

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

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

To: The Commission

**OPPOSITION TO

PENDLETON C. WAUGH’S APPEAL**

This is an opposition to the appeal(s) filed by Pendleton C. Waugh (“Waugh”) in the above-captioned proceeding. This Opposition is filed by Preferred Communication Systems, Inc. (“Preferred” or the “Company”), Preferred Acquisitions, Inc. (a wholly-owned subsidiary of Preferred), and Charles M. Austin, collectively referred to as Opposition Parties. Each of the Opposing Parties is a party in this proceeding.

INTRODUCTION

(1) The subject matter in this case is exceedingly clear and direct. The Federal Communications Commission (“FCC”) via their Enforcement Bureau (“EB”) has entered into a “Settlement Agreement” with the Opposition Parties, that has been approved by an Administrative Law Judge (“ADJ”), which settles matters that have been pending in this proceeding for over two years. The Settlement Agreement is beneficial to the Opposition Parties and has been described by the EB as being in the public’s interest. The ALJ’s order approving the mutually beneficial Settlement Agreement is being appealed by Waugh, who is a multi-convicted felon and is nothing more than a **disgruntled former consultant** to Preferred. Waugh’s appeal is a continuation of his efforts to use his being named a “party” (in truth a “secondary party”) as leverage to force Preferred to pay an exorbitant “ransom” for his signature on a “global” Settlement Agreement. The “ransom” is colored as a resolution a long-standing (10 years +) dispute over Waugh’s performance and corresponding compensation as a consultant to Preferred.

BENEFITS TO A DENIAL OF WAUGH’S APPEAL

(2) There are numerous benefit’s to the Company and to the “public’s interest” if, and when the Commission denies Waugh’s appeal. The Company will be able to proceed with its development plans, which anticipate putting new wireless services in place, including the potential for broadband services in some markets. The rebanding of the 800 Mhz spectrum (for the benefit of public safety agencies) in Puerto Rico can proceed, which has been on hold pending the outcome of this proceeding. This hold was caused by Preferred having a significant 800 Mhz position in Puerto Rico.

(3) The bulk of Preferred's FCC licenses were acquired in FCC auction # 34, and are EA licenses covering approximately 29 million pops, for which it paid over \$ 31 million to the U.S. Treasury. Due to the uncertainties created by this proceeding, Preferred could not do anything with its spectrum during the pendency of the proceeding. All of this will change upon the Commission's denial of Waugh's appeal.

REQUEST FOR EXPEDITED REVIEW

(4) Given the substantial public interest benefits discussed above. We ask the Commission to review Waugh's appeal, and opposition thereto, as expeditiously as possible.

PRESIDING JUDGES "EXTRA" EFFORTS

(5) On August 6, 2009, the Presiding Judge in this proceeding issued an Order whereby a "Settlement Agreement" between all Parties (excluding Pendleton C. Waugh) was approved. As a result of a pleading ("Request for Permission To File Reply....") filed by Waugh on August 12, 2009, the Presiding Judge decided to request additional information from the Parties to the proceeding. Accordingly, the Presiding Judge issued two Orders (August 20th and August 25th) requiring the Parties, inter alia, to file "Settlement Fact Statements" regarding the circumstances leading to the "Settlement Agreement."

(6) The Presiding Judge was under no procedural obligation to afford Waugh any further argument after August 6, 2009. Regardless, he allowed for further filings, court hearings and nearly two months of additional time in the proceeding (at a cost to all parties). All of this to be

absolutely certain that Waugh had full participation in the process. Unfortunately, Waugh's use of the extended proceeding was to merely re-hash baseless points. His appeal is a continuation of that same path.

COMMENTS REGARDING WAUGH'S APPEAL

(7) There can be no doubt that the lingering issues in this proceeding are a direct result of Pendleton C. Waugh's ("Waugh") ongoing effort to use his position in the proceeding as undue leverage in forcing Preferred to acquiesce to his exorbitant and wholly unsupported claims to a substantial equity interest in the Company.

(8) Waugh's statements in his pleading in this proceeding are false and misleading and were intended to be inflammatory. Waugh states that the "Settlement Agreement" (between the FCC and Preferred) "imposed two penalties" that "deprive him of property interests or rights." This is false and misleading. **There are no penalties against Waugh or loss of any property interests or rights in the Settlement Agreement.** Waugh distorts the irrefutable facts that: (1) he was previously fired by the Company, with no thought to rehire, and (2) his "claims" for exorbitant compensation were rejected by the Company. **These are not "penalties;" they are consequences of his performance (or lack thereof) as a consultant.** Preferred's position regarding Waugh's termination and his so-called compensation, was not mandated by the FCC, instead it was a well-reasoned decision that is in the best interest of the Company. Furthermore, Waugh is not being deprived of any "property interests or rights" under the Settlement Agreement.

(9) The Settlement Agreement has absolutely no impact on Waugh whatsoever.

Separately from, and long before the Settlement Agreement was discussed, the Company had terminated Waugh and notified him that it would never issue stock (or warrants) to him directly (or indirectly via a trust, etc.). The Settlement Agreement simply reiterates these positions; it was a document that was used, *inter alia*, to formally affirm (to the FCC) the Company's position regarding Waugh. On these points, the Settlement Agreement has no affect on Waugh; he is in the identical position "after" the Settlement Agreement, as he was "before" the Settlement Agreement. The only thing Waugh has in regards to Preferred is his so-called "claim" for past compensation for his work as a consultant. That "claim" has only three possible future paths, it can: (1) be left as is, thus not pursued, (2) resolved amicably with the Company, or (3) litigated in civil court, i.e. a court of competent jurisdiction. The FCC, its Enforcement Bureau and/or the Administrative Law Judge in this proceeding have no jurisdiction regarding Waugh's so-called "claims."

(10) In simple terms, Waugh claims he is entitled to approximately 2.2 million shares of the Company's stock in the form of a combination of issued shares and warrants, plus other financial consideration, stemming from his work as a consultant for the Company. The Company's position is that he his not entitled to what he claims. This is hereinafter referred to as the "dispute" or the "Waugh Contract Dispute."

(11) This "dispute" has been ongoing for years without resolution; with its origins dating back over ten years. Preferred sees this as a business dispute between two parties, nothing more, nothing less. There can be no question that the "dispute" between Waugh and Preferred is a

“contractual” matter. It is a private business matter between two parties who can’t agree on the payment of consideration for consulting fees.

(12) Arguably, the Waugh Contract Dispute is outside the purview of the FCC and this proceeding. It became an issue because of Waugh’s efforts to use his position as a “party” to the proceeding as leverage against the Company. It was generally understood that a “global” settlement of the proceeding, one in which all “parties” execute, was preferred over any alternative. Knowing this, Waugh (in the end) held the FCC and Preferred hostage by refusing to participate in any “good faith” negotiations for a global settlement.

(13) The Company tried for nearly four months (prior to the execution of the Settlement Agreement) to resolve its dispute with Waugh; including making offers far in excess of what it believed he was entitled to. Such offers reflected the overall benefit of an expeditious settlement of the proceeding, which presumably required a “global” settlement. In a business sense, the Company placed a value on Waugh’s signing a “global” settlement, however, there was a limit to said value. At times, the Company believed it was nearing a resolution of the Waugh Contract Dispute; however, Waugh backtracked in the end to create an insurmountable impasse.

(14) In mid-July, after four months of effort, Preferred notified the FCC of the impasse, and requested that the FCC entertain entering a settlement with Preferred (and all other parties, excluding Waugh) that did not require Waugh’s signature.

(15) The root of the matter is that Waugh “alleges” that he has been deprived of certain “rights” in the Settlement Agreement. These “**so-call rights**” are his position as a consultant for PCSI and his “alleged” unpaid compensation in the form of stock in the Company. Well over a year ago, PCSI made a business decision to terminate Waugh as a consultant. Additionally, it made a decision that he was not entitled to all that he claimed was due and that any compensation would not be in the form of stock.

(16) The Settlement Agreement merely affirms PCSI’s position regarding Waugh to the FCC, who were interested in Waugh’s standing with the Company. In *PCSI’s Settlement Proposal* to the FCC (see Attachment C, to Statement of Facts filing), the Company again (as it had previously done) disclosed to the FCC that PCSI had an outstanding issue (i.e. Waugh’s alleged unpaid compensation) with Waugh. In an effort to provide transparency and clarity, PCSI affirmed its position to the FCC in the Settlement Agreement. To the extent there are “rights” involved in this setting, it is PCSI that had (has) the right to declare that it denies Waugh’s exorbitant compensation claims.

(17) Waugh’s situation is totally unaffected by the Settlement Agreement; not only does he not lose any “rights,” but his alleged “claims” are unaffected. The Settlement Agreement does not, nor could it, eliminate any alleged claims that Waugh has against PCSI. Instead, it merely reflects PCSI’s position that it will not voluntarily issue stock to Waugh.

(18) If Waugh chooses, he can pursue a civil action (in a court of competent jurisdiction) against PCSI, and if he prevails in such action, could obtain a judgment against PCSI.

Furthermore, said judgment could provide for some sort of “specific performance,” i.e. ordering PCSI to issue stock to Waugh. If that were to occur, his qualifications and overall situation with PCSI could (would) be examined by the FCC at that time. Thus, the Settlement Agreement has no impact on Waugh.

HISTORICAL PERSPECTIVE OF PROCEEDING

(19) In order to fully understand the circumstances leading up to the “Settlement Agreement” that excluded Waugh as a signer, it is relevant to recall and briefly review the circumstances that precipitated the proceeding in the first place.

(20) This proceeding commenced on July 20, 2007 upon the FCC’s filing of an “**Order to Show Cause**” (document # 07-125), which included Preferred Communication Systems, Inc. (aka PCSI and referred to as “Preferred” or the “Company”) and Pendleton C. Waugh (“Waugh”) as parties. This proceeding was listed as an Enforcement Bureau Action, E.B. Docket No. 07-147 (“EB Action” or “Proceeding”). **This was an exceedingly serious matter for the Company. If the matter went to a hearing, and the FCC prevailed, the Company would have all of its licenses revoked or cancelled and it could face monetary forfeitures of approximately six million dollars (\$6 Million).**

(21) The ***Order to Show Cause*** in this proceeding speaks for itself. The primary focus in the proceeding can generally be described as to whether or not Waugh was a shareholder of PCSI and, if so, were proper disclosures made to the FCC regarding said stock ownership. Many who

have a vested interest in PCSI and who have followed the proceeding are of the opinion that if wasn't for Waugh, the Company wouldn't have been drawn into the proceeding. This conclusion is abundantly clear by simply looking at the **"Order to Show Cause"** (document # 07-125 released on July 20, 2007) that launched the FCC Hearing (Docket # 07-147). The following is a direct quote from the FCC's description of the events that prompted their investigative actions:

"... the Commission's Enforcement Bureau ("Bureau") received information suggesting that PCSI may have transferred control of all of its licenses to Waugh without prior Commission authorization. The Bureau immediately commenced an investigation..."(see paragraph 16 of said document).

(22) The FCC's **"Order to Show Cause"** filing (document # 07-125 released on July 20, 2007, at page 3-5) describes **Waugh's background as follows:**

- a) **In 1990, Waugh, an attorney** who was licensed to practice law in Texas, formed Express Communications, Inc. ("Express") and several affiliated entities, to acquire wireless licenses.¹ Waugh became president and was a majority owner of Express. **In 1993, Waugh came under investigation by federal authorities for activities relating to his involvement in Express.** As a result of that investigation, **Waugh was indicted in 1994** in the United States District Court for the Northern District of Texas on one count of conspiracy to structure financial transactions to evade securities and banking reporting requirements and one count of money laundering, both felonies. Waugh ultimately pled guilty to the first count, and the second count was dismissed.² **In 1995,** as a result of the plea agreement, **Waugh was sentenced to 21 months in federal prison,** followed by three years of probation, and payment of \$20,000 in fines.³ As part of his plea

¹ See *U.S. v. Waugh*, Indictment, Case No. 3:94-CR-160-T (N.D. Tex. May 11, 1994).

² See *U.S. v. Waugh*, Plea Agreement, Case No. 3:94-CR-160-T (N.D. Tex. July 13, 1994).

³ See *U.S. v. Waugh*, Judgment, Case No. 3:94-CR-160-T (N.D. Tex. Jan. 25, 1995).

agreement, Waugh agreed not to violate any federal, state, or local laws, and specifically regulations or orders issued by the United States Securities and Exchange Commission (“SEC”) or any equivalent state agency. He also agreed to divest himself, without compensation, of any ownership interests in Express and its affiliated entities.

- b) **Thereafter, in 1997**, the United States District Court for the District of Columbia granted the **SEC summary judgment against Waugh** for violations of various securities regulations stemming from his involvement in Express.⁴ **Waugh was ordered to pay the federal government nearly \$13 million of illegally acquired funds**. He also was permanently enjoined from violating various securities laws.⁵
- c) **In 1999, Waugh was convicted of securities fraud**, a felony, in a case brought by the State of Texas, arising from his failure, in 1993, to disclose to a potential investor that he was under investigation by federal authorities for activities relating to his involvement in Express.⁶ **Waugh was sentenced to four years in state prison**, all of which were suspended pending successful completion of probation.⁷ He also was ordered to pay \$72,000 in restitution and to complete 500 hours of community service.⁸
- d) **Later in 1999**, Waugh was determined to have **violated the terms of his parole** from federal prison and his probation on his state conviction by traveling to Puerto Rico to engage in activities relating to cellular telephone securities.⁹ As a result, **Waugh was sentenced to six additional months in federal prison and four years in state prison**.¹⁰

(23) As additional background, **Waugh is a disbarred attorney**. He has been disbarred by the Securities and Exchange Commission (SEC) and by the States of Texas and Georgia.

⁴ See *Securities and Exchange Commission v. Express Communications, Inc.*, Complaint by Securities and Exchange Commission, Case No. 95-CV-2268 (D.D.C. Dec. 13, 1995).

⁵ See *Securities and Exchange Commission v. Express Communications, Inc.*, Revised Final Judgment of Permanent Injunction and Other Relief Against Defendant Pendleton C. Waugh, Case No. 95-CV-2268 (D.D.C. Mar. 7, 1997).

⁶ See *Texas v. Waugh*, Judicial Confession and Consent to Stipulation of Evidence, Case No. F-9703517 (Crim. Dist. Ct. Dallas, TX Mar. 5, 1999).

⁷ See *Texas v. Waugh*, Judgment, Case No. F-9703517 (Crim. Dist. Ct. Dallas, TX May 17, 1999).

⁸ See *Texas v. Waugh*, Judgment, Case No. F-9703517 (Crim. Dist. Ct. Dallas, TX May 17, 1999).

⁹ See *U.S. v. Waugh*, Judgment in a Criminal Case (For Revocation of Probation or Supervised Release), Case No. 3:94-CR-160-T (N.D. Tex. N.D. Tex. July 9, 1999).

¹⁰ See *U.S. v. Waugh*, Order Granting in Part and Denying in Part Defendant’s Motion to for Authorization to Travel, Case No. 3:94-CR-160-T (N.D. Tex. N.D. Tex. Aug. 26, 1996). In particular, the court noted that “[t]he probation office has informed the Court that Waugh may be engaged in calling and sending information to potential investors to solicit their money, in violation of a previous order of this Court.” See *id.* See also *Texas v. Waugh*, Judgment Revoking Community Supervision, Case No. F-9703517 (Crim. Dist. Ct. Dallas, TX Jan. 11, 2001).

THE WAUGH vs. PREFERRED (PCSI) - “SIDE-SHOW”

(24) As noted above, this Proceeding was in large part focused on whether or not Waugh was ever issued stock (directly or indirectly via a “Trust”) as compensation for his services as a consultant, which was a matter of concern to the FCC. Ample evidence was provided (by PCSI and Waugh) in the Proceeding to prove to the EB that no such stock was ever issued. However, of greater significance, there has never been any disagreement between PCSI and Waugh that no such stock was ever issued. The conflict between Waugh and PCSI is to whether it will ever be issued. **No stock has ever been issued to Waugh** (or to his benefit via a trust). This fact has been confirmed by PCSI throughout the proceeding, and is reiterated in the Settlement Agreement. Separately, **Waugh has confirmed this numerous times in documents** (including his deposition) he provided **in this Proceeding**; the latest being his “**sworn affidavit**” attached to his August 6, 2009 pleading (see *Motion for Partial Summary Decision* filed by Waugh).

(25) A full discussion of Waugh’s consulting services and related compensation is far beyond the scope of this filing. However, it is relevant to address and show that it is a “contractual dispute” as opposed to Waugh’s spinning it as some sort of “right.”

(26) Preferred sees this as a business dispute between two parties, nothing more, nothing less. There can be no question that the “dispute” between Waugh and Preferred is a “contractual” matter. It is a private business matter between two parties who can’t agree on the payment of consideration for consulting fees.

(27) This “dispute” has been ongoing for years without resolution; with its origins dating back over ten years. It has evolved to a point where the only thing in common between the parties is that each has declared the other to be in “breach” of the agreement.

(28) The matter of the amount and form of further compensation, if any, to Mr. Waugh for services rendered as a consultant is an exceedingly contentious matter. **Mr. Waugh summarized his current relationship with Preferred quite clearly in his deposition (January 26, 2009) in this proceeding.** In his deposition, Mr. Waugh described the “possibility of litigation” (with Preferred) regarding his compensation as “**.....a highly likely probability of litigation.**” and further stated that litigation was a “**virtual certainty.**”

(29) As a consultant, **Mr. Waugh’s compensation was premised on a value-added basis.** Mr. Waugh represented himself as an **expert** in matters related to the wireless telecommunications business, FCC regulations, FCC licensing, etc. Furthermore, he persuaded the Company that, with his involvement and by following his “expert” advice, the Company would realize enhanced value of such a magnitude as to justify his receiving a substantial stock position. Unfortunately, reality was quite the opposite. The bottom line is Mr. Waugh’s involvement and advice has been exceedingly costly to the Company.

(30) A resolution of the contractual dispute between Waugh and Preferred has become a contentious matter not only between Waugh and Preferred, but also (on Preferred’s side of the table) among those who have a vested interest in Preferred. There are those who state that, all

things considered, Waugh should receive little or nothing, and any further compensation must not be in the form of equity ownership in Preferred.

(31) As a small start-up, Preferred does not have the luxury of in-house redundancy in its pursuit of its business objectives. It, as is often the case with small companies, relies on outside experts until such time as it is prudent to fully develop its in-house organizational structure. Preferred relied on Mr. Waugh to provide input to the Company, and deliver on his representations as being an “expert” in various matters. Unfortunately, the Company’s reliance on Mr. Waugh was (in hindsight) ill-advised; consequently, the expected positive impact to Company never materialized. To the contrary, Mr. Waugh’s overall involvement has had a negative impact.

(32) Mr. Waugh promised many things, but in the end, delivered very little. The Company has specific problems with Mr. Waugh’s “consulting services.” These include, but are not limited to, his advice, data and strategy regarding: **(1)** FCC Auction #34, in which the Company expended over \$31 million to acquire certain licensing rights, **(2)** financial forecasts and business models, and **(3)** the FCC 800Mhz “*Rebanding Proceeding*” – WT 02-55.

(33) PCSI was willing to consider providing Waugh stock compensation as depicted in a preliminary settlement proposal to the EB, that was jointly submitted by Waugh and PSCI in July 2008. However, circumstances leading up to, and subsequent to, that proposal being made, have altered dramatically. As clearly described above, that proposal does not reflect Preferred’s current position. Furthermore, to the extent that proposal has any relevance, it is not in this proceeding.

Any relevance would be if, and only if, Waugh pursues his so-called claims against PCSI, as discussed above. Further discussion of this point is beyond the scope of this filing.

SETTLEMENT NEGOCIATIONS

(34) In this Proceeding, there were actually two layers of “negotiations.” The first is obviously negotiations among the parties to the Proceeding in an effort to attain a “global” settlement to the Proceeding. The second layer were the negotiations between Waugh and PCSI regarding Waugh’s consulting fee dispute. The Waugh fee dispute was an issue because Waugh would not sign off on any “global” settlement unless this was also resolved. Consequently, PCSI endeavored to resolve its issues with Waugh in order to get to a global settlement in the Proceeding.

(35) By June 15, 2009, PCSI and the FCC were in “general” agreement on how to settle the matters related solely to PCSI. The remaining issue was if and how PCSI would resolve its contract dispute with Waugh.

(36) Prior to June 15, 2009, PCSI made a proposal to Waugh regarding the consulting fee dispute whereby PCSI would further compensate Waugh, not with stock, but instead use a formula base on “stock equivalents.” In a memorandum (see Attachment B, to PCSI’s Statement of Fact filig) prepared by Mr. Silva (Waugh’s attorney) which was circulated on June 5th, it appeared as if Waugh was open to the concept of “non-stock” compensation. Additionally, this memo included

certain inaccuracies by Mr. Silva, including the erroneous statement that the FCC was dictating to PCSI as to the “non-stock” compensation.

(37) PCSI responded with its letter dated June 15th (see Attachment B, to PCSI’s Statement of Fact filing) to point out Mr. Silva’s errors and to, once again, state PCSI’s position regarding its dispute with Waugh.

(38) Between June 15th and July 8th, PCSI made several attempts to engage Waugh (via his attorney) in substantive dialog, to no avail. The feedback PCSI received was that Mr. Silva could not commit to any specific efforts being made by Waugh or any timeframe in which he would have something substantive to say.

(39) On July 8th, Mr. Silva circulated a letter that clearly reversed Waugh’s position on various matters, including the concept of “non-stock” compensation and added other “ridiculous” demands. At this point, PCSI concluded that further efforts to resolve the consulting fee dispute with Waugh would be fruitless and a waist of time.

(40) Between July 8th and the 15th, PCSI worked on and prepared a Settlement Proposal, and on July 15th, presented it to the Enforcement Bureau (EB) for their consideration. As part of this process, PCSI advised the EB that it had reached an impasse with Waugh regarding the consulting fee dispute. Thereafter, PCSI received a draft copy of a Settlement Agreement from the EB, discussed its language, received a further draft, then an execution copy, which was signed.

WAUGH / JUDY CONSPIRACY & TORTUOUS INTERFERENCE

(41) It is beyond the scope of this proceeding to discuss what PCSI believes to be a conspiracy between Waugh and Michael Judy (and others) to interfere with PCSI's business endeavors. The only reason for mentioning it is that part of the conspiracy is to gain control of the company in order to then approve the exorbitant consulting fees to Waugh. Judy has filed certain actions against PCSI in Delaware, which "coincidentally" (or not) were filed at the same time (July 8, 2009) Waugh refused to negotiate in good faith as evidenced by his letter. PCSI has filed counter-claims of fraud, conspiracy and tortuous interference in Delaware against Waugh, Judy and certain other parties.

CLOSING

(42) For all the reasons stated above, the Respondents respectfully requests the Presiding Judge to reaffirm, or otherwise let stand, the previous Order approving the Settlement Agreement and terminating the proceeding.

Respectfully submitted,

**PREFERRED COMMUNICATION
SYSTEMS, INC.**

By: /S/ Charles M. Austin
Charles M. Austin, President

PREFERRED ACQUISITIONS, INC.

By: /S/ Charles M. Austin
Charles M. Austin, President

CHARLES M. AUSTIN

By: /S/ Charles M. Austin
Charles M. Austin, Individually

Certificate of Service

I, Charles M. Austin, hereby certify that on this 10th day of November, 2009, I caused copies of the foregoing “Opposition” to be served (via US mail, electronic mail or facsimile, as noted, pursuant to the orders in this proceeding) on the following:

<p>The Honorable Richard L. Sipple * Chief Administrative Law Judge Federal Communications Commission 445 12th Street, S.W., Room 1-C768 Washington, D.C 20554</p> <p>*Fax # 202-418-0195</p>	<p>Gary A. Oshinsky, Esq.** Anjali K. Singh, Esq.** Federal Communications Commission 445 12th Street, S.W., Room 4-A335 Washington, D.C 20554</p> <p>**(Anjali.Singh@fcc.gov) **(Gary.Oshinsky@fcc.gov)</p>
<p>Mr. William D. Silva** Law Offices of William D. Silva 5335 Wisconsin Avenue, N.W. Suite 400 Washington, D.C. 20015-2003</p> <p>**(bill@luselaw.com) Attorney for Pendleton C. Waugh</p>	<p>Mr. Michael D. Judy** 5874 East Nees Clovis, CA 93611</p> <p>**(destunymike@yahoo.com)</p>
<p>Jay R. Bishop** P.O. Box 5598 Palm Springs, CA 92262</p> <p>**(jaybishopps@aol.com) **(michellebishopps@aol.com)</p>	

/S/ Charles M. Austin

Charles M. Austin