business to be developed on this spectrum. The Opinion is supported principally by a Market Data or Comparable Sales valuation methodology.

Based on our review of Preferred Communications licenses, current market trends and analysis of selected comparable benchmarks, we conclude that the current fair market value of the 800-900 MHz SMR spectrum licenses owned by Preferred Communications Systems, is approximately **\$225.3 million in the best case scenario—consisting of \$83.6 million for the company's Puerto Rico/VI SMR spectrum, \$40.2 million for its CA spectrum and \$101.4 million for its Washington DC/East coast spectrum.** Further, we conclude that the current fair market value of its SMR licenses in the *worst case scenario* is approximately **\$153.6 million—consisting of \$72.9 million for the SMR spectrum in Puerto Rico/VI, \$26.0 million for the CA spectrum and \$54.8 million for the DC/East coast spectrum.** Our conclusions are more fully outlined within the enclosed Opinion report.

¹ Fair Market Value is defined as the price which a willing seller, who is not obligated to sell, would be willing to accept and the price which a willing buyer, who is not obligated to buy, would be willing to pay for the Property, in an all-cash transaction. Client understands and agrees, however, that due to fluctuations in the market and circumstances beyond KMA's control, KMA will make no warranty, either expressed or implied, that a buyer would pay the Fair Market Value of the Property.

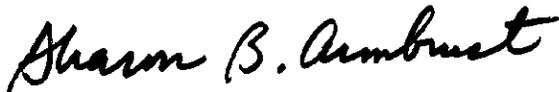
Charles M. Austin
PREFERRED COMMUNICATIONS CORPORATION
October 24, 2005
Page Two

We are qualified to complete this assignment by virtue of our 36 years of experience in providing research, consulting and valuation services to the communications and entertainment industries. During that period, Kagan analysts have appraised more than \$90 billion worth of media/communications properties on contract assignment. In addition, many more billions of dollars worth of such properties have been valued through regular informal analyses in **Kagan Research, LLC's** BROADBAND TECHNOLOGY, WIRELESS TELECOM INVESTOR, CABLE TV INVESTOR: DEALS & FINANCE and WIRELESS BROADBAND newsletters, devoted to valuing media/telecom companies and tracking financial trends in the media and communications industries.

It has been a pleasure to be of service to you in this matter. Please call if you have any questions.

Sincerely,

KAGAN MEDIA APPRAISALS

A handwritten signature in black ink that reads "Sharon B. Armbrust". The signature is written in a cursive, flowing style.

Sharon B. Armbrust
Authorized Signatory

REPORT

PREFERRED COMMUNICATIONS CORP. 800-900 MHZ SMR SPECTRUM LICENSES

PREPARED BY:

**KAGAN MEDIA APPRAISALS
ONE LOWER RAGSDALE DRIVE
BUILDING ONE, SUITE 130
MONTEREY, CA 93940
(831) 624-1536**

OCTOBER 24, 2005

STATEMENT OF LIMITING CONDITIONS

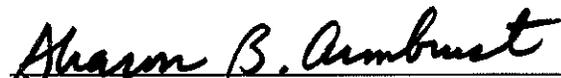
The opinions, conclusions and estimates presented in this report are based on our 36 years of experience in the communications and entertainment industries.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the assignor without the previous written consent of KMA or the assignor and in any event only with proper qualifications.

Unless previous written arrangements have been made, neither Kagan Media Appraisals, nor any officer of Kagan Media Appraisals, is required to give testimony or attendance in court, pretrial proceedings or arbitration by reason of having made, or participated in this report.

The reader is advised that this Statement of Limiting Conditions and the accompanying introductory pages are an integral part of the final report, which contains the details of our analyses.

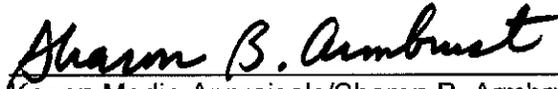
Signed:


Kagan Media Appraisals/Sharon B. Armbrust

RESTRICTIONS UPON DISCLOSURE AND USE

Neither all nor any part of the contents of this report, especially any conclusions as to value, or the identity of the firm with which KMA is connected, shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communications without the prior written consent and approval of the undersigned.

Signed:



Kagan Media Appraisals/Sharon B. Armbrust

QUALIFICATIONS OF APPRAISER

Sharon B. Armbrust, in her current capacity as senior consultant to Kagan Media Appraisals, has participated in the valuation of over \$65 billion of media and communications properties during the past 25 years. She has prepared and/or presented testimony and acted as an expert witness in cable TV, broadcast and wireless telecom-related litigations. Ms. Armbrust also organizes and co-moderates digital media and wireless telecom investment conferences held semi-annually by Kagan Seminars.

Ms. Armbrust is the former Kagan Research, LLC COO and senior financial analyst for a half-dozen of the Kagan group's investment newsletters, including *CABLE TV INVESTOR: DEALS & FINANCE*, *WIRELESS TELECOM INVESTOR*, *WIRELESS MARKET STATS*, and *TOWER INVESTOR*. She was also executive editor of a number of the Kagan group's special reports, including *The Cable TV Financial Databook*, *The Wireless Telecom Atlas & Databook* and *The Wireless Telecom Financial Databook*. She has been engaged in this business since April 1979, when she joined Kagan, shortly after it moved to Carmel, CA.

Prior to joining Kagan, Ms. Armbrust held financial positions in the retail clothing and data processing industries. She holds a bachelor's degree (BA) in German and French literature from the University of Michigan and a Master of Arts (MA) and Master of Arts in Teaching (MATS) from The Johns Hopkins University.

John Byrne is an analyst at Kagan Research, LLC, and the primary analyst responsible for Kagan newsletters covering the wireless telecommunications industry, including *WIRELESS TELECOM INVESTOR*, *WIRELESS MARKET STATS*, *WIRELESS BROADBAND* and *TOWER INVESTOR*. He is also a contributing analyst for a number of the Kagan group's special reports, including *The Wireless Telecom Financial Databook* and *The Wireless Telecom Atlas & Databook*. Mr. Byrne has worked for the Kagan group since 1999.

QUALIFICATIONS OF APPRAISER (Continued)

Mr. Byrne serves in the capacity of consultant to Kagan Media Appraisals, where he specializes in the appraisal and valuation of telecommunications properties.

Prior to joining Kagan, Mr. Byrne was Conference Director for The Center for Business Intelligence, a provider of B-to-B conferences in the fields of finance, telecommunications, energy and pharmaceuticals. Byrne is a 1989 graduate of Boston University and a 1994 graduate of the University of Baltimore School of Law.

OPINION REPORT

MOBILE WIRELESS INDUSTRY/TECHNOLOGY DEVELOPMENTS -IN U.S. & PUERTO RICO

After a stagnant 2001 and 2002, wireless subscriber growth returned to near-industry high levels in 2003 and 2004. Verizon Wireless and T-Mobile accounted for more than 40% of net new subscribers in that period, but nearly all carriers posted solid improvement on this metric. Total penetration of US population surpassed 60% in 2005. We estimate total penetration of the Puerto Rico population was approximately 51% at mid-year.

After years of speculation on what companies would merge, two mega-mergers were announced in 2004, reducing the number of U.S. national competitors from six to four. Cingular and AT&T Wireless announced in Feb. 2004 they would merge, while Sprint and Nextel announced plans to merge in December, 2004.

From an operational perspective, the mergers reduce the number of national networks to five: two GSM networks (Cingular and T-Mobile), two CDMA networks (Verizon and Sprint-Nextel) and one ESMR network (Sprint-Nextel). In Puerto Rico the count of competitors remains six, with Movistar and SunCom PCS (formerly Triton PCS) competing island-wide alongside the major carriers Cingular, Verizon/PR Telecom, Sprint-Nextel and Centennial. However, to date Sprint Nextel operates no iDen network in Puerto Rico.

Consolidation has been happening quietly for the past few years, particularly among Tier III carriers (carriers with 500K or fewer subscribers). The regional consolidation seen in small scale format recently is taking on a much larger scale in 2005, with the announcement by ALLTEL in Jan. 2005 that it would purchase Western Wireless. That move solidifies ALLTEL's position as the dominant U.S. regional player, covering one-quarter of all US pops and half the country in terms of square miles covered. In all likelihood ALLTEL will continue to roll up regional or local carriers struggling with paltry subscriber growth and declining roaming yields.

A number of regional carriers may be on ALLTEL's or other carriers' radar screens going forward. Two currently for sale are Midwest Wireless and Centennial. Others that could come on the block include Dobson, Rural Cellular or even US Cellular, the nation's sixth largest carrier in terms of total subscribers, pro forma for the pending acquisitions.

Next-Gen Network Buildouts

The long-awaited rollout of higher-speed networks is finally taking place after years of delay. The CDMA camp has come first to market with higher speeds, as both Verizon and Sprint embarked on aggressive rollouts of CDMA 1xRTT and EV-DO technologies in major markets in 2003 and 2004 respectively. By early 2005, Verizon had launched the high-speed service in 32 markets covering 75 million people, or one-third of the company's coverage area by population. The company will build out service to a total of 150 mil. people or approximately two-thirds of total coverage, by year-end 2005. Sprint began deploying EV-DO service in late 2004, with the majority of top metro markets slated for service in 2005 and 150 mil. pops deployed by early 2006.

Sprint and Nextel closed their merger in August 2005; however migration of Nextel customers onto Sprint's CDMA network will not begin until 2007 at the earliest. Originally Nextel had indicated that the vast majority of its subscribers would migrate to CDMA. The company needs to have combination CDMA/iDEN equipment in place to facilitate the transition.

The combined entity has indicated it intends to maintain its iDEN network, likely using in part 4 MHz of spectrum in the 900 MHz band. However, a substantial portion of Nextel's current subscriber base needs the high-quality, low-latency dispatch service available with iDEN technology, including public safety/emergency personnel and some vertical segments such as construction, which utilize the service. Because of this customer make-up and the requirement to serve them with the high quality push-to-talk (PTT) product available via iDEN, the newly merged company may only be able to migrate a minority of current Nextel subscribers to CDMA before 2008.

OPINION REPORT (Continued)

Sprint has already implemented a CDMA push-to-talk feature, noticeably inferior to the iDEN product today in terms of latency and aimed at more casual users. The questions of how inferior this technology may be and how many customers it will satisfy remain open. With the Nextel merger, Sprint will gain access to Qualcomm's QChat PTT service, of which Nextel has had the exclusive use of to date. The company expects that the upgrade to EV-DO revision A, scheduled in 2006, will improve latency, bringing performance of the CDMA push-to-talk product much closer to the iDEN experience. EV-DO revision A will also improve peak data speeds to 3.1 Mbps downstream and 1.8 Mbps upstream. Given the pace of previous technology upgrades, our expectation is that revision A could be delayed and the number of customers needing to be accommodated at 800 MHz and 900 MHz will remain high for the medium term.

Sprint Nextel has a goal of clearing 10 MHz of 800 MHz spectrum to implement CDMA at a frequency where the propagation is superior. While Sprint has historically operated in the 1.9 GHz space only, the combined company will likely take advantage of the better propagation characteristics at 800 MHz to improve coverage and capacity. This could result in a broader footprint area than presently exists because the economics of building out at 800 MHz are generally more favorable to carriers than at 1.9 GHz where roughly 2.5 times as many cell sites are required to approximate the same coverage as at 800 MHz. Net-net, the merger of Sprint and Nextel is supposed to result in the migration of a large number of Nextel's customers to 1.9 GHz CDMA over the late 2007-2008 timeframe in the continental U.S. However, with the anticipated buildout of CDMA coverage at 800 MHz, the company should begin to see an increasing portion of its 800 MHz capacity being used as well for CDMA in 2008 and beyond.

In Puerto Rico the situation is different for Sprint Nextel. There, Nextel brought relatively little 800 MHz SMR spectrum into the merger and no iDEN customer base. And Sprint operates exclusively in the 1.9 GHz band. The company could continue its current CDMA service as a standalone offering or wait to offer an iDEN-like service on the existing Sprint frequencies once the EV-DO Revision A work is completed. Counting the new spectrum Nextel won in the FCC Rebanding Proceeding, Sprint operates with 30 MHz of 1.9 GHz spectrum in Puerto Rico.

OPINION REPORT (Continued)

In the GSM camp, the combined Cingular-AT&T Wireless bandwidth, an average of 58 MHz across its US spectrum holdings, along with the deep pockets of parent companies SBC and BellSouth, allowed Cingular to announce its own high-speed upgrade to UMTS in June 2004. After trialing the technology in summer 2004, the company is now rolling out UMTS in 15-20 markets throughout 2005 and to the majority of top 100 markets by year-end 2006. UMTS operates in a 5 MHz channel but works best in 20-30 MHz of spectrum in two 10 MHz or 15 MHz paired channels. The company intends to integrate HSDPA (high-speed downlink packet access) capability to the UMTS platform as it deploys.

HSDPA promises maximum throughput up to 14.4 Mbps on a 5MHz channel, but Cingular's expectations for actual throughput are much lower, averaging 400-700 kbps. If those speeds can be achieved, Cingular would be in a position to slightly outperform EV-DO offerings from Sprint and Nextel. Early testing of HSDPA has been promising—Cingular and Lucent announced in Jan. 2005 they had conducted their first successful call using HSDPA-enhanced UMTS network in Atlanta. The test delivered sustained over-the-air data rates in excess of 3 Mbps, albeit on an empty network.

T-Mobile, which pro forma for the Cingular-AT&T Wireless and Sprint-Nextel mergers will be at a distinct disadvantage in terms of bandwidth, has indicated that it will roll out EDGE service to 90% of its network in 2005; however, the company's CEO conceded in Sep. 2005 that any rollout of UMTS will not come until 2007 at the earliest. Even then, T-Mobile will need to supplement its current spectrum holdings in order to free up the minimum 10 MHz of free spectrum that a UMTS deployment will require. In reality, T-Mobile has indicated that it would want 30 MHz of available spectrum to consider rolling out UMTS.

Faster network speeds and better devices have ushered in the long-hoped-for growth in wireless data services that the industry has been predicting for at least five years. We estimate US carriers posted over \$7 bil. in combined revenue from wireless data in the first half of 2005, and while the majority of that revenue continues to come from low-tech text messaging, usage of more

OPINION REPORT (Continued)

sophisticated applications like downloadable games and polyphonic ringtones is also seeing a strong upward trajectory in usage and revenues. Both Sprint and Verizon have deployed wireless video service and Nokia and Qualcomm are both hard at work creating infrastructure to bring these services up to 30 frames a second, on par with TV service.

With three out of the four national carriers now committed to building out true high-speed wireless data networks and a variety of compelling form factors and data applications now available, carriers will experience an increasing portion of their network traffic in the form of megabytes and not voice minutes.

But the traditional mobile wireless industry—cellular, PCS, ESMR—will not have the new broadband data field to itself for too long. There is a persistent industry push towards standards certification and deployment of a so-called 4G solution, WiMAX, being spearheaded by silicon manufacturer Intel and equipment vendors including Samsung, Lucent, Nokia, Ericsson and Motorola among others.

WiMAX proponents plan to have equipment supporting wide-area, super high-speed, fixed broadband using a common standard—802.16—in the 2006 time-frame and follow on with WiMAX for mobility (802.16e) in the 2007-08 time frame. Some equipment vendors are forecasting earlier roll-outs in both areas. The most likely spectrum to be used in the U.S. and internationally is 2.5 GHz. Sprint Nextel and Cingular both have substantial amounts of this spectrum available to them. The hype factor is huge around WiMAX, but it could be a potent disruptive technology for the traditional mobile wireless competitors. Delays in the certification process have emboldened skeptics who question WiMAX's impact in the field; however the industry is not waiting for a formal process to have WiMAX products in place, with the first WiMAX equipment already being delivered in 2005. Clearly WiMAX equipment is coming. However, the larger question is, with wireless carriers now accelerating their capabilities to provide both portability and mobility at reasonably high speeds, whether WiMAX for mobility will come to fruition in time to effectively exploit its potential for higher speeds and greater range at lower cost.

Subscriber, Revenue Growth Continue

We forecast mobile wireless subscribers to increase from 184 mil. at year-end 2004 to 273 mil. in 2013. That represents nearly 85% of total population in 2013. On the face of it that seems unrealistic considering that roughly 14% of US pops are below the age of 10, however, our projections assume a significant portion of the population will have more than one device.

We also project continued growth in minutes of use. On a per unit basis, MOUs per customer have grown steadily for years as customers continue to find reasons to reach for their wireless phone. We estimate customers were using nearly 600 minutes/mo. on average at year-end 2004 and expect that number to grow to nearly 1000 in 2013 as an increasingly large segment of wireless subscribers replace wireline minutes with wireless.

Conservatively, we see the total U.S. wide-area mobile wireless industry generating approximately \$125 bil. in revenues for 2005, growing to nearly \$200 bil. by 2013. During that time, we expect wireless data services to account for an increasing portion of revenues, growing from 7% to 17%, with 42% of wireless subscribers utilizing wireless data services over time.

BACKGROUND: PREFERRED COMMUNICATIONS SYSTEMS

PUERTO RICO

Preferred Communications Corp., formed in 1998, has aggregated over 7 MHz of spectrum in Puerto Rico in the 800 MHz SMR band through a combination of site-specific license purchases and winnings from the FCC SMR Auction #34, concluded in September, 2000. Its holdings include 125 island-wide and 19 site-specific channels. Additionally, Preferred has two acquisitions pending. The first is a stock acquisition of North Sight Companies for 64 channels in Eastern Puerto Rico and 50 channels covering Western PR, plus 38 SMR channels in the U.S. Virgin Islands and another 30 narrowband channels at 900 MHz equivalent to 15 800 SMR channels. The second deal involves a purchase from Crown Castle Intl. of Puerto Rico for site-specific licenses: 38 island-wide 800 MHz SMR channels and 10 SMR channels for the Eastern half of PR.

OPINION REPORT (Continued)

Pro forma these two acquisitions, Preferred will have 335 800 MHz SMR channel licenses for Eastern Puerto Rico and 308 channel licenses for Western Puerto Rico, 248 channel licenses covering the U.S. Virgin Islands and 30 900 MHz SMR channels covering both Puerto Rico and the U.S. Virgin Islands. This will give Preferred an effective 17.5 MHz of spectrum in Puerto Rico, including both its island-wide licenses and a number of site-specific licenses, not all of which have definitively been ruled as clear and unencumbered pending the resolution of certain litigation and FCC regulatory proceedings.

On the client's instruction, we have valued Preferred's total pro forma portfolio of licenses in Puerto Rico/U.S. Virgin Islands. We have used 3.98 million as the estimated *best case* 2005 aggregate population for Puerto Rico/U.S. Virgin Islands in our analysis. That equates to 69.704 million MHz pops. Should Preferred not be able to clear any of the currently encumbered or disputed spectrum, that measure declines to 60.712 million MHz pops for the *worst case*. These two levels were used to bookend the range of values concluded for the Puerto Rico/VI licenses.

STATESIDE U.S.

In the continental United States, Preferred Communications' licensed SMR spectrum came from its participation in Auction #34 in which it won 33 frequency blocks in nine markets with more than 27 mil. 2005 pops. It covers a population of 13.9 million in four markets in California and 13 million in five markets on the East Coast in Washington, DC and surrounding Virginia and West Virginia markets. On average Preferred has the equivalent of 4.9 MHz of population and MHz weighted spectrum in the East Coast group and 2.0 MHz in CA, where its bandwidth in its largest market—San Francisco-Oakland—is just 1.2 MHz. There are, however, metropolitan site licenses occupied by other companies, primarily Nextel, within the licensed territories secured by Preferred in that auction. Were this spectrum to be developed without resolving these territory carve-outs, it would dramatically reduce the effective population that Preferred could serve. Counting the entire populations, Preferred has licenses covering 27.751 million MHz pops in CA and 63.780 million MHz pops in the East Coast group (the *best case* levels). Subtracting all of the populations covered by non-owned site licenses, it has access to 17.908 million MHz pops in CA and 34.392 million MHz pops in its East Coast group (*the worst case* levels).

MARKET DESCRIPTION FOR PUERTO RICO

The combined Puerto Rico/U.S. Virgin Islands market is comprised of almost 4.0 mil. pops. The island's inhabitants are primarily concentrated in a few metropolitan areas, including San Juan, Mayaguez, and Ponce. Puerto Rico is densely populated, at 1,147 pops/square mile compared to just 84 pops/square mile on average across the entire US.

Puerto Rico has a younger population compared to mainland US. Based on 2000 census estimates, 54% were below the age of 34 and median age was just over 32 years. By contrast, the US median age was 36 years using 2004 figures, with only Utah averaging below Puerto Rico, and just under half the total US population is below 34 years of age.

In terms of median household income, Puerto Rico is substantially less prosperous than the overall US average. At \$14.4K, the island's median household income is substantially less than the US average of approximately \$39K. However, that's offset in part by the lower cost of living on the island.

Unlike the U.S. states, which have their income poverty level set by the Department of Human Services and Census Bureau, Puerto Rico defines its own poverty income level, at roughly half the U.S. average. As defined by Puerto Rico, approximately 44% of the island's families fall below the poverty line. The island's unemployment rate, at nearly 12% currently, stands substantially higher than the current U.S. average of 4.9%.

In contrast to the mainland U.S., which has seen manufacturing jobs disappear over the past several decades, the manufacturing sector remains strong in Puerto Rico, accounting for 42.1% of total employment. Industries taking advantage of the island's cheap wages include the pharmaceutical, electronics, textile, petrochemicals and processed foods industries. Wages remain low compared to mainland U.S., averaging \$8.08/hour. Other major job sectors include trade, which accounts for 11.6% of total employment using 2003 figures and services, including tourism, at approximately 10%.

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Despite Puerto Rico's lack of prosperity compared to the mainland U.S., it remains a highly competitive wireless market, characterized currently by six major competitors. In general, the wireless industry's growth has been spurred by the poor state of the wired telephone infrastructure in many areas that has prompted a higher number of the island's residents to use their wireless handsets as their only phone line. Across the board, carriers report substantially higher usage than U.S. carriers, frequently at over 1,000 minutes of use per handset compared to the current average of approximately 600-1000 MOUs/mo. reported by most U.S. carriers.

Overall we estimate the Puerto Rican market has achieved just over 50% penetration of total pops, higher than any other Caribbean nation but lagging behind total U.S. penetration of approximately 65%. However, the dynamics at play in Puerto Rico differ from in the mainland US. In general terms, subscriber growth in mainland US over the past five years has been primarily among postpaid subscribers, and the industry is now turning to a number of prepaid and pay-in-advance offerings to achieve incremental penetration. By contrast, the Puerto Rican story has been largely one of prepaid growth historically, but that has changed recently. Several carriers have seen postpaid growth dominate over the past year while prepaid growth has slowed.

Among the six competitors on the scene in Puerto Rico, three are affiliated with the major U.S. carriers, Verizon, Cingular and Sprint. Two others are owned by regional U.S. carriers Centennial and SunCom PCS, while the sixth is owned by a Puerto Rico company, Clearcomm and Spanish operator Telefonica.

Cingular has been an active player in Puerto Rico since purchasing Cellular Communications of Puerto Rico in May 1999. At the time that merger was consummated, CCPR had approximately 370K customers and we estimate Cingular may now have approximately 500K customers. Cingular has upgraded the island's network to GSM technology and is likely to deploy high-speed data service using UMTS and HSDPA technology in the next two years.

Verizon also plays a prominent role in Puerto Rico, thanks to its affiliation with the dominant incumbent telephone operator, Puerto Rico Telephone Company. The wireless operation of PRTC

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is 52% owned by Verizon. The carrier, rebranded as Verizon Wireless in 2002, was the first competitor on the scene and remains closely linked with the island's incumbent telephone operator. PRTC has invested \$113 mil. since 2001 overlaying CDMA onto the legacy TDMA network, and is currently in the process of deploying high-speed EV-DO service.

At mid-2005, PRTC reported 444K total subscribers, 77% of whom are postpaid subscribers. Over the past year, the company's prepaid base has shrunk by 3K while postpaid customer base has jumped 101K. Postpaid customers paid a respectable \$51/mo. on average in the second quarter of 2005, though down \$7/mo. from the prior year period, a reflection of the highly competitive environment.

Centennial Communications is likely the third largest carrier on the scene in Puerto Rico, offering CDMA coverage. Centennial claims to have the largest coverage area among Puerto Rican operators.

Centennial claims 659K Caribbean customers, including those in the Dominican Republic and U.S. Virgin Islands as well as Puerto Rico. The company has reported significant postpaid growth recently in Puerto Rico and we estimate that the company's Puerto Rico base stands at approximately 410K.

Significantly, Centennial reports postpaid ARPU in Puerto Rico at \$71/mo., a strong indication that its product is being used as customers' primary communications device, with usage well in excess of 1000 minutes per month. We estimate approximately 75% of Centennial's Puerto Rico base is now on postpaid service.

Sprint has also been a long-time competitor in Puerto Rico, providing CDMA coverage. Like PRTC, Sprint can be expected to deploy high-speed EV-DO service soon. We estimate Sprint could have approximately 250K Puerto Rico subscribers.

SunCom PCS, which purchased the operations of AT&T Wireless at the end of 2004, reported 249K customers at 6/30/05, with the bulk of recent growth in contract customers. The SunCom brand name has already been seen in Puerto Rico, as another AT&T Wireless affiliate,

OPINION REPORT (Continued)

TeleCorp PCS, provided SunCom-branded service prior to being purchased by AT&T Wireless in 2001.

PUERTO RICO WIRELESS CARRIER COMPETITION SUMMARY			
Carrier	Subscribers	Total Pops Penetration	Market Share
	(000)	(%)	(%)
Cingular	500	12.6%	24.4%
Verizon Wireless/PRTC	444	11.1%	21.6%
Centennial	410	10.3%	20.0%
Sprint	250	6.3%	12.2%
SunCom PCS	249	6.3%	12.1%
Movistar	200	5.0%	9.7%
Total	2,053	51.5%	

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We estimate Movistar, which has been providing service in Puerto Rico since October 2000, is the smallest of the six carriers, with approximately 200K CDMA customers.

All in, we estimate there are just over 2 mil. Puerto Rico subscribers, representing 51.5% penetration of total residents.

APPRAISAL METHODOLOGY

Fair Market Value, as used in this report, is defined as the amount, at a certain date, in cash or equivalent, that a willing buyer could reasonably be expected to pay and a willing seller could reasonably be expected to accept, if the property were available for sale in the open market for a reasonable period of time, both buyer and seller being in possession of relevant facts and neither being under compulsion to act.

The valuation of a business traditionally involves the use of one or more of the following three approaches:

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1. Replacement Cost Approach
2. Market Data (comparability) Approach
3. Income Approach

Under certain circumstances, it is not always possible or appropriate to apply all of the aforementioned approaches to value, due to special purpose or use characteristics of a given business or asset.

In the case of Preferred Communications spectrum, we have chosen the Comparability or Market Data approach to determine fair market value. Wireless spectrum is readily traded in the open market. The raw spectrum bought and sold could be put to use in a variety of business applications, as long as the frequencies are authorized for flexible use by the FCC. This accounts in part for the often widely disparate price points at which raw spectrum has been valued in the private marketplace over the past 10 years. Other critical determinants of spectrum value at different points in time are the state of the financial markets, the available supply of spectrum and the development stages of business applications able to make use of that available spectrum.

Preferred Communications has not yet evolved its operating business that will be supported by the spectrum licenses described above. Therefore, KMA's assignment was to assess the value to a third party of the raw spectrum licenses held by Preferred Communications, not the operating business that is Preferred Communications' model. Thus, we believe that the Market Data/Comparability Approach is the most appropriate technique for valuing this asset.

COMPARABLE SALES ANALYSIS

A valuation by this method is derived by direct comparison of the subject properties with other properties of similar size or type or intended use that have been relatively recently offered for sale. Kagan Media Appraisals typically uses this methodology in its valuation appraisals.

OPINION REPORT (Continued)

We chose market data from three transactions in our valuation of the Puerto Rico licenses:

1. Carrying value of SMR licenses owned by Nextel Partners at June, 2005
2. Valuation of 800 MHz SMR spectrum and 1.9 GHz spectrum in FCC Rebanding Proceeding August, 2004
3. PCS Auction #58 completed February, 2005

We reviewed the whole body of recent PCS spectrum sales in our valuation of the U.S. stateside license groups via a:

1. Statistical Analysis of recent PCS raw spectrum sales using demographic profiles; complemented by,
2. Analysis of selected sales data from Auction #58

In both instances, we have relied heavily on activity in the 1.9 GHz PCS band for our comparative analyses. While Preferred's spectrum is in the SMR band, not the PCS or cellular bands, the spectrum has and is being used by its primary holder—the former Nextel, now Sprint Nextel—to compete directly with cellular and PCS carriers. Thus, sales of raw PCS spectrum are the most directly relevant to the value of Preferred's SMR spectrum and represent the highest and best use of the spectrum at the current time. It is also true that wireless carriers generally prefer the lower frequency bands for their better propagation characteristics which implies a valuation advantage for Preferred's ESMR spectrum holdings vis a vis 1.9 GHz.

PUERTO RICO COMPARABLE SALES ANALYSIS

Nextel Partners' Book Value of its 800 MHz SMR Spectrum

Sprint Nextel owns the majority of 800-900 MHz SMR spectrum in the U.S. as has current plans to continue Nextel's very successful iDEN service to its customers on those frequency bands for at least the next 3 years. At the same time, Sprint Nextel has very limited 800 SMR spectrum in Puerto Rico, but has 30 MHz of 1.9 GHz PCS spectrum on the island, somewhat less than its peer competitors. Therefore, it represents an obvious potential buyer of Preferred Communications' 800 MHz SMR spectrum. Insight into a carrier's cost to acquire spectrum over time can be gleaned via a

OPINION REPORT (Continued)

review of the carrying value of its intangible assets (FCC licenses) in the company's financial statements. Nextel's carrying value of FCC licenses includes a wide variety of frequency licenses acquired over a decade long period. By contrast, Nextel Partners acquired the vast majority of its spectrum at a single point in time.

We chose to review the carrying value of Nextel Partners' licenses as a possible comparable for Preferred's PR/VI spectrum because it has a pure SMR spectrum asset base and a relatively similar amount of spectrum to Preferred in Puerto Rico, before Preferred's pending acquisitions. At June 30, 2005, Nextel Partners reported \$384.3 million of gross intangible assets (unamortized), representing its FCC licenses. At the same time the company had 53.3 million pops (population units) under franchise and an average of 10 MHz of licensed 800 MHz spectrum per market across that population base. That yields a carrying value for its spectrum of 72 cents/MHz pop (\$384.3 mil./53.3 mil./10 MHz). The carrying value of Nextel Partners on its books was in large part set five years ago when Nextel and Partners concluded their affiliation agreement. In the interim, mobile wireless spectrum prices have experienced a steep decline in value followed by a substantial but in many cases still partial recovery. Yet, it is noteworthy that Nextel Partners, which stopped amortizing its licenses in 2002 in accordance with new FASB rules, has never been required to restate its license values downward since that date. Dividing all PCS spectrum sales for the past 2.5 years into two groups, based on their demographic profiles (as we do below in the U.S. license analysis), the lower demographic group of sale markets has an average demo score (Kagan Demographic Index or KDI) of 34.7 compared to Puerto Rico's demographic score of 30.8. This group of market licenses sold on average for 74 cents/MHz pop, similar to the carrying value of Nextel Partners' unamortized licenses, which would in turn point to a similar value for the PR SMR licenses on a MHz pop basis. That said, there are two reasons why the Preferred spectrum in Puerto Rico deserves to be valued at a premium to Partners' book value of its licenses—a) Preferred will have 70% more spectrum on average than Nextel Partners once it completes its pending acquisitions. There is not necessarily a direct correlation to value here as Partners claims to have sufficient spectrum to effect its business plan in its exurban markets. This will nonetheless represent an advantage in Puerto Rico, where the

OPINION REPORT (Continued)

population density of San Juan (representing one-half the island population) rivals New York City at over 1K pops/square mile. b) As mentioned earlier, pro forma Nextel's receipt of new spectrum from the FCC proceedings, Sprint Nextel has 30 MHz of 1.9 GHz spectrum in Puerto Rico, as compared to the 35-45 MHz of spectrum its primary competitors have under license. And even more motivating is Nextel's limited number of 800 MHz ESMR licenses and geographic coverage capabilities in Puerto Rico; it has not yet been able to launch its traditional ESMR service offerings. Given that Sprint Nextel represents the most obvious potential buyer for this spectrum and has acknowledged that it values the better propagation traits of the 800 MHz spectrum, a supply/demand premium is in order. To reflect these two advantages, we have increased the Nextel Partners book license value by 35% (10% for higher spectrum count and 25% for supply/demand premium), yielding a possible comparable for Preferred's Puerto Rico SMR licenses of \$0.97/MHz pop.

FCC Valuation of 800 MHz Spectrum Exchanged in Rebanding Proceedings

In August, 2004, following three years of deliberation, the FCC concluded on values for the various strips of spectrum that Nextel would relinquish and that the government would distribute to Nextel in an exchange intended to resolve serious interference issues in the SMR band. The FCC settled on \$1.70/MHz pop for both the 1.9 GHz nationwide license and 800 MHz spectrum to be given to Nextel and the contiguous category 800 MHz spectrum to be given up by Nextel. That conclusion was derived from averaging the two largest PCS spectrum sales in late 2002 and 2003—Northcoast's sale of spectrum to Verizon in Dec. 2002 and Nextwave's sale to Cingular in Aug. 2003.

In this proceeding, the FCC valued Nextel's SMR spectrum at the same level as the greenfield 1.9 GHz spectrum the FCC was releasing, underscoring the comparability in its view of these two frequencies. However, Preferred's SMR spectrum in Puerto Rico is not a nationwide license, rather more like a regional license, the market demographics in Puerto Rico are for the most part distinctly inferior to the U.S. and in all likelihood, Preferred has only one obvious buyer for its Puerto Rico spectrum, whereas the 10 MHz of 1.9 GHz spectrum had many interested parties and its value was in fact based on prices achieved in open auctions of high-profile U.S. market licenses. To

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reflect these disparities, we made several adjustments to the FCC comparable. First, we reduced it by 30% related to the market demographics. Based on the very low income and very high unemployment levels in Puerto Rico, this discount might reasonably have been higher. However, the health of the current wireless industry in Puerto Rico points up the high value ascribed to reliable communications on the island where landline service is under par and confirms that viable customers are willing to spend a high percentage of disposable income to secure service. We reduced the FCC comparable by 15% related to the enhanced desirability of a national license and 10 MHz of clear spectrum to multiple U.S. carriers. Offsetting those reductions, we increased the comparable sale price by 25% to take into account Sprint Nextel's stated interest in the better propagating 800 MHz spectrum for its business models, its slightly disadvantaged overall spectrum position in Puerto Rico and Nextel's inability thus far to launch an enhanced ESMR business in Puerto Rico for lack of appropriate spectrum. That net 20% reduction in the transaction price of this spectrum yields a possible comparable sale value for the Puerto Rico spectrum of \$1.36/MHz pop.

Valuations of PCS Spectrum in Auction #58 February, 2005

In Auction #58, concluded last February, 242 licenses were available and the FCC successfully auctioned 217 licenses covering 114 markets. 25 licenses went unsold, 17 of which were open to general bidding and another eight that were reserved for qualified entrepreneurs. There were 91 rounds in total.

The auction garnered \$2.25 bil. in gross proceeds, and just over \$2 bil. after factoring in bidding discounts. In total, licenses were sold, covering 221 mil. duplicated pops and 102.8 mil. pops after accounting for overlaps. The average price/MHz pop was \$0.92 on a weighted average basis. That was down 74% and 78% respectively from highest bids obtained in Auction #35, which ended four years ago, although several markets where heavy bidding prevailed surpassed the old Auction #35 high water mark.

The licenses for sale in this auction were an odd lot—no regional clusters, primarily second tier, lower demographic markets and mixed amounts of spectrum per market set against the very

OPINION REPORT (Continued)

targeted needs of the auction bidders. Where there was little spectrum available and/or multiple bidders and a specific carrier need, price points were well above the overall average. But that was the case in a minority of the markets. Wirefree Partners, an Auction #58 bidder with ties to Sprint, bid on and won a 10 MHz license in the Virgin Islands, paying 70 cents/MHz pop.

We believe that the average price yielded in Auction #58 is a viable comparable for Preferred's Puerto Rico spectrum. It represents contemporary sales and the circumstances which impacted pricing there, while varied and sometimes different from Puerto Rico's situation, can be a surrogate for some of the deficits—like weak demographics and a limited buyer pool-- that affect the values in Puerto Rico. We did, however, adjust this comparable sale point up by 25% to reflect the motivated status of the primary potential buyer of Preferred's spectrum. Applying the weighted average price in Auction #58 to the Puerto Rico SMR spectrum increased by 25% indicates a possible comparable value for it of \$1.15/MHz pop. The price point at which the Virgin Island license was won, at about two-thirds of this value, dovetails with and supports this conclusion as well when one takes into account the Virgin Islands' small size, limited strategic significance and weaker demographic profile as compared to Puerto Rico.

Three different comparable sales analyses incorporating multiple markets valued within the past 14 months pointed to a range of values between \$0.97-1.36/MHz pop for the SMR licenses in Puerto Rico/VI. The average of the three is \$1.16/MHz pop. But given the fact that the Nextel Partners' book value was actually set some time ago, we have underweighted that comparable transaction and rounded up the value to \$1.20/MHz pop. Therefore, we conclude that the current fair market value of Preferred's 800/900 MHz SMR licenses in Puerto Rico and the U.S. Virgin Islands—using the *best case* MHz pop total of 69.704 million MHz pops-- is approximately \$1.20/MHz pop or \$83.645 million for the company's pro forma portfolio of 17.5 MHz of spectrum covering almost 4.0 million pops. Using the *worst case* scenario of 60.712 million MHz pops (87% of total), the value drops to \$72.854 million.

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U.S. STATESIDE MARKETS COMPARABLE SALES ANALYSIS

Statistical Demographic Analysis of Recent PCS Spectrum Sales

As a starting point for valuing Preferred's licenses in the continental U.S., we selected the majority of PCS raw spectrum sales (excluding liquidation bankruptcy transactions) that have occurred in the U.S. during the past 2.5 years (2003, 2004, 2005) and ranked these in a statistical comparable sales analysis, relating key demographics for each market to the actual sales prices of licenses in those markets. The list of sales used is attached to this report as Exhibit 2.

As shown below, we have aggregated and quantified certain relevant demographic statistics for these comparable sale markets (using the Kagan Demographic Index) and then paired the results with the actual sale prices for these same properties in the private marketplace. This exercise confirms the generally close relationship between market demographic statistics and raw license values. We then applied these data to impute a value for Preferred Communications' license groups in California and on the East Coast.

Kagan Research, LLC maintains a demographic database for all 493 Basic Trading Areas (BTAs) in the country. These are the geographic territories for which the FCC has auctioned multiple PCS licenses per market for use in the development of wireless telecom networks. The Kagan Demographic Index (KDI) measures and ranks each market by a series of relevant economic and demographic statistics that have proven to be good indicators of market potential in the wireless telecom industry. Wireless carriers have historically relied upon these statistical indicators in assessing that potential, and by derivation the value, of individual licenses for the various markets. In the early years of wireless, these data were useful barometers for estimating how fast wireless subscriptions would proliferate. Now that the use of mobile wireless is becoming almost universal, the indicators help identify market prospects for higher usage and more consumption of the new digital services on offer.

Using the most current available demographic and economic data, for each BTA market in the country (excluding BTAs 488-493 covering Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Northern Mariana Islands), the Kagan Demographic Index, included in

OPINION REPORT (Continued)

Exhibit 3, weights and scores the following market statistics on a scale from 1 to 100, with 100 being the highest theoretical score:

- 1) population size (10% weighting);
- 2) population growth rate (22.5%);
- 3) population density (20%);
- 4) median household income (7.5%);
- 5) percentage of households with annual income of \$50K or more (20%); and,
- 6) concentration of "high profile pops," defined as percentage of the market's workforce employed in industry sectors identified as wireless-centric: real estate, transportation, professional services, agribusiness, and finance/insurance (20%).

In our comparable study, using the KDI, we arrayed the demographic profile score for each comparable sale property against the price/MHz pop at which each property sold, creating a demographic/price matrix against which the Preferred license groups could be compared. The table on the following page summarizes the KDI score for each comparable sale group and for Preferred's CA and East Coast group of properties. It also shows the actual price paid/MHz pop in each comparable sale transaction.

The demographic scores range from a high of 69.7 for the New York market where NextWave sold 10 MHz to Verizon in July, 2004 and a low of 29.2 for the single market sale of Columbus, GA, transferred last year from Leap to Cingular. Preferred's portfolios of licenses have weighted KDI scores of 46.8 in the East and 46.34 in CA, both above the median score for this group of comparable sales.

OPINION REPORT (Continued)

PREFERRED DOMESTIC PORTFOLIO LICENSE EVALUATION, PRICE/MHZ POP & KDI INDEX (SORTED BY KDI INDEX)

Seller	Buyer	Date	Markets	Sale Year Population (000)	Weighted KDI Index	MHz Price/ Pop \$	Change in Price/MHz Pop per Point Ch. in KDI
NextWave	Verizon	7/04	New York, NY (#321)	20,202	69.69	4.60	
NextWave	Verizon	11/04	23 BTAs	74,507	54.92	2.80	
NextWave	Cingular	8/03	34 BTAs	83,053	50.67	1.62	
Cingular	T-Mobile	5/04	3 CA/NV BTAs	11,537	50.35	1.56	
MetroPCS	Verizon	3/05	San Fran-Oak-SJ, CA	7,459	50.24	3.08	
Cingular	MetroPCS	12/04	Dallas, TX (#101)/Detroit, MI (#112) BTAs	10,953	49.46	2.10	
NextWave	MetroPCS	7/04	Sarasota-Bradenton, FL (#408)	680	45.09	1.25	
NextWave	MetroPCS	7/04	Tampa-St. Petersburg, FL (#440)	2,821	44.63	1.24	
Centennial	Verizon	8/04	2 IN BTAs	1,925	43.51	1.25	
FCC	Nextel	7/04	National license	294,402	43.37	1.65	
Averages for Sales above KDI Midpoint score of 43:					50.19	2.11	
Qwest	Verizon	7/04	61 Western BTAs	31,415	42.26	1.00	
US Cellular	MetroPCS	9/04	Daytona Beach, FL (#107)	537	40.81	0.79	
AT&T Wireless	Centennial	7/03	8 MI/IN BTAs	4,185	38.26	0.47	
Urban Comms	Verizon	1/05	10 NC BTAs	3,999	37.94	0.93	
Urban Comms	Triton PCS	10/04	20 SC/NC/VA BTAs	7,627	37.00	1.20	
Leap Wireless	Verizon	3/05	20 BTAs	8,040	33.11	1.00	
Sunshine PCS	Cingular	8/03	3 FL BTAs	993	32.51	0.92	
American Wireless	Verizon	12/03	2 AR BTAs	1,136	30.76	0.68	
US Unwired	CellSouth	8/03	3 MS BTAs	73	29.82	0.42	
AT&T Wireless	Rural Cellular	6/03	11 BTAs	1,951	29.76	0.37	
Leap Wireless	Cingular	3/04	Columbus, GA (#92)	367	29.20	0.36	
Averages for Sales below KDI Midpoint score of 43:					34.68	0.74	
Differential btw. High/low KDI Averages and High/low Avg. Price/MHz Pop					15.52	1.38	
Ratio between KDI and Price/MHz Pop Differentials							\$ 0.089
Preferred Stateside Portfolio KDI and Implied Value/MHz Pop				26,942	46.48	\$ 1.79	
Eastern Portfolio KDI and Implied Value/MHz Pop				12,995	46.34	\$ 1.77	
California Portfolio KDI and Implied Value/MHz Pop				13,947	46.80	\$ 1.81	

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OPINION REPORT (Continued)

To calculate a possible value for the Preferred U.S. licenses based purely on demographics and at the same time smooth out some of the pricing anomalies that are normal in the private marketplace, we created two single averages of the statistics for all market transactions--one for the group above and one for the group below the KDI midpoint score of 43 for all 488 U.S. BTAs.

We averaged both the KDI scores and the Comparable Sale price points for the markets with over a 43-point KDI score and for those with under a 43-point KDI score and we used these two averages to establish bookends for the Comparable Sale KDI scores and price points.

At the top end of the KDI scale are 10 transactions with an average KDI score of 50.19 and an average price/MHz pop of \$2.11. At the bottom half of the KDI scale are 11 transactions with an average KDI score of 34.68 and an average sale price/MHz pop of \$0.74. The difference from the top of this demographic valuation scale to the bottom is 15.52 KDI points and \$1.38/MHz pop in value.

That represents a ratio between the KDI scores and the prices/MHz pop of 8.9x (1.38 divided by 15.52 = \$.089). In other words, each point on the KDI scale represents 8.9 cents/MHz pop of value.

The following table summarizes the calculations used to value Preferred's licenses in the aggregate within this valuation matrix.

PREFERRED U.S. LICENSE VALUE BASED ON KDI ANALYSIS

	Avg. Price/ MHz Pop (\$)	Avg. KDI Score	Price Chg./ MHz Pop (\$)
Markets with KDI>43.0	2.11	50.19	
Markets with KDI<43.0	0.74	34.68	
Difference (rounded)	1.38	15.52	0.089
Implied Price for Preferred East (\$/MHz pop)	1.77	46.34	
Implied Price for Preferred CA	1.81	46.80	

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OPINION REPORT (Continued)

The Preferred CA licenses have a KDI score of 46.80, 3.39 points below the upper half KDI average of 50.19 and 12.12 points above the lower half KDI average of 34.68. That translates into an implied value/MHz pop of \$1.81, \$0.30 below the upper group average price/MHz pop (all numbers rounded). The Preferred East group licenses have a similar KDI score of 46.34, 3.85 point below the upper half KDI average score of 50.19. That translates into an implied value/MHz pop of \$1.77

There are, however, two additional factors that we took into consideration in comparing Preferred's U.S. spectrum holdings to the contemporary sales—a) the average amount of spectrum Preferred has in each of its coastal groups, and b) the size and makeup of the presumed buyer pool.

In both CA and in the East group, we believe that the top metros—San Francisco and Washington DC—will drive any valuation of these clusters because the density of these markets and greater demand and competition for services in the major metros enhances spectrum value. As such, the 4.8 MHz of spectrum in Washington DC is materially more attractive than the 1.2 MHz in San Francisco-San Jose. A 5 MHz swath of clear spectrum has always been viewed as the minimum amount in which to plan any overlay technology implementation, although most carriers are seeking to clear 10-15 MHz for assorted 3G upgrades. On average, weighted by pop counts and available MHz per market, Preferred has 4.9 MHz in its East group and 2.0 MHz across its CA cluster. Both amounts must be viewed as supplemental spectrum (not sufficient amount on which to launch a standalone business), with the East coast amount simply being substantially more fulsome. However, if the spectrum demand is sufficient, such discounts are often not applied in practice. To reflect these countervailing elements we reduced the implied value indicated in the KDI comparable analysis by a net 5% for the East group licenses and by 15% in the CA licenses.

Whatever demand there is for Preferred's stateside spectrum, as noted earlier, we expect it to be driven either exclusively or in very large part by a single potential buyer. And this increases the probability of a less efficient market for the theoretical sale of this spectrum. There are other operators in both regions that have a notable need or demonstrated interest in acquiring more

OPINION REPORT (Continued)

spectrum, like T-Mobile in DC and ALLTEL in some of the surrounding VA-WV markets. We have less confidence that these traditional cellular/PCS spectrum holders would be highly interested in supplemental spectrum in the SMR band. They have no history of SMR spectrum purchases and there are several upcoming auctions of spectrum for advanced wireless services that could also satisfy their appetites. Auction #58 already served this purpose in a limited way within Preferred territories. Seven BTAs geographically within the Preferred East coast EAs were included in the auction. There was lively bidding for areas within the Richmond and Roanoke EAs and Cingular, Verizon and Sprint, or related parties all came away with more spectrum in those markets. (A table showing spectrum holdings for the major carriers in Preferred's BTAs in CA and in the East is included in Exhibit 3.) As said, however, a significant shortfall in spectrum for any of these traditional cellular/PCS carriers could override their historical bias.

And whether or not cellular carriers were to come to the table, we expect Sprint Nextel to continue to need and to buy more spectrum and for Nextel's SMR band spectrum crunch to continue in the near term (2005-2008) while the transition of its customer base and the public service users is effected. Later, it may be resolved via the delivery of a dual mode iDEN/CDMA phone and an upgraded CDMA push-to-talk solution. Nextel's interest could also be tempered by the fact that it already operates a number of privileged site licenses within Preferred's won territories. To reflect the probable absence of a true auction market for Preferred's spectrum offset in part by the mid-term needs of the most likely buyer, we applied a further 5% discount to both the CA and East Coast license groups.

In CA the application of a combined 20% discount off the KDI derived indicated value of \$1.81/MHz pop reduces that value to \$1.45/MHz pop. Using 27.75 million MHz pops (product of Preferred CA market populations (4 markets) x the MHz/market) on a 2005 population base, this Comparable Sales analysis indicates that Preferred's CA license portfolio could be worth, in a *best case scenario*, approximately **\$40.23 million**. In the East group, application of a combined 10% discount off the KDI-derived indicated value of \$1.77/MHz pop reduces that value to \$1.59/MHz pop. Using 63.78 million MHz pops (product of each of 5 market pop counts x MHz per market)

OPINION REPORT (Continued)

indicates an adjusted comparable value of approximately **\$101.41 million** in a *best case* scenario. Using the reduced population bases that take into full account currently encumbered territories would lower these valuations to **\$25.95 million** in CA and to **\$54.84 million** in the East group.

Sales results for the 7 BTA market licenses sold in Preferred's East coast region in Auction #58 support the results indicated by the KDI analysis of that East coast cluster. In total, 14 BTA licenses within seven BTA markets residing within Preferred's four East group EAs were sold in that auction. Individual results varied widely for a variety of reasons described earlier in this report. But in aggregate, the 14 licenses sold for \$158.7 million or \$1.33/MHz pop, 84% of the \$1.59/MHz pop that our KDI analysis indicated for Preferred's East coast group. (See list of Auction #58 sales in Preferred territories in Exhibit 5)

CONCLUSION AND FINAL ESTIMATES OF VALUE FOR 3 LICENSE GROUPS

Comparable Sales analysis incorporating multiple contemporary sales transactions in the private market as well as comparison of certain Preferred licenses with a public company valuation of SMR licenses led us to conclude the following values for 800-900 MHz SMR licenses belonging to Preferred Communications Systems:

We estimate the value of Preferred's approximate 15 MHz of SMR spectrum (on average and pro forma pending acquisitions) covering a population of almost four million in Puerto Rico and the U.S. Virgin Islands-- in a willing buyer, willing seller all-cash transaction—to be approximately **\$83.65 million or \$1.20/MHz pop,** using the *best case scenario* of 69.704 million MHz pops. Using the *worst case scenario* of 60.712 million MHz pops (87% of total), the value drops to **\$72.85 million.**

Further we estimate the value of Preferred's licenses with an average 2.0 MHz of SMR spectrum covering a *best case* population of 13.9 million in the company's California group to be approximately **\$40.23 million or \$1.45/MHz pop** in a willing buyer, willing seller all-cash

OPINION REPORT (Continued)

transaction. Using the *worst case* population, which is approximately 64.5% of the total, the value drops to **\$25.95 million.**

And we estimate the value of Preferred's licenses with an average 4.9 MHz of SMR spectrum licenses covering a *best case* population of 13 million in the company's East coast group to be approximately **\$101.41 million or \$1.59/MHz pop** in a willing buyer, willing seller all-cash transaction. Using the *worst case* population, which is approximately 54% of the total, the value drops to **\$54.84 million.**

In the aggregate this yields a **best case current fair market value for all of Preferred's SMR licenses, pro forma acquisitions, of \$225.3 million and a worst case current fair market value of \$153.6 million.**

There is one further caveat to the lower range values indicated for Preferred's U.S. stateside licenses. The site licenses that exist within these territories and which are held primarily by Nextel are consistently located in the metropolitan centers of the Economic Areas auctioned by the FCC. All else being equal, they present a carve-out of the highest value population within a BTA. Therefore, in the worst case scenarios, were none of these carve-outs resolved, Preferred's covered population bases would likely have lower demographics than the BTAs we measured as a whole and therefore lower indicated license values as well. We have, however, made no additional adjustment for this eventuality. Because there are numerous regulatory issues that still have to be resolved, it is premature to make assumptions about exactly which geographies might end up inside or outside Preferred's final service areas and thus difficult to measure the demographics of same. We believe it is likely that some, if not all, of the interference/encumbrance issues may be eliminated based on the FCC's recent Memorandum Opinion and Order released October 5, 2005. Once all issues are resolved, it would then be appropriate to revisit the demographic-driven valuation analysis of Preferred's final service area licenses.

EXHIBIT 1

PREFERRED COMMUNICATIONS CONDENSED LIST OF LICENSES

BEA	Market Name		2005 Pops	MHz	Channels	Total MHz Pops (000)
PUERTO RICO/VIRGIN ISLANDS PORTFOLIO						
BEA174	Puerto Rico/U.S. Virgin Islands	<i>Best Case</i>	3,983,084	17.5	350	69,704
		<i>Worst Case</i>				60,712
EASTERN PORTFOLIO						
BEA013	Washington-Baltimore, DC-MD-VA		9,118,855	4.8	100	43,771
BEA015	Richmond-Petersburg, VA			4.8	100	7,328
BEA048	Charleston, WV-KY-OH		1,176,411	3.6	75	4,235
BEA017	Roanoke, VA-NC-WV		833,445	7.2	150	6,001
BEA016	Staunton, VA-WV		339,698	7.2	150	2,446
	<i>Total Eastern Pops/Avg. MHz</i>	<i>Best Case</i>	<i>12,995,077</i>	<i>4.9</i>		<i>63,780</i>
		<i>Worst Case</i>				<i>34,392</i>
CALIFORNIA PORTFOLIO						
BEA163	San Francisco-Oakland-San Jose		9,357,301	1.2	25	11,229
BEA164	Sacramento-Yolo, CA		2,664,389	3.6	75	9,592
BEA162	Fresno, CA		1,564,480	3.6	75	5,632
BEA165	Redding, CA-OR		360,728	3.6	75	1,299
	<i>Total California Pops/Avg. MHz</i>	<i>Best Case</i>	<i>13,946,899</i>	<i>2.0</i>		<i>27,751</i>
		<i>Worst Case</i>				<i>17,908</i>

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EXHIBIT 2

COMPARABLE SALES TRANSACTIONS 2003-2005 (in chronological order)

Seller	Buyer	Date	Market(s)	Pops (000)	Price/ MHz Pop (\$)
AT&T Wireless	Rural Cellular	06/03	11 BTAs	1,951	0.37
AT&T Wireless	Centennial	07/03	8 MI/IN BTAs	4,185	0.47
NextWave	Cingular	08/03	34 BTAs	83,053	1.62
Sunshine PCS	Cingular	08/03	3 FL BTAs	993	0.92
US Unwired American Wireless	CellSouth Verizon	08/03 12/03	3 MS BTAs 2 AR BTAs	73 1,136	0.42 0.68
Leap Wireless	Cingular	03/04	Columbus, GA (#92)	367	0.36
Cingular	T-Mobile	05/04	San Fran-Oak-San Jose, CA; Sacramento, CA; Las Vegas, NV BTAs	11,537	1.56
Qwest	Verizon	07/04	61 BTAs	31,415	1.00*
FCC	Nextel	07/04	Nationwide 10 MHz PCS license	294,402	1.70**
NextWave	Verizon	07/04	New York, NY BTA	31,415	4.60
NextWave	MetroPCS	07/04	Sarasota-Bradenton, FL BTA	680	1.25
NextWave	MetroPCS	07/04	Tampa-St. Pete-Clearwater, FL BTA	2,821	1.24
Centennial	Verizon	08/04	2 IN BTAs	1,925	1.25
US Cellular	MetroPCS	09/04	Daytona Beach, FL BTA	537	0.79
Urban Comms	Triton PCS	10/04	20 SC/NC/VA BTAs	7,627	1.20
NextWave	Verizon	12/04	New York, NY BTA	20,202	4.60
NextWave	Verizon	12/04	22 BTAs (excluding NY)	54,305	1.71
Cingular	MetroPCS	12/04	Dallas, TX/Detroit, MI BTAs	10,953	2.10
Urban Comms	Verizon	01/05	10 NC BTAs	3,999	0.93
Leap Wireless	Verizon	3/05	20 BTAs	8,040	0.85
MetroPCS	Verizon	03/05	San Fran-Oak-San Jose, CA BTA	7,459	3.08

* Price/MHz pop shown reflects our allocation for raw FCC licenses after allocating \$103.5 mil. of total \$418 mil. purchase price to network assets.

** The FCC estimated a value of \$1.70/MHz pop for the value of the 10 MHz nationwide license being transferred to Nextel as part of its rebanding initiative.

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EXHIBIT 3

COMPETITIVE FIELD IN PREFERRED'S USA STATESIDE MARKETS

		AVERAGE BANDWIDTH												
		-----CINGULAR-----			-----VERIZON-----			-----SPRINT*-----			-----T-MOBILE-----			
BEA	Market Name	Pops	Cell	PCS	Total	Cell	PCS	Total	Cell	PCS	Total	Cell	PCS	Total
		(000)	B/W	B/W	B/W	B/W	B/W	B/W	B/W	B/W	B/W	B/W	B/W	B/W
			(MHz)	(MHz)	(MHz)	(MHz)	(MHz)	(MHz)	(MHz)	(MHz)	(MHz)	(MHz)	(MHz)	(MHz)
EASTERN PORTFOLIO														
13	Washington-Baltimore, DC-MD-VA	9,118.9	23.5	28.9	52.4	21.9	37.3	59.2	18.0	26.1	44.2	0.0	16.6	16.6
15	Richmond-Petersburg, VA	1,526.7	1.7	39.9	41.6	21.7	0.2	21.9	18.0	32.4	50.4	0.0	32.1	32.1
48	Charleston, WV-KY-OH	1,176.4	20.3	6.7	27.0	2.2	3.3	5.5	18.0	29.2	47.3	0.0	6.1	6.1
17	Roanoke, VA-NC-WV	833.4	0.0	37.3	37.3	14.3	10.0	24.3	18.0	18.1	36.1	0.0	11.5	11.5
16	Staunton, VA-WV	339.7	0.6	32.7	33.2	21.3	1.8	23.1	18.0	20.5	38.6	0.0	7.2	7.2
	<i>Eastern Subtotal Pops/Avg. MHz</i>	<i>12,995.1</i>	<i>18.6</i>	<i>28.8</i>	<i>47.4</i>	<i>19.6</i>	<i>27.2</i>	<i>46.8</i>	<i>18.0</i>	<i>26.5</i>	<i>44.5</i>	<i>0.0</i>	<i>16.9</i>	<i>16.9</i>
CALIFORNIA PORTFOLIO														
163	San Francisco-Oakland-San Jose	9,357.3	24.2	41.3	65.5	25.0	7.6	32.6	18.0	17.9	35.9	0.0	9.4	9.4
164	Sacramento-Yolo, CA	2,664.4	25.0	40.8	65.8	23.3	8.3	31.6	18.0	40.0	58.0	0.0	0.1	0.1
162	Fresno, CA	1,564.5	25.0	50.0	75.0	25.0	0.0	25.0	18.0	40.0	58.0	0.0	10.0	10.0
165	Redding, CA-OR	360.7	16.8	38.8	55.6	20.5	3.3	23.8	18.0	39.2	57.2	0.0	6.2	6.2
	<i>California Subtotal/Avg. MHz</i>	<i>13,946.9</i>	<i>24.3</i>	<i>42.1</i>	<i>66.4</i>	<i>24.6</i>	<i>6.8</i>	<i>31.4</i>	<i>18.0</i>	<i>25.1</i>	<i>43.1</i>	<i>0.0</i>	<i>7.6</i>	<i>7.6</i>

EXHIBIT 3 (Continued)
**COMPETITIVE FIELD IN PREFERRED'S USA STATESIDE MARKETS
(continued)**

		AVERAGE BANDWIDTH												
BEA	Market Name	Pops (000)	-----ALLTEL-----			-----US CELLULAR-----			-----LEAP WIRELESS-----			-----METRO PCS-----		
			Cell B/W (MHz)	PCS B/W (MHz)	Total B/W (MHz)	Cell B/W (MHz)	PCS B/W (MHz)	Total B/W (MHz)	Cell B/W (MHz)	PCS B/W (MHz)	Total B/W (MHz)	Cell B/W (MHz)	PCS B/W (MHz)	Total B/W (MHz)
EASTERN PORTFOLIO														
13	Washington-Baltimore, DC-MD-VA	9,118.9	0.9	0.0	0.9	1.4	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0
15	Richmond-Petersburg, VA	1,526.7	22.6	0.0	22.6	3.7	0.0	3.7	0.0	0.0	0.0	0.0	0.0	0.0
48	Charleston, WV-KY-OH	1,176.4	20.9	0.0	20.9	1.3	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0
17	Roanoke, VA-NC-WV	833.4	6.8	0.1	6.9	17.3	7.8	25.1	0.0	0.1	0.1	0.0	0.0	0.0
16	Staunton, VA-WV	339.7	2.5	0.0	2.5	5.8	3.4	9.2	0.0	0.0	0.0	0.0	0.0	0.0
	<i>Eastern Subtotal Pops/Avg. MHz</i>	<i>12,995.1</i>	<i>5.7</i>	<i>0.0</i>	<i>5.7</i>	<i>2.8</i>	<i>0.6</i>	<i>3.4</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
CALIFORNIA PORTFOLIO														
163	San Francisco-Oakland-San Jose	9,357.3	0.4	0.0	0.4	0.4	0.0	0.4	0.0	2.1	2.1	0.0	24.9	24.9
164	Sacramento-Yolo, CA	2,664.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.0	29.6	29.6
162	Fresno, CA	1,564.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.9	16.9
165	Redding, CA-OR	360.7	0.0	0.0	0.0	8.2	0.0	8.2	0.0	0.0	0.0	0.0	20.9	20.9
	<i>California Subtotal/Avg. MHz</i>	<i>13,946.9</i>	<i>0.3</i>	<i>0.0</i>	<i>0.3</i>	<i>0.5</i>	<i>0.0</i>	<i>0.5</i>	<i>0.0</i>	<i>1.5</i>	<i>1.5</i>	<i>0.0</i>	<i>24.8</i>	<i>24.8</i>

* Sprint's estimated average 18 MHz 800 MHz holdings included in cellular averages. Sprint's PCS bandwidth estimates include Wirefree Partners holdings due to an agreement with Sprint that will allow Sprint to operate on its network.

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EXHIBIT 4

AUCTION #58 RESULTS IN PREFERRED LICENSE AREAS

BTA	BEA	Block	Market Name	2005 Pops (000)	MHz	High Bidder	Net Bid (\$000)	Price/ Pop (\$)	Price/ MHz Pop (\$)
PUERTO RICO/VIRGIN ISLANDS PORTFOLIO									
491	174	F	U.S. Virgin Islands	118.4	10	Wirefree Partners III, LLC	828.0	6.99	0.70
EASTERN PORTFOLIO									
104	17	F	Danville, VA	168.4	10	Carroll Wireless, LP	513.8	3.05	0.31
174	17	C5	Greensboro, NC	1,533.2	10	Cellco Partnership d/b/a Verizon Wireless	28,338.0	18.48	1.85
174	17	C4	Greensboro, NC	1,533.2	10	Wirefree Partners III, LLC	18,238.0	11.90	1.19
174	17	C3	Greensboro, NC	1,533.2	10	Carroll Wireless, LP	17,707.0	11.55	1.15
179	13	C5	Hagerstown MD-Chambersburg PA	390.6	10	Cook Inlet/VS GSM VII PCS, LLC	2,784.8	7.13	0.71
179	13	C4	Hagerstown MD-Chambersburg PA	390.6	10	Vista PCS, LLC	3,205.0	8.21	0.82
266	17	F	Lynchburg, VA	161.5	10	Cellco Partnership d/b/a Verizon Wireless	809.0	5.01	0.50
374	15	C5	Richmond-Petersburg, VA	1,336.6	10	Wirefree Partners III, LLC	21,579.8	16.15	1.61
374	15	C4	Richmond-Petersburg, VA	1,336.6	10	Edge Mobile, LLC	28,365.0	21.22	2.12
374	15	C3	Richmond-Petersburg, VA	1,336.6	10	Cook Inlet/VS GSM VII PCS, LLC	30,410.0	22.75	2.28
376	16/17	C5	Roanoke, VA	671.9	10	Edge Mobile, LLC	2,509.0	3.73	0.37
376	16/17	C4	Roanoke, VA	671.9	10	Vista PCS, LLC	1,947.0	2.90	0.29
376	16/17	C3	Roanoke, VA	671.9	10	Cook Inlet/VS GSM VII PCS, LLC	1,945.0	2.89	0.29
430	16	C1	Staunton-Waynesboro, VA	115.5	15	Carroll Wireless, LP	354.0	3.06	0.20
<i>Totals/Averages</i>							<u>158,705.3</u>		<u>1.33</u>
CALIFORNIA PORTFOLIO									
231	165	F	Klamath Falls, OR	81.7	10	Lynch 3G Communications Corporation	289.0	3.54	0.35
231	165	E	Klamath Falls, OR (Partial Market)	72.6	7	Cellco Partnership d/b/a Verizon Wireless	224.0	3.08	0.44

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EXHIBIT 5: KAGAN DEMOGRAPHIC INDEX (KDI) FOR BTAS

(sorted by KDI Rank 2004)

BTA	Market	Kagan Demo Index	KDI Rank	BTA	Market	Kagan Demo Index	KDI Rank
321	New York, NY	69.69	1	397	Salinas-Monterey, CA	45.82	38
313	Naples, FL	59.37	2	89	Colorado Springs, CO	45.80	39
461	Washington, DC	58.12	3	204	Indianapolis, IN	45.76	40
78	Chicago, IL	57.28	4	228	Kennewick-Pasco, WA	45.56	41
172	Greeley, CO	57.18	5	408	Sarasota-Bradenton, FL	45.09	42
24	Atlanta, GA	56.37	6	201	Hyannis, MA	45.01	43
156	Fredericksburg, VA	56.32	7	112	Detroit, MI	44.76	44
192	Honolulu, HI	55.81	8	152	Fort Pierce-Vero Bch., FL	44.73	45
101	Dallas-Fort Worth, TX	53.46	9	14	Anchorage, AK	44.72	46
262	Los Angeles, CA	53.08	10	440	Tampa-St. Petersburg, FL	44.63	47
434	Stockton, CA	52.93	11	149	Fort Collins-Loveland, CO	44.43	48
51	Boston, MA	52.74	12	291	Merced, CA	44.22	49
245	Las Vegas, NV	51.77	13	358	Portland, OR	44.07	50
293	Miami-Fort Lauderdale, FL	51.73	14	364	Providence-Pawtucket, RI	44.00	51
346	Phila., PA-Wilmington, DE	51.16	15	95	Columbus, OH	43.60	52
347	Phoenix, AZ	51.06	16	274	Manchester-Nashua, NH	43.56	53
27	Austin, TX	50.50	17	318	New Haven-Waterbury, CT	43.49	54
404	San Fran.-Oak.-S.J., CA	50.24	18	392	St. George, UT	43.33	55
336	Orlando, FL	49.69	19	50	Boise-Nampa, ID	42.75	56
184	Hartford, CT	49.63	20	168	Grand Junction, CO	42.57	57
389	Sacramento, CA	49.56	21	399	Salt Lake City-Ogden, UT	42.56	58
196	Houston, TX	49.45	22	480	Worcester-Fitchburg, MA	42.52	59
435	Stroudsburg, PA	49.43	23	372	Reno, NV	42.43	60
469	West Palm Beach, FL	49.14	24	46	Bloomington, IL	42.41	61
160	Gainesville, GA	48.86	25	190	Hilo, HI	42.16	62
110	Denver, CO	48.41	26	55	Bremerton, WA	42.14	63
29	Baltimore, MD	48.33	27	28	Bakersfield, CA	42.10	64
402	San Diego, CA	47.49	28	479	Winchester, VA	41.94	65
151	Fort Myers, FL	47.26	29	140	Fayetteville-Sprgdale, AR	41.89	66
368	Raleigh-Durham, NC	47.03	30	362	Prescott, AZ	41.86	67
212	Jacksonville, FL	46.90	31	312	Myrtle Beach, SC	41.76	68
303	Modesto, CA	46.85	32	365	Provo-Orem, UT	41.63	69
413	Seattle-Tacoma, WA	46.69	33	226	Kansas City, MO	41.59	70
222	Kahului-Wailuku, HI	46.62	34	391	St. Cloud, MN	41.55	71
38	Bend, OR	46.60	35	289	Melbourne-Titusville, FL	41.53	72
298	Minneapolis-St. Paul, MN	46.14	36	422	Sioux Falls, SD	41.50	73
74	Charlotte-Gastonia, NC	45.91	37	401	San Antonio, TX	41.49	74
				116	Dover, DE	41.38	75
				10	Allentown-Bethlehem, PA	41.36	76

EXHIBIT 5: KAGAN DEMOGRAPHIC INDEX (KDI) FOR BTAS (Continued)

BTA	Market	Kagan Demo Index	KDI Rank	BTA	Market	Kagan Demo Index	KDI Rank
254	Lihue, HI	41.33	77	343	Pensacola, FL	37.77	116
242	Laredo, TX	41.08	78	62	Burlington, NC	37.77	117
157	Fresno, CA	41.04	79	405	San Luis Obispo, CA	37.67	118
374	Richmond-Petersburg, VA	40.99	80	53	Bozeman, MT	37.62	119
107	Daytona Beach, FL	40.81	81	139	Farmington, NM-Durango, CO	37.58	120
370	Reading, PA	40.57	82	406	Santa Barb.-S. Maria, CA	37.42	121
111	Des Moines, IA	40.44	83	174	Greensboro-Win. Salem, NC	37.41	122
331	Olympia-Centralia, WA	40.42	84	216	Janesville-Beloit, WI	36.84	123
458	Visalia-Porterville, CA	40.30	85	224	Kalispell, MT	36.84	124
81	Cincinnati, OH	40.24	86	263	Louisville, KY	36.62	125
240	Lancaster, PA	40.20	87	181	Harrisburg, PA	36.58	126
272	Madison, WI	40.19	88	395	Salem-Albany-Corvallis, OR	36.54	127
297	Milwaukee, WI	40.18	89	290	Memphis, TN	36.44	128
485	Yuba City-Marysville, CA	40.17	90	380	Rockford, IL	36.40	129
154	Fort Walton Beach, FL	40.03	91	241	Lansing, MI	36.29	130
36	Bellingham, WA	39.97	92	221	Juneau-Ketchikan, AK	36.24	131
361	Poughkeepsie-Kingston, NY	39.96	93	102	Dalton, GA	36.18	132
357	Portland-Brunswick, ME	39.88	94	468	Wenatchee, WA	36.17	133
84	Cleveland-Akron, OH	39.87	95	70	Cedar Rapids, IA	36.12	134
483	York-Hanover, PA	39.47	96	356	Port Angeles, WA	36.10	135
173	Green Bay, WI	39.44	97	378	Rochester-Austin, MN	35.96	136
268	McAllen, TX	39.25	98	256	Lincoln, NE	35.80	137
324	Norfolk-Virginia Beach, VA	38.88	99	202	Idaho Falls, ID	35.80	138
332	Omaha, NE	38.88	100	72	Charleston, SC	35.71	139
478	Wilmington, NC	38.87	101	69	Casper-Gillette, WY	35.52	140
314	Nashville, TN	38.78	102	448	Tulsa, OK	35.36	141
486	Yuma, AZ	38.73	103	410	Savannah, GA	35.25	142
326	Ocala, FL	38.59	104	145	Flint, MI	35.18	143
169	Grand Rapids, MI	38.54	105	22	Athens, GA	35.15	144
18	Appleton-Oshkosh, WI	38.53	106	446	Traverse City, MI	35.13	145
239	Lakeland-Winter Haven, FL	38.50	107	8	Albuquerque, NM	35.12	146
91	Columbia, SC	38.48	108	124	El Centro-Calexio, CA	35.12	147
394	St. Louis, MO	38.20	109	32	Baton Rouge, LA	34.88	148
75	Charlottesville, VA	38.15	110	371	Redding, CA	34.77	149
136	Fairbanks, AK	38.06	111	177	Greenville-Spartanburg, SC	34.77	150
179	Hgstown, MD-Chmbrsbrg, PA	37.94	112	322	Nogales, AZ	34.76	151
319	New London-Norwich, CT	37.93	113	56	Brownsville, TX	34.68	152
447	Tucson, AZ	37.84	114	148	Fond du Lac, WI	34.63	153
25	Atlantic City, NJ	37.81	115	340	Panama City, FL	34.62	154

EXHIBIT 5: KAGAN DEMOGRAPHIC INDEX (KDI) FOR BTAS (Continued)

BTA	Market	Kagan Demo Index	KDI Rank	BTA	Market	Kagan Demo Index	KDI Rank
7	Albany-Schenectady, NY	34.48	155	445	Topeka, KS	32.63	194
5	Adrian, MI	34.45	156	123	Eau Claire, WI	32.60	195
398	Salisbury, MD	34.45	157	460	Walla Walla, WA-Pndltn, OR	32.60	196
63	Burlington, VT	34.39	158	350	Pittsburgh, PA	32.53	197
432	Stevens Point-Mshfeld, WI	34.39	159	329	Oklahoma City, OK	32.46	198
44	Birmingham, AL	34.27	160	209	Jackson, MI	32.43	199
155	Fort Wayne, IN	34.26	161	253	Liberal, KS-Guymon, OK	32.32	200
144	Flagstaff, AZ	34.20	162	379	Rochester, NY	32.30	201
381	Rock Springs, WY	34.12	163	428	Springfield, MO	32.27	202
407	Santa Fe, NM	34.10	164	482	Yakima, WA	32.26	203
427	Springfield-Holyoke, MA	34.02	165	426	Springfield, IL	32.25	204
205	Iowa City, IA	33.98	166	60	Buffalo-Niagara Falls, NY	32.20	205
418	Sherman-Denison, TX	33.96	167	366	Pueblo, CO	32.19	206
466	Wausau-Rhineland, WI	33.92	168	232	Knoxville, TN	32.17	207
198	Huntsville, AL	33.86	169	257	Little Rock, AR	32.12	208
261	Longview, WA	33.81	170	249	Lebanon-Claremont, NH	32.09	209
300	Missoula, MT	33.81	171	369	Rapid City, SD	31.94	210
188	Helena, MT	33.69	172	42	Biloxi-Gulfport-Pas., MS	31.73	211
247	Lawrence, KS	33.48	173	243	La Salle-Peru-Ottawa, IL	31.65	212
345	Petoskey, MI	33.48	174	20	Asheville, NC	31.62	213
126	Elkhart, IN	33.38	175	296	Midland, TX	31.62	214
288	Medford-Grants Pass, OR	33.34	176	417	Sheboygan, WI	31.56	215
54	Brainerd, MN	33.33	177	77	Cheyenne, WY	31.55	216
227	Keene, NH-Brattleboro, VT	33.30	178	210	Jackson, MS	31.54	217
425	Spokane, WA	33.21	179	258	Logan, UT	31.49	218
441	Temple-Killeen, TX	33.21	180	106	Dayton-Springfield, OH	31.41	219
452	Tyler, TX	33.11	181	438	Syracuse, NY	31.40	220
79	Chico-Oroville, CA	33.10	182	271	Macon-Warner Robins, GA	31.39	221
65	Canton-New Phila., OH	33.06	183	384	Rome, GA	31.37	222
76	Chattanooga, TN	33.06	184	45	Bismarck, ND	31.37	223
451	Twin Falls, ID	33.04	185	33	Battle Creek, MI	31.33	224
217	Jefferson City, MO	32.99	186	294	Michigan City-La Porte, IN	31.27	225
114	Dodge City, KS	32.95	187	71	Champaign-Urbana, IL	31.15	226
223	Kalamazoo, MI	32.89	188	141	Fayetteville-Lumberton, NC	31.10	227
430	Staunton-Waynesboro, VA	32.84	189	444	Toledo, OH	31.05	228
58	Brunswick, GA	32.78	190	41	Billings, MT	31.00	229
225	Kankakee, IL	32.76	191	16	Anderson, SC	30.99	230
325	North Platte, NE	32.72	192	424	South Bend-Mishawaka, IN	30.95	231
472	Wichita, KS	32.70	193	459	Waco, TX	30.94	232

EXHIBIT 5: KAGAN DEMOGRAPHIC INDEX (KDI) FOR BTAS (Continued)

BTA	Market	Kagan Demo Index	KDI Rank	BTA	Market	Kagan Demo Index	KDI Rank
189	Hickory-Lenoir, NC	30.92	233	118	Dubuque, IA	29.26	272
208	Ithaca, NY	30.86	234	193	Hot Springs, AR	29.22	273
382	Rocky Mount-Wilson, NC	30.84	235	92	Columbus, GA	29.20	274
138	Fargo, ND	30.81	236	180	Hammond, LA	29.19	275
93	Columbus, IN	30.81	237	305	Montgomery, AL	29.17	276
320	New Orleans, LA	30.80	238	128	El Paso, TX	29.16	277
281	Marion, OH	30.64	239	183	Harrisonburg, VA	29.10	278
142	Fergus Falls-Alexndra, MN	30.61	240	108	Decatur, AL	29.09	279
37	Bemidji, MN	30.57	241	135	Evansville, IN	29.08	280
252	Lexington, KY	30.57	242	66	Cape Girardeau, MO	29.02	281
133	Eugene-Springfield, OR	30.55	243	307	Mount Pleasant, MI	29.02	282
105	Davenport, IA-Moline, IL	30.54	244	195	Houma-Thibodaux, LA	28.98	283
163	Garden City, KS	30.51	245	99	Corpus Christi, TX	28.94	284
90	Columbia, MO	30.50	246	323	Norfolk, NE	28.94	285
302	Mobile, AL	30.48	247	334	Opelika-Auburn, AL	28.87	286
2	Mitchell, SD	30.46	248	456	Victoria, TX	28.86	287
316	New Bern, NC	30.44	249	52	Bowling Green-Glasgow, KY	28.84	288
237	La Grange, GA	30.41	250	143	Findlay-Tiffin, OH	28.80	289
235	Lafayette, IN	30.35	251	59	Bryan-College Station, TX	28.80	290
403	Sandusky, OH	30.10	252	414	Sedalia, MO	28.69	291
234	La Crosse, WI-Winona, MN	30.09	253	231	Klamath Falls, OR	28.66	292
13	Amarillo, TX	30.01	254	233	Kokomo-Logansport, IN	28.63	293
420	Sierra Vista-Douglas, AZ	29.90	255	80	Chillicothe, OH	28.63	294
429	State College, PA	29.76	256	481	Worthington, MN	28.62	295
164	Glens Falls, NY	29.76	257	411	Scottsbluff, NE	28.58	296
85	Cleveland, TN	29.75	258	115	Dothan-Enterprise, AL	28.53	297
344	Peoria, IL	29.73	259	165	Goldsboro-Kinston, NC	28.51	298
159	Gainesville, FL	29.67	260	439	Tallahassee, FL	28.50	299
83	Clarksville, TN-Hopkvl, KY	29.62	261	283	Marshalltown, IA	28.47	300
26	Augusta, GA	29.54	262	353	Pocatello, ID	28.36	301
376	Roanoke, VA	29.51	263	147	Florence, SC	28.31	302
30	Bangor, ME	29.50	264	153	Fort Smith, AR	28.30	303
260	Longview-Marshall, TX	29.44	265	390	Saginaw-Bay City, MI	28.16	304
383	Rolla, MO	29.43	266	182	Harrison, AR	28.15	305
310	Muskegon, MI	29.39	267	352	Plattsburgh, NY	28.13	306
277	Mankato-Fairmont, MN	29.38	268	31	Bartlesville, OK	28.11	307
467	Waycross, GA	29.35	269	167	Grand Island-Kearney, NE	28.11	308
276	Manitowoc, WI	29.34	270	6	Albany-Tifton, GA	28.10	309
39	Benton Harbor, MI	29.26	271	251	Lewiston-Auburn, ME	28.05	310

EXHIBIT 5: KAGAN DEMOGRAPHIC INDEX (KDI) FOR BTAS (Continued)

BTA	Market	Kagan Demo Index	KDI Rank	BTA	Market	Kagan Demo Index	KDI Rank
317	New Castle, PA	27.93	311	87	Clovis, NM	26.53	350
462	Waterloo-Cedar Falls, IA	27.90	312	43	Binghamton, NY	26.44	351
301	Mitchell, SD	27.88	313	121	Eagle Pass-Del Rio, TX	26.43	352
186	Hattiesburg, MS	27.87	314	278	Mansfield, OH	26.41	353
199	Huron-Pierre, SD	27.86	315	433	Stillwater-Cushing, OK	26.28	354
176	Greenville-Washington, NC	27.79	316	393	St. Joseph, MO	26.26	355
264	Lubbock, TX	27.76	317	213	Jacksonville, IL	26.25	356
453	Utica-Rome, NY	27.72	318	214	Jacksonville, NC	26.25	357
178	Greenwood, SC	27.66	319	134	Eureka, CA	26.22	358
236	Lafayette-New Iberia, LA	27.65	320	375	Riverton, WY	26.12	359
266	Lynchburg, VA	27.63	321	265	Lufkin-Nacogdoches, TX	26.11	360
387	Russellville, AR	27.62	322	396	Salina, KS	25.97	361
385	Roseburg, OR	27.62	323	351	Pittsfield, MA	25.97	362
454	Valdosta, GA	27.59	324	21	Ashtabula, OH	25.95	363
131	Erie, PA	27.58	325	127	Elmira-Corning-Hornell, NY	25.93	364
119	Duluth, MN	27.58	326	487	Zanesville-Cambridge, OH	25.93	365
270	McCook, NE	27.53	327	122	East Liverpool-Salem, OH	25.77	366
185	Hastings, NE	27.47	328	158	Gadsden, AL	25.75	367
465	Waterville-Augusta, ME	27.46	329	412	Scranton-Wilkes Barre, PA	25.69	368
338	Owensboro, KY	27.38	330	333	Oneonta, NY	25.67	369
220	Joplin, MO-Miami, OK	27.31	331	450	Tuscaloosa, AL	25.62	370
484	Youngstown-Warren, OH	27.20	332	419	Shreveport, LA	25.58	371
97	Coos Bay-North Bend, OR	27.20	333	229	Kingsport, TN	25.51	372
464	Watertown, SD	27.16	334	19	Ardmore, OK	25.51	373
86	Clinton, IA-Sterling, IL	27.10	335	171	Great Falls, MT	25.41	374
47	Bloomington-Bedford, IN	27.09	336	250	Lewiston-Moscow, ID	25.39	375
388	Rutland-Bennington, VT	27.07	337	443	Texarkana, TX-AR	25.35	376
436	Sumter, SC	27.04	338	132	Escanaba, MI	25.28	377
15	Anderson, IN	27.04	339	304	Monroe, LA	25.26	378
255	Lima, OH	27.01	340	100	Cumberland, MD	25.26	379
421	Sioux City, IA	27.01	341	103	Danville, IL	25.25	380
34	Beaumont-Port Arthur, TX	26.98	342	449	Tupelo-Corinth, MS	25.13	381
477	Willmar-Marshall, MN	26.97	343	339	Paducah-Murray, KY	25.08	382
96	Cookeville, TN	26.96	344	386	Roswell, NM	25.06	383
238	Lake Charles, LA	26.88	345	341	Paris, TX	25.00	384
211	Jackson, TN	26.85	346	200	Hutchinson, KS	24.90	385
219	Jonesboro-Paragould, AR	26.83	347	1	Aberdeen, WA	24.88	386
244	Las Cruces, NM	26.81	348	367	Quincy, IL-Hannibal, MO	24.87	387
311	Muskogee, OK	26.58	349	12	Altoona, PA	24.84	388

EXHIBIT 5: KAGAN DEMOGRAPHIC INDEX (KDI) FOR BTAS (Continued)

BTA	Market	Kagan Demo Index	KDI Rank	BTA	Market	Kagan Demo Index	KDI Rank
437	Sunbury-Shamokin, PA	24.82	389	166	Grand Forks, ND	23.30	428
57	Brownwood, TX	24.80	390	197	Huntington, WV-Ashland, KY	23.26	429
23	Athens, OH	24.75	391	230	Kirksville, MO	23.17	430
279	Marinette, WI-Menomne, MI	24.73	392	129	Emporia, KS	23.09	431
150	Fort Dodge, IA	24.67	393	61	Burlington, IA	23.08	432
308	Mount Vernon-Centralia, IL	24.64	394	280	Marion, IN	23.02	433
476	Williston, ND	24.63	395	3	Abilene, TX	22.92	434
416	Sharon, PA	24.49	396	327	Odessa, TX	22.91	435
11	Alpena, MI	24.48	397	335	Orangeburg, SC	22.73	436
282	Marquette, MI	24.46	398	206	Iron Mountain, MI	22.69	437
109	Decatur-Effingham, IL	24.43	399	40	Big Springs, TX	22.64	438
269	McComb-Brookhaven, MS	24.35	400	475	Williamsport, PA	22.62	439
409	Sault Ste. Marie, MI	24.35	401	170	Great Bend, KS	22.53	440
17	Anniston, AL	24.31	402	292	Meridian, MS	22.50	441
98	Corbin, KY	24.29	403	360	Pottsville-Frackville, PA	22.50	442
285	Mason City, IA	24.27	404	218	Johnstown, PA	22.46	443
442	Terre Haute, IN	24.14	405	191	Hobbs, NM	22.37	444
67	Carbondale-Marion, IL	24.12	406	248	Lawton-Duncan, OK	22.31	445
373	Richmond, IN	24.06	407	104	Danville, VA	22.24	446
161	Galesburg, IL	24.00	408	68	Carlsbad-Artesia, NM	22.16	447
130	Enid, OK	23.90	409	348	Pine Bluff, AR	22.10	448
473	Wichita Falls, TX	23.90	410	207	Ironwood, MI	22.03	449
423	Somerset, KY	23.90	411	215	Jamestown, NY-Warren, PA	21.98	450
337	Ottumwa-Oskaloosa, IA	23.88	412	137	Fairmont, WV	21.90	451
117	Du Bois-Clearfield, PA	23.85	413	463	Watertown, NY	21.86	452
273	Madisonville, KY	23.81	414	203	Indiana, PA	21.84	453
400	San Angelo, TX	23.79	415	354	Ponca City, OK	21.66	454
113	Dickinson, ND	23.78	416	49	Blytheville, AR	21.64	455
246	Laurel, MS	23.76	417	299	Minot, ND	21.53	456
146	Florence, AL	23.72	418	267	McAlester, OK	21.52	457
455	Vicksburg, MS	23.71	419	431	Steubenville, OH-Weirton, WV	21.48	458
309	Muncie, IN	23.70	420	470	West Plains, MO	21.43	459
73	Charleston, WV	23.69	421	330	Olean, NY-Bradford, PA	21.40	460
187	Hays, KS	23.54	422	355	Poplar Bluff-Kennett, MO	21.28	461
9	Alexandria, LA	23.51	423	94	Columbus-Starkville, MS	21.14	462
306	Morgantown, WV	23.51	424	286	Mattoon, IL	21.11	463
342	Parkersburg, WV-Mareta, OH	23.49	425	328	Oil City-Franklin, PA	20.94	464
287	Meadville-Titusville, PA	23.38	426	363	Presque Isle, ME	20.78	465
457	Vincennes-Washington, IN	23.33	427	275	Manhattan-Junction Cty, KS	20.74	466

EXHIBIT 5: KAGAN DEMOGRAPHIC INDEX (KDI) FOR BTAS (Continued)

BTA	Market	Kagan Demo Index	KDI Rank
82	Clarksburg-Elkins, WV	20.72	467
120	Dyersburg-Union City, TN	20.60	468
284	Martinsville, VA	20.40	469
4	Ada, OK	20.37	470
35	Beckley, WV	20.26	471
359	Portsmouth, OH	20.18	472
471	Wheeling, WV	19.89	473
194	Houghton, MI	19.86	474
125	El Dorado-Magnolia, AR	19.78	475
88	Coffeyville-Indep., KS	19.61	476
64	Butte, MT	19.59	477
349	Pittsburg-Parsons, KS	19.48	478
377	Roanoke Rapids, NC	18.87	479
175	Greenville-Greenwood, MS	18.11	480
474	Williamson, WV-Pkevele, KY	17.96	481
315	Natchez, MS	17.59	482
295	Middlesboro-Harlan, KY	17.36	483
415	Selma, AL	17.29	484
162	Gallup, NM	16.80	485
48	Bluefield, WV	15.68	486
259	Logan, WV	15.15	487

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