

**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

Date: June 23, 2010

**PETITION TO RELEASE DOCUMENTS
THAT ARE SUBJECT TO PROTECTIVE ORDER**

In the above captioned proceeding, the Enforcement Bureau filed a Motion for Adoption of a Model Protective Order (see Attachment A) on August 22, 2007. This Motion was granted by an Order (see Attachment B) issued on October 31, 2007 by the presiding Administrative Law Judge.

In this proceeding, Preferred Communications Systems, Inc. ("Preferred"), Preferred Acquisitions, Inc. ("PAI") and Charles M. Austin ("Austin") submitted documents under the

Protective Order and a portion of Austin's deposition (documented as a transcript) is also subject to the Protective Order; hereinafter the Austin transcript and the submitted documents are referred to collectively as the "Protected Documents."

Preferred and Austin are the defendants in a civil lawsuit (Judy v. Preferred, et al, Cons. C.A. No. 4662-CC) in the Court of Chancery of the State of Delaware; hereinafter referred to as the "Delaware Litigation."

In the Delaware Litigation, Preferred and Austin were served with a request for production of documents (see Attachment C), which includes a request for the Protected Documents. Preferred objected to the request, to which the plaintiff (Judy) filed a motion to compel production of the documents. The Court of Chancery ruled in favor of Judy and ordered Preferred and Austin to comply with the document request, as specified in a letter ruling (see Attachment D).

Preferred, PAI and Austin do hereby request and petition the Commission to release, remove or otherwise permit Preferred and Austin to obtain copies of the Protected Documents and to thereafter submit them pursuant to the order (see Attachment D) of the Court of Chancery. This request is specifically limited to the above noted case (Judy v Preferred et al. Cons. C.A. No. 4662-CC). Furthermore, we have been advised that the Protected Documents (if released by the FCC pursuant to this request/petition) will be handled in a manor such that they will be under seal in the Court of Chancery.

We respectfully request your addressing this request/petition as expeditiously as possible.

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

ATTACHMENT A

AUG 22 2007

Federal Communications Commission
Office of the Secretary

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
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PREFERRED ACQUISITIONS, INC.)	FRN No. 0003786183
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Licensee of Various Economic Area Licenses in the 800 MHz Specialized Mobile Radio Service)	
)	

To: The Honorable Judge Arthur I. Steinberg

**ENFORCEMENT BUREAU'S MOTION
FOR ADOPTION OF MODEL PROTECTIVE ORDER**

1. The Enforcement Bureau ("Bureau"), pursuant to Sections 1.45 and 1.313 of the Commission's Rules, 47 C.F.R. §§ 1.45 and 1.313, hereby requests the Presiding Administrative Law Judge to adopt a Model Protective Order ("MPO"), appended hereto as Attachment A. In support whereof, the following is shown.

2. On June 30, 2006, the Bureau issued a letter of inquiry to Preferred Communication Systems, Inc. ("PCSI") in the above-captioned proceeding. In a response dated July 27, 2006, PCSI submitted certain documents (exhibits marked with Bates Stamp numbers PCSI00001 to PCSI02214) for which it requested confidential treatment. On December 27, 2006, the Bureau issued a second letter of inquiry to PCSI.

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general use in Commission proceedings will be substantial. It will reduce the need for lengthy negotiations or litigation over the terms of such orders and help prevent delays in proceedings.²

The Commission also stated that it believed “the MPO will prove appropriate in most instances where protective orders are appropriate,”³ but that “the Bureaus will retain the authority to use a different or modified protective order where they determine it is warranted.”⁴ Particularly relevant to the instant proceeding, the Commission noted that “[t]he MPO may also be used to provide limited access to information on a timely basis where the submitter has made a good faith request for confidential treatment of information pursuant to Section 0.459(a) and the Commission has not yet ruled on the request.”⁵

6. Since its adoption, the MPO has been approved for use in Commission proceedings.⁶ In a similar vein, the Presiding Administrative Law Judge has previously approved the use of a confidentiality agreement in a hearing proceeding.⁷ Here, where PCSI’s confidentiality requests are still pending, the Bureau respectfully submits that adoption of the attached MPO would facilitate free exchange of documents submitted for confidential treatment among the parties to the hearing that sign the Declaration appended to the MPO, while preserving the confidential treatment requested in good faith by PCSI.

² See *Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission*, Report and Order, 13 FCC Rcd. 24816, 24831-24832 (1998).

³ See *id.* at 24832.

⁴ *Id.*

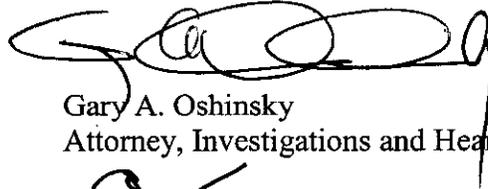
⁵ *Id.*

⁶ See, e.g., *Applications for the Transfer of Control of Licenses and Authorizations from Nextel Communications, Inc. and its Subsidiaries to Sprint Corporation*, 20 FCC Rcd. 3607 (WTB 2005) (adopting a protective order based on the MPO).

⁷ See *Arkansas Cable Telecommunications Association, et al.*, Order, FCC 06M-39 (ALJ Steinberg, Dec. 15, 2006) (granting motion for adoption of a protective order and approving stipulated confidentiality agreement).

7. For the foregoing reasons, the Bureau respectfully requests that the Presiding Administrative Law Judge adopt the attached MPO.

Respectfully submitted,
Kris Anne Monteith
Chief, Enforcement Bureau



Gary A. Oshinsky
Attorney, Investigations and Hearings Division



Anjali K. Singh
Attorney, Investigations and Hearings Division

Federal Communications Commission
445 12th Street, S.W., Room 4-C330
Washington, D.C. 20554
(202) 418-1420

August 22, 2007

ATTACHMENT A

**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
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PREFERRED COMMUNICATION SYSTEMS, INC.)	FRN No. 0003769049
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PROTECTIVE ORDER

This Protective Order is intended to facilitate and expedite the review of documents containing trade secrets and commercial or financial information obtained from a person and which is privileged or confidential. It reflects the manner in which "Confidential Information," as that term is defined herein, is to be treated. The Order is not intended to constitute a resolution of the merits concerning whether any Confidential Information would be released publicly by the Commission upon a proper request under the Freedom of Information Act or other applicable law or regulation, including 47 C.F.R. § 0.442.

1. Definitions.

- a. Authorized Representative. "Authorized Representative" shall have the meaning set forth in Paragraph seven.
- b. Commission. "Commission" means the Federal Communications Commission or any arm of the Commission acting pursuant to delegated authority.
- c. Confidential Information. "Confidential Information" means (i) information submitted to the Commission by the Submitting Party that has been so designated by the Submitting Party and which the Submitting Party has determined in good faith constitutes trade secrets or commercial or financial information which is privileged or confidential within the meaning of Exemption 4 of the Freedom of Information Act, 5 U.S.C. § 552(b)(4); (ii) information submitted to the Commission by the Submitting Party that has been so designated by the Submitting Party and which the Submitting Party has determined in good faith falls within the terms of Commission orders

designating the items for treatment as Confidential Information; and (iii) information that the Commission has allowed to be examined off-site and that otherwise complies with the requirements of this paragraph. Confidential Information includes additional copies of and information derived from Confidential Information.

d. Declaration. "Declaration" means Attachment A to this Protective Order.

e. Reviewing Party. "Reviewing Party" means a person or entity participating in this proceeding or considering in good faith filing a document in this proceeding.

f. Submitting Party. "Submitting Party" means a person or entity that seeks confidential treatment of Confidential Information pursuant to this Protective Order.

2. Claim of Confidentiality. The Submitting Party, may designate information as "Confidential Information" consistent with the definition of that term in Paragraph 1 of this Protective Order. The Commission may, *sua sponte* or upon petition, pursuant to 47 C.F.R § § 0.459 & 0.461, determine that all or part of the information claimed as "Confidential Information" is not entitled to such treatment.

3. Procedures for Claiming Information is Confidential. Confidential Information submitted to the Commission shall be filed under seal and shall bear on the front page in bold print, "CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION - DO NOT RELEASE." Confidential Information shall be segregated by the Submitting Party from all non-confidential information submitted to the Commission. To the extent a document contains both Confidential Information and non-confidential information, the Submitting Party shall designate the specific portions of the document claimed to contain Confidential Information and shall, where feasible, also submit a redacted version not containing Confidential Information.

4. Storage of Confidential Information at the Commission. The Secretary of the Commission or other Commission staff to whom Confidential Information is submitted shall place the Confidential Information in a non-public file. Confidential Information shall be segregated in the files of the Commission, and shall be withheld from inspection by any person not bound by the terms of this Protective Order, unless such Confidential Information is released from the restrictions of this Order either through agreement of the parties, or pursuant to the order of the Commission or a court having jurisdiction.

5. Access to Confidential Information. Confidential Information shall only be made available to Commission staff, Commission consultants and to counsel to the Reviewing Parties, or if a Reviewing Party has no counsel, to a person designated by the Reviewing Party. Before counsel to a Reviewing Party or such other designated person designated by the Reviewing Party may obtain access to Confidential Information, counsel or such other designated person must execute the attached Declaration. Consultants under contract to the Commission may obtain access to Confidential Information only if they have signed, as part of their employment contract, a non-disclosure agreement or if they execute the attached Declaration.

6. Counsel to a Reviewing Party or such other person designated pursuant to Paragraph 5 may disclose Confidential Information to other Authorized Representatives to whom

disclosure is permitted under the terms of paragraph 7 of this Protective Order only after *advising such Authorized Representatives of the terms and obligations of the Order*. In addition, before Authorized Representatives may obtain access to Confidential Information, each Authorized Representative must execute the attached Declaration.

7. Authorized Representatives shall be limited to:
 - a. Counsel for the Reviewing Parties to this proceeding, including in-house counsel actively engaged in the conduct of this proceeding, and their associated attorneys, paralegals, clerical staff and other employees, to the extent reasonably necessary to render professional services in this proceeding;
 - b. Specified persons, including employees of the Reviewing Parties, requested by counsel to furnish technical or other expert advice or service, or otherwise engaged to prepare material for the express purpose of formulating filings in this proceeding; or
 - c. Any person designated by the Commission in the public interest, upon such terms as the Commission may deem proper.

8. Inspection of Confidential Information. Confidential Information shall be maintained by a Submitting Party for inspection at two or more locations, at least one of which shall be in Washington, D.C. Inspection shall be carried out by Authorized Representatives upon reasonable notice (generally not to exceed one business day) during normal business hours.

9. Copies of Confidential Information. The Submitting Party shall provide a copy of the Confidential Material to Authorized Representatives upon request and may charge a reasonable copying fee not to exceed twenty five cents per page. Authorized Representatives may make additional copies of Confidential Information but only to the extent required and solely for the preparation and use in this proceeding, Authorized Representatives must maintain a written record of any additional copies made and provide this record to the Submitting Party upon reasonable request. The original copy and all other copies of the Confidential Information shall remain in the care and control of Authorized Representatives at all times. Authorized Representatives having custody of any Confidential Information shall keep the documents properly secured at all times.

10. Filing of Declaration. Counsel for Reviewing Parties shall provide to the Submitting Party and the Commission with a copy of the attached Declaration for each Authorized Representative within five (5) business days after the attached Declaration is executed, or by any other deadline that may be prescribed by the Commission.

11. Use of Confidential Information. Confidential Information shall not be used by any person granted access under this Protective Order for any purpose other than for use in this proceeding (including any subsequent administrative or judicial review) unless otherwise ordered by the Commission or a court of competent jurisdiction, shall not be used for competitive business purposes, and shall not be used or disclosed except in accordance with this Order. This shall not preclude the use of any material or information that is in the public domain or has been developed independently by any other person who has not had access to the Confidential Information nor otherwise

learned of its contents.

12. Pleadings Using Confidential Information. Submitting Parties and Reviewing Parties may, in any pleadings that they file in this proceeding, reference the Confidential Information, but only if they comply with the following procedures:

- a. Any portions of the pleadings that contain or disclose Confidential Information must be physically segregated from the remainder of the pleadings and filed under seal;
- b. The portions containing or disclosing Confidential Information must be covered by a separate letter referencing this Protective Order;
- c. Each page of any Party's filing that contains or discloses Confidential Information subject to this Order must be clearly marked:
 "Confidential Information included pursuant to Protective Order, [cite proceeding];" and
- d. The confidential portion(s) of the pleading, to the extent they are required to be served, shall be served upon the Secretary of the Commission, the Submitting Party, and those Reviewing Parties that have signed the attached Declaration. Such confidential portions shall be served under seal. They shall not be placed in the Commission's Public File unless the Commission directs otherwise (with notice to the Submitting Party and an opportunity to comment on such proposed disclosure). A Submitting Party or a Reviewing Party filing a pleading containing Confidential Information shall also file a redacted copy of the pleading containing no Confidential Information, which copy shall be placed in the Commission's public files. A Submitting Party or a Reviewing Party may provide courtesy copies of pleadings containing Confidential Information to Commission staff so long as the notation required by subsection c. of this paragraph is not removed.

13. Violations of Protective Order. Should a Reviewing Party that has properly obtained access to Confidential Information under this Protective Order violate any of its terms, it shall immediately convey that fact to the Commission and to the Submitting Party. Further, should such violation consist of improper disclosure or use of Confidential Information, the violating party shall take all necessary steps to remedy the improper disclosure or use. The Violating Party shall also immediately notify the Commission and the Submitting Party, in writing, of the identity of each party known or reasonably suspected to have obtained the Confidential Information through any such disclosure. The Commission retains its full authority to fashion appropriate sanctions for violations of this Protective Order, including but not limited to suspension or disbarment of attorneys from practice before the Commission, forfeitures, cease and desist orders, and denial of further access to Confidential Information in this or any other Commission proceeding. Nothing in this Protective Order shall limit any other rights and remedies available to the Submitting Party at law or equity against any party using Confidential Information in a manner not authorized by this Protective Order.

14. Termination of Proceeding. Unless otherwise ordered by the Commission or a court of competent jurisdiction, within two weeks after final resolution of this proceeding (which includes any administrative or judicial appeals), Authorized Representatives of

Reviewing Parties shall destroy or return to the Submitting Party all Confidential Information as well as all copies and derivative materials made. Authorized representatives shall certify in a writing served on the Commission and the Submitting Party that no material whatsoever derived from such Confidential Information has been retained by any person having access thereto, except that counsel to a Reviewing Party may retain two copies of pleadings submitted on behalf of the Reviewing Party and other attorney work product. Any confidential information contained in any copies of pleadings retained by counsel to a Reviewing Party or in materials that have been destroyed pursuant to this paragraph shall be protected from disclosure or use indefinitely in accordance with paragraphs 9 and 11 of this Protective Order unless such Confidential Information is released from the restrictions of this Order either through agreement of the parties, or pursuant to the order of the Commission or a court having jurisdiction.

15. No Waiver of Confidentiality. Disclosure of Confidential Information as provided herein shall not be deemed a waiver by the Submitting Party of any privilege or entitlement to confidential treatment of such Confidential Information. Reviewing Parties, by viewing these materials: (a) agree not to assert any such waiver; (b) agree not to use information derived from any confidential materials to seek disclosure in any other proceeding; and (c) agree that accidental disclosure of Confidential Information shall not be deemed a waiver of any privilege.

16. Additional Rights Preserved. The entry of this Protective Order is without prejudice to the rights of the Submitting Party to apply for additional or different protection where it is deemed necessary or to the rights of Reviewing Parties to request further or renewed disclosure of Confidential Information.

17. Effect of Protective Order. This Protective Order constitutes an Order of the Commission and an agreement between the Reviewing Party, executing the attached Declaration, and the Submitting Party.

18. Authority. This Protective Order is issued pursuant to Sections 4(i) and 4(j) of the Communications Act as amended, 47 U.S.C. § § 154(i), and (j) and 47 C.F.R. § 0.457(d).

Attachment to Protective Order

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
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PREFERRED COMMUNICATION SYSTEMS, INC.)	FRN No. 0003769049
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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)	
)	

DECLARATION

I, _____, hereby declare under penalty of perjury that I have read the Protective Order in this proceeding, and that I agree to be bound by its terms pertaining to the treatment of Confidential Information submitted by parties to this proceeding. I understand that the Confidential Information shall not be disclosed to anyone except in accordance with the terms of the Protective Order and shall be used only for purposes of the proceedings in this matter. I acknowledge that a violation of the Protective Order is a violation of an order of the Federal Communications Commission. I acknowledge that this Protective Order is also a binding agreement with the Submitting Party.

(signed) _____
(printed name) _____
(representing) _____
(title) _____
(employer) _____
(address) _____
(phone) _____
(date) _____

CERTIFICATE OF SERVICE

Karen Richardson, an Enforcement Analyst in the Enforcement Bureau's Investigations and Hearings Division, certifies that she has, on this 22nd day of August, 2007, sent by first class United States mail copies of the foregoing "Enforcement Bureau's Motion for Adoption of Model Protective Order" to:

Charles M. Austin
c/o Preferred Communications Systems, Inc.
6311 North O'Connor Boulevard N24
Irving, Texas 75039

Preferred Communication Systems, Inc.
6311 North O'Connor Boulevard N24
Irving, Texas 75039

Charles J. Ryan, III
Attorney At Law
12502 Trelawn Ter.
Mitchellville MD 20721

Preferred Acquisitions, Inc.
c/o Preferred Communications Systems, Inc.
6311 North O'Connor Boulevard N24
Irving, Texas 75039

Pendleton C. Waugh
9150 E Del Camino
Suite 114
Scottsdale, Arizona 85258

Jay R. Bishop
c/o Preferred Communications Systems, Inc.
6311 North O'Connor Boulevard N24
Irving, Texas 75039

Jay R. Bishop
c/o Michelle Bishop
3520 N. Weston Pl.
Long Beach, CA 90807

Jay R. Bishop

c/o Michelle Bishop
1190 South Farrell Drive
Palm Springs, CA 92264

Charles J. Ryan, III
Attorney At Law
Post Office Box 4782
Upper Marlboro, Maryland, 20775

Administrative Law Judge Arthur I. Steinberg*
Federal Communications Commission
445 12th Street, S.W., Room 1-C861
Washington, D.C. 20054



Karen Richardson

* Hand-Delivered

ATTACHMENT B

SECRET FILE COPY ORIGINAL

Before the
Federal Communications Commission
Washington, D.C. 20554

FCC 07M-44

06669

In the Matter of)

PENDLETON C. WAUGH, CHARLES M.)
AUSTIN, and JAY R. BISHOP)

EB Docket No. 07-147

PREFERRED COMMUNICATION)
SYSTEMS, INC.)

File No. EB-06-IH-2112)
NAL/Acct. No. 200732080025)

Licensee of Various Site-by-Site Licenses in)
the Specialized Mobile Radio Service)

FRN No. 0003769049)

PREFERRED ACQUISITIONS, INC.)

FRN No. 0003786183)

Licensee of Various Economic Area Licenses)
in the 800 MHz Specialized Mobile Radio)
Service)

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FCC

ORDER

Issued: October 31, 2007

Released: November 2, 2007

Good cause having been shown, IT IS ORDERED that the Enforcement Bureau's Motion for Adoption of Model Protective Order, filed on August 22, 2007, IS GRANTED, and the Protective Order attached thereto, as revised,¹ IS ADOPTED.

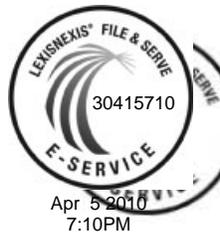
FEDERAL COMMUNICATIONS COMMISSION



Arthur I. Steinberg
Administrative Law Judge

¹ The revision contains a new definition of "Reviewing Party."

ATTACHMENT C



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

MICHAEL D. JUDY)	Cons. C.A. No. 4662-CC
)	
Plaintiff,)	
)	
v.)	
)	
PREFERRED COMMUNICATION)	
SYSTEMS, INC., a Delaware corporation, and)	
CHARLES M. AUSTIN,)	
)	
Defendants.)	

**PLAINTIFF’S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS
DIRECTED TO DEFENDANTS CHARLES M. AUSTIN AND PREFERRED
COMMUNICATION SYSTEMS, INC.**

Pursuant to Court of Chancery Rules 26 and 34, Plaintiff Michael D. Judy, by and through his undersigned counsel, hereby requests that Defendants Charles M. Austin and Preferred Communication Systems, Inc. provide appropriate written responses and produce the documents and other evidentiary material specified in the below requests (the “Requests”) for inspection and copying at the offices of Potter Anderson & Corroon LLP, 1313 N. Market Street, Hercules Plaza, 6th Floor, P.O. Box 951, Wilmington, DE 19899, or another location to be agreed to by the parties. Unless otherwise indicated, the Definitions and Instructions contained herein apply to the following Requests.

DEFINITIONS

1. “Austin” shall mean Defendant Charles M. Austin.
2. The “Company” shall mean Defendant Preferred Communication Systems, Inc., as well as each of its present or former officers, employees, members, managers, agents, attorneys, consultants, advisors (financial or otherwise), representatives and all other persons acting or purporting to act on its behalf.

3. “Defendants” shall mean Austin and the Company.
4. “PAI” shall mean Preferred Acquisitions Inc., a wholly owned subsidiary of the Company, as well as each of its present or former officers, employees, members, managers, agents, attorneys, consultants, advisors (financial or otherwise), representatives and all other persons acting or purporting to act on its behalf.
5. The “Action” shall mean the consolidated action pending before the Court of Chancery under C.A. No. 4662-CC, which consists of three actions filed by Plaintiff Michael D. Judy that were originally assigned civil action numbers 4720-CC, 4721-CC, and 4662-CC.
6. “Agreement and Plan of Reorganization” shall mean the Agreement and Plan of Reorganization at Exhibit 10 to the Report of Receiver Regarding Voting Equity of Preferred Communication Systems, Inc., which was filed in this Action on March 5, 2010.
7. The “2007 Amended Certificate” shall mean the Amended and Restated Certificate of Incorporation of Preferred Communication Systems, Inc. filed with the Delaware Secretary of State on March 27, 2007.
8. The “Reorganization” shall mean the (i) Agreement and Plan of Reorganization and (ii) 2007 Amended Certificate collectively.
9. The “FCC Enforcement Bureau Action” shall mean the matter before the Federal Communications Commission styled *In re Pendleton C. Waugh et al.*, EB Docket No. 07-147.
10. The “Settlement Agreement” shall mean the Settlement Agreement purportedly entered into between the Enforcement Bureau of the Federal Communications Commission, the Company, PAI, Austin, and Jay R. Bishop in the FCC Enforcement Bureau Action and filed with the FCC on August 6, 2009.

11. “SEC Investigation” shall mean the Los Angeles Regional Office of the Securities and Exchange Commission’s formal investigation of the Company begun in January 2006 and concluded in June 2006 with no recommendation of enforcement action.

12. “Patel Family” shall mean Chandu S. Patel, Sumitra Patel, Divya Patel, Sonal Patel, and Apurva Patel.

13. “VentureTel 700” shall mean VentureTel 700, Inc., a Texas corporation, which is wholly owned (100% of the voting stock) by Preferred Operating Company, a Delaware corporation, which is 81% owned by the Company.

14. The term “person” shall mean any natural person or individual, or any firm, partnership, proprietorship, corporation, unincorporated association, trust, joint venture, or any other legal or governmental entity, organization or body of any type whatsoever, as well as all agents, officers, directors, boards, committees, subcommittees, employees, consultants, representatives or instrumentalities thereof.

15. The terms “and” as well as “or” as used herein shall be read and applied as though interchangeable and shall be construed disjunctively or conjunctively so as to require the fullest and most complete disclosure of all requested information. The terms “any” or “all” shall mean “each and every” as well as “anyone and everyone.” The singular includes the plural and the plural includes the singular. The present tense includes the past and future tenses. Words in feminine, masculine or neuter form shall include each of the other genders.

16. “Communication” or “communications” shall mean and include all inquiries, discussions, conversations, interviews, negotiations, agreements, correspondence, letters, cablegrams, mailgrams, telegrams, telexes, cables, electronically transmitted messages (“e-mail”), postings on Internet bulletin boards, or other forms of written, verbal or electronic

intercourse, however transmitted, including drafts, facsimilies, and copies, as well as originals, as well as reports, notes, memoranda, lists, agenda, transcriptions and other documents and records of communications, and, when used, shall require a statement identifying (i) the individual(s) who made the communication, (ii) the recipient(s) of the communication, (iii) the date it was made and (iv) the form in which it was made.

17. “Document” or “documents” shall have the broadest meaning permitted under the Court of Chancery Rules, and are to be construed in a broad and liberal sense to mean all types of written, typed, printed, recorded or graphic information, however produced or reproduced, of any kind and description, and include, without limitation, all originals, copies (if the originals are not available), non-identical copies (whether different from the original because of underlining, editing marks, notes made on or attached to such copy, or otherwise) and drafts, whether maintained in paper or recorded through a sound, video or other electronic, magnetic or digital recording system, including but not limited to: Communications, letters; correspondence; telegrams; telexes; memoranda; records; summaries of personal conversations or interviews; minutes or records or notes of meetings or conferences; note pads; notebooks; postcards; “Post-It” notes; stenographic notes; transcriptions; notes; opinions or reports of financial advisors or consultants; opinions or reports of experts; projections; financial or statistical statements or compilations; contracts; agreements; appraisals; analyses; purchase orders; confirmations; publications; articles; books; pamphlets; circulars; microfilm; microfiche; reports; studies; logs; surveys; diaries; calendars; appointment books; maps; charts; graphs; bulletins; Photostats; speeches; data sheets; pictures; photographs; illustrations; blueprints; films; drawings; plans; tape recordings; videotapes; disks; diskettes; data tapes or readable computer-produced interpretations or transcriptions thereof; electronically transmitted messages (“e-mail”); voicemail messages;

interoffice communications; advertising, packaging and promotional materials; and any other writings, papers, and tangible things of whatever description whatsoever, including, but not limited to, any information contained in any computer, even if not yet printed out, within your possession, custody, or control. Any copy containing or having attached thereto any alterations, notes, comments, or other materials not included in the originals shall be deemed a separate document within the foregoing definition.

18. The term “copy” as used herein shall include a Xerox, photocopy, or any other form of true and accurate duplication of a document.

19. The terms “include” and “including” shall each be interpreted in every instance as being illustrative of the information requested, shall be read as meaning “including but not limited to,” and shall not be interpreted to exclude any information otherwise within the scope of these Requests.

20. The terms “concerning,” “relating to,” and “referring to” shall be read and applied as interchangeable and shall be construed in the broadest sense to mean discussing, supporting, describing, pertaining to, containing, analyzing, evaluating, studying, recording, memorializing, reporting on, commenting on, reviewed in connection or conjunction with, evidencing, setting forth, contradicting, refuting, considering, recommending, or constituting, in whole or in part.

21. Any term not defined herein has its usual and customary meaning.

22. All other capitalized terms used herein and not defined will be given the definition ascribed to them in the Amended Complaint.

INSTRUCTIONS

1. In responding to these Requests, you must make a diligent search of any and all documents that are (i) in your possession, custody or control, or (ii) in the possession, custody or control of present or former agents, attorneys, consultants, advisors (financial or otherwise), representatives and all other persons acting or purporting to act on your behalf, or (iii) otherwise available to you, and furnish all documents and/or information available to you or subject to your reasonable inquiry. If there are no documents or information responsive to a particular Request, state so in writing.

2. These Requests shall be deemed continuing in nature so as to require you to file supplementary responses and supplemental production in the event that you, or any attorney, agent, representative or professional employed by you, obtain or discover additional documents or new or different information between the time of initial production and the time of final judgment in this Action.

3. Notwithstanding anything else to the contrary herein, each word, term, or phrase is intended to have the broadest meaning permitted under the Court of Chancery Rules.

4. Each Request shall be construed conjunctively or disjunctively as necessary to make the Request inclusive rather than exclusive. Any Request propounded in the singular shall also be read as if propounded in the plural and vice versa. Any Request propounded in the present tense shall also be read as if propounded in the past tense and vice versa. The words “or,” “and,” “and/or” and “including” shall each be read inclusively rather than exclusively.

5. A Request for a document shall be deemed a Request for any non-identical copies or drafts of such documents, as well as all transmittal sheets, cover letters, exhibits, enclosures, appendices or attachments to the document, in addition to the document itself.

6. The responsive documents shall be produced (i) in such a fashion as to indicate to which Request they are responsive and (ii) in such a fashion as to indicate clearly the identity of the file or source from which they were produced. The documents responsive to these Requests shall be produced as they have been kept in the usual course of business or shall be organized and labeled to correspond with the enumerated categories in this request. All responsive documents that originate from or are stored or kept in electronic form, such as e-mail and any attachments thereto, shall be produced in their native format with their accompanying metadata.

7. To the extent that you deem or consider any Request to be ambiguous, you should construe the Request to require the fullest and most complete disclosure of all information and requested documents.

8. If it is not possible to produce any document called for by the Request, or if you object to any individual Request in whole or in part, state specifically your objection(s) or the reason(s) for failure to produce the document.

9. If you object to any of the Requests herein, whether in whole or in part, on the grounds that information sought therein is subject to a claim of attorney-client privilege, work-product immunity, or other privilege or immunity, produce as much of the subject document as to which no claim of privilege or immunity is made. With respect to documents or portions of documents for which a claim of privilege or immunity is made, state the following:

- (a) the type and nature of the document or communication;
- (b) the date of the document;
- (c) the person(s) in receipt of the document or the person(s) present during the communication;
- (d) the person(s) who authored or created the document or the person(s) who made the communication;

- (e) the person(s) to whom such document or communication was made;
- (f) the general subject matter of the document or communication in a manner sufficient to support the privilege claimed;
- (g) the nature of the privilege or protection asserted, the person(s) asserting the privilege or protection, and/or the specific reason why the document is not being produced; and
- (h) the same information referenced in (a)-(g) above for each enclosure or attachment to each listed document if the enclosure or attachment is also withheld from production.

10. An objection or claim of privilege directed to part of a Request does not constitute an excuse for failure to respond to the parts of a Request for which no objection or claim of privilege is made.

11. If any document responsive to these Requests is not in your possession, custody or control or has been lost, destroyed, or otherwise disposed of, such document is to be identified as completely as possible, including the following information: contents; author(s); recipient(s); sender(s); copied recipients (indicated or blind); date prepared or received; date of disposal (approximate, if precise date is not known); manner of disposition; person(s) currently in possession of the document; person(s) disposing of the document; and any document retention or destruction policy under which such document was destroyed or disposed of and all persons who participated in, or were involved in, the formulation of any such policy.

DOCUMENTS REQUESTED

1. Any and all documents relating to any stock certificate books maintained by the Company, including, but not limited, any and all certificates from such books, whether issued or unissued, whether draft or final, whether void or effective.

2. Any and all documents relating to the ownership of stock in the Company, including, but not limited to, (i) any and all stock ledgers or other lists of the Company's stockholders, whether draft or final, and (ii) any and all documents reflecting shares of stock held by any person (voting or non-voting).

3. Any and all documents relating to options, warrants, convertible notes, or other securities or holdings that are exchangeable for voting stock in the Company, including any and all documents reflecting (i) how many instruments are held by each holder, (ii) the conditions under which such instruments may be convertible to voting stock and at what rate, and (iii) each instrument holder's address and other contact information recorded by the Company.

4. Any and all documents relating to (i) any notes or other debt issued by the Company and/or (ii) any loans made to the Company or PAI, including, but not limited to, any and all communications from such note or debt holders to the Company and/or Austin.

5. Any and all documents relating to any money or assets (including FCC licenses) that the Company and/or Austin has received from any persons, whether in exchange for equity, debt, or otherwise, including, but not limited to, any and all communications, ledgers, charts, checks, wire transfers, bank statements, and/or other accounting records.

6. Any and all documents relating to money, assets, or securities transferred from the Company to Austin and/or any account controlled by Austin, including, but not limited to, any

and all communications, ledgers, charts, checks, wire transfers, bank statements, and/or other accounting records.

7. Any and all Company financial and/or accounting ledgers.

8. Any and all bank records from accounts controlled by Austin that reflect any money or assets received from (i) any person in connection with an investment in or loan to the Company or (ii) the Company, including any and all bank statements and deposit slips.

9. Any and all documents relating to money, assets, or securities with a value greater than \$5,000 transferred from the Company to any person.

10. Any and all documents relating to any money or assets invested by Austin in the Company, or otherwise transferred from Austin to the Company, whether in exchange for stock, warrants, or otherwise.

11. Any and all documents relating to Austin's ownership of any stock or warrants exchangeable for stock in the Company.

12. Any and all documents relating to Austin's issuance, as the purported sole member of the board of directors, of 800,000 shares of Common Stock in the Company to himself, including, but not limited to, all drafts of the director consent issuing such shares and all communications relating to the issuance of such shares.

13. Any and all documents relating to Austin's issuance and/or the Company's issuance of warrants to Austin, including, but not limited to, the purported issuance of warrants for 500,000; 441,467; and 150,000 shares of stock.

14. Any and all contracts between the Company and/or PAI, on the one hand, and their respective officers and directors, on the other hand, including, but not limited to, any and all employment agreements between Austin and the Company and/or PAI.

15. Any and all documents the Company has filed with, sent to, or received from the Federal Communications Commission, whether confidential or public, including, but not limited to, (i) any and all communications relating to the Settlement Agreement and (ii) any and all documents submitted to the FCC in connection with the Company's responses to the FCC's two Letters of Inquiry in the matter styled *In re Preferred Communication Systems, Inc.*, File No. EB-06-IH-2112.

16. Any and all documents relating to any sworn statements provided by Austin, including, but not limited to, the entire transcript of Austin's deposition before the Federal Communications Commission in the FCC Enforcement Bureau Action, whether confidential or public.

17. Any and all documents relating to the Reorganization, including, but not limited to, (i) any and all drafts of the Agreement and Plan of Reorganization and 2007 Amended Certificate, (ii) any and all communications relating to the Agreement and Plan of Reorganization and 2007 Amended Certificate, and (iii) any and all Warrant Addendums (as defined in the Agreement and Plan of Reorganization).

18. Any and all minute books or written consents of each of the Company and PAI, including minute books or written consents relating to the boards of directors of the Company and PAI, or any committee thereof, as well as minute books or written consents relating to the stockholders of each of the Company and PAI.

19. Any and all contracts between each of the Company, on the one hand, and PAI, Preferred Operating Company, and/or VentureTel 700 and their respective officers and directors, on the other hand, including, but not limited to, employment contracts and compensation agreements.

20. Any agreement or other document that reflects, contains the terms of, or summarizes (a) compensation, benefits, or any other remuneration provided by each of the Company and PAI to any officer, director, agent, or consultant of the Company or PAI, (b) any loans made by the Company or PAI to any officer or director of the Company or PAI, and/or (c) any investments by the Company or PAI in any outside business ventures in which any director or officer of the Company or PAI is engaged.

21. Any and all documents reflecting compensation, awards, or monies otherwise paid by the Company and/or PAI to Austin, including, but not limited to, any and all of Austin's personal tax records and returns, whether state, federal, or otherwise.

22. Any and all Company tax records and tax returns filed by the Company and/or PAI, whether state, federal, or otherwise.

23. All quarterly, annual, and any other financial statements or reports of the Company and/or PAI, whether audited or not.

24. All business plans and/or financial projections of the Company and/or PAI, including any amendments thereto.

25. Any and all documents that the Company and/or PAI provided to the Securities & Exchange Commission in connection with the SEC Investigation.

26. Any and all documents provided by the Company, PAI, and/or its legal counsel to any of the Patel Family's advisors or consultants, including, but not limited to, (i) any and all documents provided to Victor Lee, Martin Kalb, Randy Bullard, Antonio Pena, and/or another other attorneys at Greenberg Traurig, LLP during April 2003 to December 2005 and (ii) any and all documents provided to attorneys from Paul, Hastings, Janofsky & Walker LLP.

27. Any and all documents relating to the formation of VentureTel 700.

28. Any and all documents reflecting any money or assets transferred from the Company to VentureTel 700 and/or Preferred Operating Company.

POTTER ANDERSON & CORROON LLP

By: /s/ R. Christian Walker
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*Attorneys for Preferred Spectrum
Investments, Inc. and Plaintiff Michael D.
Judy*

Date: April 5, 2010
959840

ATTACHMENT D

**COURT OF CHANCERY
OF THE
STATE OF DELAWARE**

WILLIAM B. CHANDLER III
CHANCELLOR

COURT OF CHANCERY COURTHOUSE
34 THE CIRCLE
GEORGETOWN, DELAWARE 19947

June 11, 2010

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Re: *Judy v. Preferred Communication Systems, Inc.*
Civil Action No. 4662-CC

Dear Counsel:

Because of the press of other business, I regret that I have been unable to address more promptly the pending motions in this consolidated case. I will, however, attempt to give you guidance, albeit brief in form, in order to keep this proceeding moving forward.

First, as to Kenneth Fry's motion to intervene, I grant the motion, and Fry is permitted to intervene for himself and on behalf of all SMRGX Licensees for all purposes. An Order has been entered to this effect.

Second, I grant plaintiff Michael D. Judy's motion to compel defendants Charles M. Austin and Preferred Communication Systems, Inc. to produce documents responsive to plaintiff's discovery requests. I also will order defendants to pay plaintiff reasonable expenses for having to file this motion, including attorneys fees, under Court of Chancery Rule 37(a)(4). Counsel for plaintiff Judy shall file an affidavit detailing the expenses associated with the motion, together with a form of Order. I deny defendants' motion for a protective order.

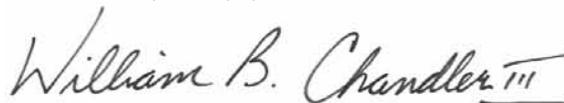
Third, I deny defendants' objection to the motion for issuance of commissions directed to Robert A. Forrester, Esquire and Hallett & Perrin, P.C. c/o Lance M. Hardenburg, Esquire. Defendants have failed to justify their opposition by detailing in a privilege log the exact nature of the claimed privileges. In addition, I find that even if the material is protected by a privilege, good cause exists for requiring it to be disclosed under *Garner v. Wolfinbarger*, 430 F.2d 1093, 1104 (5th Cir. 1970); *Zirn v. VLI Corp.*, 621 A.2d 773, 781 (Del. 1993).

Fourth, defendants' motion to strike certain objections will not be addressed until the July 6, 2010 hearing.

I expect all counsel to cooperate promptly in carrying out the letter and the spirit of this ruling. Full and complete production of documents is to be made promptly. Depositions are to be completed forthwith. Counsel are expected to meet and confer in a good faith effort to resolve differences.

IT IS SO ORDERED.

Very truly yours,

A handwritten signature in cursive script that reads "William B. Chandler III". The signature is written in black ink and is positioned above the typed name.

William B. Chandler III

WBCIII:meg

Certificate of Service

I, Charles D. Guskey, hereby certify that on this 23rd day of June, 2010, I caused copies of the foregoing "Petition" 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 D. Guskey

Charles D. Guskey