

Attachment 1



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2008-2009

June 29, 2011

Dan Rivera
Digital Networks Group, Inc.
100 Columbia, Suite 100
Aliso Viejo, CA 92656

Re: Applicant Name: PANAMA-BUENA VISTA UN SCH DIST
Billed Entity Number: 143950
Form 471 Application Number: 623923
Funding Request Number(s): 1720768
Your Correspondence Dated: May 26, 2011

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2008 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1720768
Decision on Appeal: **Denied**
Explanation:

- After a complete review of your appeal, USAC has determined that this request contained ineligible products: EtherneTV Scheduling Module and associated taxes. According to documentation submitted during initial review, the request included \$7,996 for each EtherneTV Scheduling Module plus 7.25% in taxes times 2 (for 2 locations). The service provider was notified of the ineligibles cost allocation and that commitment would be adjusted, but was given the opportunity to provide alternative information. In response, the service provider disagreed with the determination. However, the alternative information provided failed to provide evidence that the EtherneTV Scheduling Module and associated taxes was eligible.

Your Form 471 application included costs for the following ineligible products: EtherneTV Scheduling Module and associated taxes. FCC rules provide that funding may be approved only for eligible products and or services. 47 C.F.R. 54.502, 54.503. The USAC web site contains a list of eligible products and services. See the web site, www.sl.universalservice.org, Eligible Services List. Consequently, your appeal is denied.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Amie Campbell or Nanette Olivarez

Attachment 2

LETTER OF APPEAL

May 26, 2011

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

Re: Notification of Commitment Adjustment Letter, dated April 1, 2011
SPIN: 143027091
Service Provider Name: Digital Networks Group, Inc
FCC RN: 0012071866
Form 471 Application Number: 623923
Funding Request Number: 1720768
Funding Year: 2008
Applicant Name: Panama-Buena Vista Unified School District
Billed Entity Number: 143950

To whom it may concern:

I am in receipt of your Notification of Commitment Adjustment Letter¹, and on behalf of Digital Networks Group, I am hereby requesting that you reconsider your decision to reduce the funding commitment by \$15,436.28. As stated in the letter, then funding commitment was reduced due to a course of review, in which "it was determined that funding was provided for the following ineligible item: 2 ETV Scheduling Module + 7.25% tax." I disagree with USAC's claim that the ETV Scheduling Module is ineligible. It is my assertion that the VBrick ETV Scheduling Module (aka EtherneTV Scheduler Module, Part Number 7500-0139²) is in fact an eligible product, as indicated under Internal Connections, Video Components Function, in the Funding Year 2007 Eligible Services List (which was also the ESL for FY 2008).

The VBrick EtherneTV Scheduling Module function falls under the category of Eligible Video Components because it is used to control the programming, distribution, and selection of video content; and is used in the transport of information to individual classrooms or public areas of a library. Moreover, this module is not used in end-user equipment, nor is it controlled and/or operated directly by end-users. This module is an integral part of the Video Distribution system and is needed to ensure the successful transportation of information to individual classrooms and the public areas of a library.

¹ Notification of Commitment Adjustment Letter – Funding Year 2008 – Digital Networks Group (April 1, 2011), attached as Exhibit 1

² VBrick EtherneTV Scheduler Data Sheet, attached as Exhibit 2

Letter of Appeal

May 23, 2011

Page 2

Digital Networks Group is filing this Appeal within the 60-day appeal period prescribed by the Commission's rules for appeal to USAC.

If you have any questions, or need any additional information to help make your decision, please do not hesitate to contact me directly at (949) 428-6332.

Thank you,

Dan Rivera
E-Rate Program Manager

Exhibit 1

Sandi Pangallo
Digital Networks Group, Inc.
100 Columbia, Suite 100
Aliso Viejo, CA 92656 2029

Notification of Commitment Adjustment Letter

Funding Year 2008: July 1, 2008 - June 30, 2009

April 1, 2011

Sandi Pangallo
Digital Networks Group, Inc.
100 Columbia, Suite 100
Aliso Viejo, CA 92656

Re: SPIN: 143027091
Service Provider Name: Digital Networks Group, Inc.

Form 471 Application Number: 623923
Funding Year: 2008

FCC Registration Number:

Applicant Name PANAMA-BUENA VISTA UN SCH DIST

Billed Entity Number: 143950

Applicant Contact Person: Amie Campbell or Nanette Olivarez

Our routine review of Schools and Libraries Program funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust the overall funding commitment. The purpose of this letter is to make the required adjustments to the funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. If you wish to appeal the Commitment Adjustment Decision indicated in this letter, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.
To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to the applicant for informational purposes. If USAC has determined the applicant is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the applicant detailing the necessary applicant action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or the applicant(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds the Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the service provider is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Amie Campbell or Nanette Olivarez
PANAMA-BUENA VISTA UN SCH DIST

Funding Commitment Adjustment Report
Form 471 Application Number: 623923

Funding Request Number:	1720768
Contract Number:	NA
Services Ordered:	INTERNAL CONNECTIONS
Billing Account Number:	
Original Funding Commitment:	\$252,124.18
Commitment Adjustment Amount:	\$15,436.28
Adjusted Funding Commitment:	\$236,687.90
Funds Disbursed to Date:	\$252,124.18
Funds to be Recovered from Service Provider:	\$15,436.28

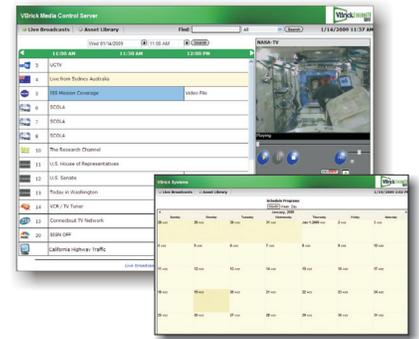
Funding Commitment Adjustment Explanation:

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$15,436.28. During the course of a review it was determined that funding was provided for the following ineligible item: 2 ETV Scheduling Module + 7.25% tax. The pre-discount cost associated with these items is \$15,992.00 (\$7,996.00x2) and \$1,159.42 (\$579.71x2), respectively, for a total ineligible amount of \$17,151.42. At the applicants 90 percent discount rate this resulted in an improper commitment of \$15,436.28. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, www.universalservice.org/sl/about/eligible-services-list.aspx for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, the commitment has been reduced by \$15,436.28 and if the recovery of improperly disbursed funds is required, USAC will seek recovery from the service provider.

Exhibit 2

Enterprise-Class Rich Media Delivery Solutions

VBrick delivers Enterprise-class rich media delivery solutions that scale with your needs. The EtherneTV Scheduler is a software module designed as an integrated component of the EtherneTV Portal Server, and provides the ability to schedule recordings from and to any VBrick component in your Enterprise video system. Whether it's to assure all IPR's tune into a scheduled or priority broadcast, or to automate an entire semester of classroom recordings, the EtherneTV Scheduler provides you with all the tools you need. Using an intuitive calendar-based user interface, live broadcasts, stored events, and even two way conferences can be managed via a predetermined schedule, assuring that your ability to manage your Enterprise rich media delivery solution scales with the size of your system.



Models

7500-0139 EtherneTV Scheduler Software

7510-0139 EtherneTV Scheduler Upgrade

Compatibility

- LDAP/Active Directory Directory Services
- Windows-based PCs
- Macintosh computers

Interoperability

- EtherneTV Suite – Portal Server and Network Video Recorder
- EtherneTV IPR – low cost EtherneTV user interface and video decoding (MPEG)
- EtherneTV WM-IPR – low cost video EtherneTV user interface and Windows Media video decoding
- VBrick VOD-W and VOD-WM Video On-Demand Servers
- VBrick Appliances
- VBPriority Alert custom client software

Capabilities

The ETV Scheduler provides the capability necessary to automate the recording or viewing of live or stored events such as classroom recordings, priority announcements, or two-way conference sessions. With additional scripting capabilities, schedules can be customized to integrate with a variety of devices.

Multi-Video Formats include H.264, Windows Media®, MPEG-1,2, and 4 formats, 4:3 and 16:9 aspect ratios, PAL and NTSC formats

Schedule Live Broadcasts by tuning in any VBrick IP Receiver or Decoding Appliance, assuring that events are presented where and when you want them

Schedule Stored Broadcasts from the Video on-Demand servers and optionally tune in VBrick IP Receivers or decoding appliances to that stream

Schedule Recordings on the Portal, NVR, or VBrick appliances with hard drives. The resulting file can be published into the EtherneTV system

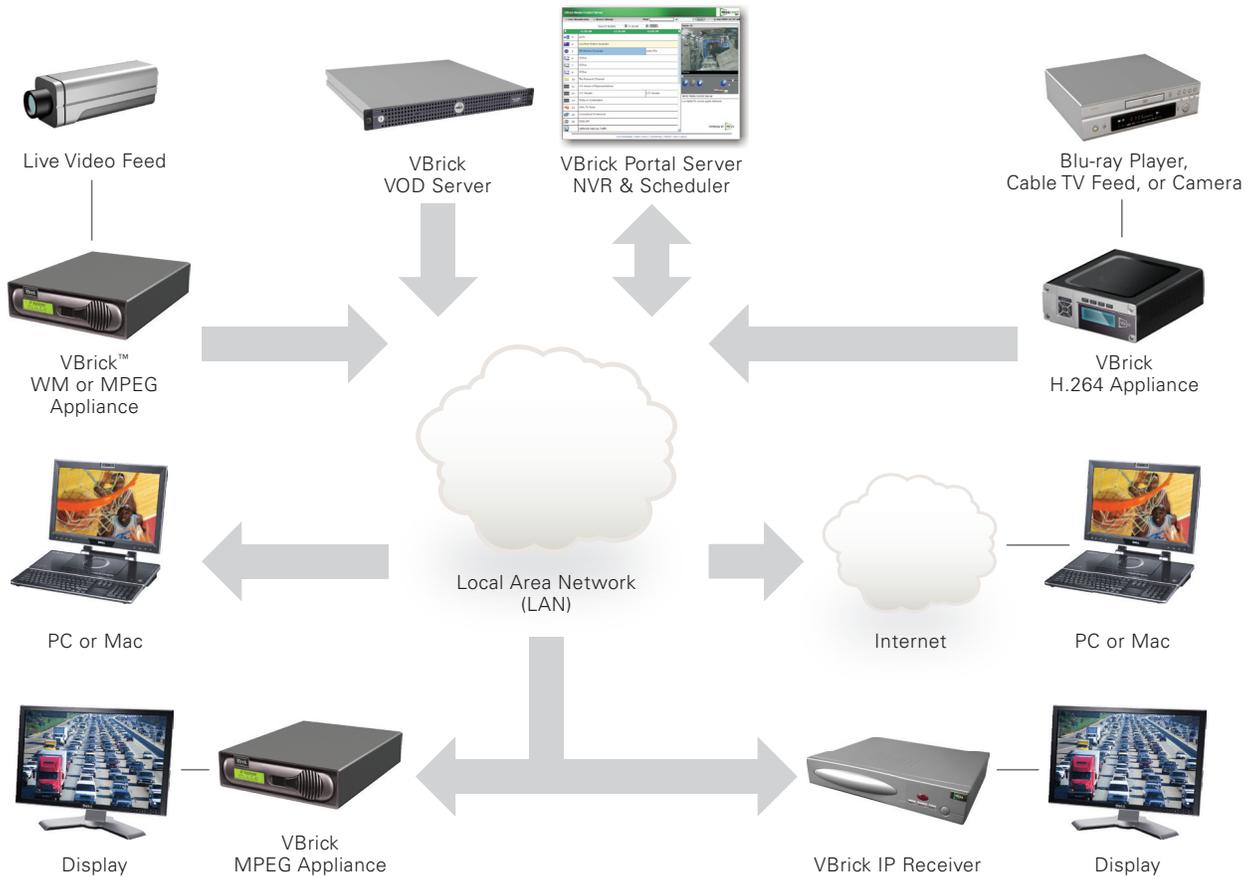
Schedule Conferences using the encoder/decoder appliances for two-way video sessions, eliminating the need to pre-configure the appliances

Priority Alerts can be scheduled through the EtherneTV Scheduler interface. When a Priority Alert is scheduled or initiated, any VBrick IP Receiver and (with appropriate custom software) any user on your network will receive the Priority Alert message

Benefits

- Intuitive calendar-based interface that is integrated with other ETV Portal Server functions
- Ability to schedule live and stored video assets
- Priority Alert messaging to maximize the viewing of critical information
- Administrative controls that enable ease of setup and configuration and controlled access

EtherneTV System



Features and Specifications

PC End User Requirements

- Windows 2000, XP (Service Pack 2 or higher), or Vista
- Microsoft Internet Explorer 6.0 or higher; or Firefox 3.0 or higher
- Windows Media Player 9.0 or higher

Macintosh End User Requirements

- Mac OS X 10.4 or higher (Intel Macs only)
- Firefox for Macintosh 3.0 or higher; or Safari 3.0 or higher
- StreamPlayer for Mac; or QuickTime player 7.0 or higher (H.264 and MPEG-4 only)

System Requirements

- Windows Server 2003 (Web Edition or Standard Edition with Service Pack 2)
- Pentium IV or Xeon Processor 1.26 GHz Minimum (2 GHz or higher recommended)
- RAM 512 MB Minimum (2 GB or more recommended)
- Hard Drive 36 GB Minimum (larger for frequent recording)



VBrick is a trademark of VBrick Systems, Inc., Wallingford, CT. All other trademarks are the property of their respective owners. Specifications subject to change without notice. ©2009 VBrick Systems, Inc.

Attachment 3

Sandi Pangallo
Digital Networks Group, Inc.
100 Columbia, Suite 100
Aliso Viejo, CA 92656 2029



Notification of Commitment Adjustment Letter

Funding Year 2008: July 1, 2008 - June 30, 2009

April 1, 2011

Sandi Pangallo
Digital Networks Group, Inc.
100 Columbia, Suite 100
Aliso Viejo, CA 92656

Re: SPIN: 143027091
Service Provider Name: Digital Networks Group, Inc.

Form 471 Application Number: 623923
Funding Year: 2008

FCC Registration Number:

Applicant Name PANAMA-BUENA VISTA UN SCH DIST

Billed Entity Number: 143950

Applicant Contact Person: Amie Campbell or Nanette Olivarez

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1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
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Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or the applicant(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds the Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the service provider is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Amie Campbell or Nanette Olivarez
PANAMA-BUENA VISTA UN SCH DIST

Funding Commitment Adjustment Report
Form 471 Application Number: 623923

Funding Request Number:	1720768
Contract Number:	NA
Services Ordered:	INTERNAL CONNECTIONS
Billing Account Number:	
Original Funding Commitment:	\$252,124.18
Commitment Adjustment Amount:	\$15,436.28
Adjusted Funding Commitment:	\$236,687.90
Funds Disbursed to Date:	\$252,124.18
Funds to be Recovered from Service Provider:	\$15,436.28

Funding Commitment Adjustment Explanation:

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$15,436.28. During the course of a review it was determined that funding was provided for the following ineligible item: 2 ETV Scheduling Module + 7.25% tax. The pre-discount cost associated with these items is \$15,992.00 (\$7,996.00x2) and \$1,159.42 (\$579.71x2), respectively, for a total ineligible amount of \$17,151.42. At the applicants 90 percent discount rate this resulted in an improper commitment of \$15,436.28. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, www.universalservice.org/sl/about/eligible-services-list.aspx for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, the commitment has been reduced by \$15,436.28 and if the recovery of improperly disbursed funds is required, USAC will seek recovery from the service provider.

Attachment 4



FUNDING COMMITMENT DECISION LETTER
(Funding Year 2008: 07/01/2008 - 06/30/2009)

September 30, 2008

Julie Harrison
Digital Networks Group, Inc.
11 Goddard
Irvine, CA 92618

Re: Service Provider Name: Digital Networks Group, Inc.
Service Provider Identification Number: 143027091

Thank you for participating in the Schools and Libraries Program (Program) for Funding Year 2008. This letter is your notification of our decision(s) regarding application funding requests that listed your company's Service Provider Identification Number (SPIN).

NEXT STEPS

- File Form 498, Service Provider Information Form, if appropriate
- File Form 473, Service Provider Annual Certification Form (SPAC), for the above Funding Year
- Work with your customer to provide appropriate invoicing to USAC
- Service Provider invoice (Form 472) or Billed Entity Applicant Reimbursement (Form 472)

Please refer to the Funding Commitment Report(s) (Report) following this letter for specific funding request decisions and explanations. Each Report contains detailed information extracted from the applicant's Form 471. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

Once you have reviewed this letter, we urge you to contact your customers to establish any necessary arrangements regarding start of services, billing of discounts, and any other administrative details for implementation of discount services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules are eligible for these discounts.

TO APPEAL THIS DECISION:

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1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the decision letter and the decision you are appealing:
 - Appellant name,
 - Applicant or service provider name, if different from appellant,
 - Applicant Billed Entity Number (BEN) and Service Provider Identification Number (SPIN),
 - Form 471 Application Number as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2008," AND
 - The exact text or the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal.

Be sure to keep a copy of your entire appeal, including any correspondence and documentation.

4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by the decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

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NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

=====

FUNDING COMMITMENT REPORT
Service Provider Name: Digital Networks Group, Inc.
SPIN: 143027091
Funding Year: 2008

Name of Billed Entity: PANAMA-BUENA VISTA UN SCH DIST
Billed Entity Address: 4200 ASHE RD
Billed Entity City: BAKERSFIELD
Billed Entity State: CA
Billed Entity Zip Code: 93313-2029
Billed Entity Number: 143950
Contact Person's Name: Amie Campbell or Nanette Olivarez
Preferred Mode of Contact: EMAIL
Contact Information: acampbell@infinitycomm.com
Form 471 Application Number: 623923
Funding Request Number: 1720768
Funding Status: Funded
Category of Service: Internal Connections
Form 470 Application Number: 97248000650304
Contract Number: NA
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 09/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$280,137.98
Pre-Discount Amount: \$280,137.98
Applicant's Discount Percentage Approved by SLD: 90%
Funding Commitment Decision: \$252,124.18 - FRN approved as submitted
Funding Commitment Decision Explanation: MR1: The dollars requested were reduced to remove the ineligible product(s)/service(s) 15% Contingency Fees. <><><><> MR2: The FRN was modified from \$323,308.71 to \$280,137.98 to agree with the applicant documentation. <><><><> MR3: This FRN is for both Internal Connections and Basic Maintenance of Internal Connections and was split in order to conduct an independent review of these respective services. Your new FRN for Basic Maintenance of Internal Connections is 1771176 and service provider is Digital Networks Group. The product(s)/service(s) remaining in this FRN are Vack Ethernet, Digital Video Equipment.

FCDL Date: 09/30/2008

Wave Number: 025

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT

Service Provider Name: Digital Networks Group, Inc.
SPIN: 143027091
Funding Year: 2008

Name of Billed Entity: PANAMA-BUENA VISTA UN SCH DIST
Billed Entity Address: 4200 ASHE RD
Billed Entity City: BAKERSFIELD
Billed Entity State: CA
Billed Entity Zip Code: 93313-2029
Billed Entity Number: 143950
Contact Person's Name: Amie Campbell or Nanette Olivarez
Preferred Mode of Contact: EMAIL
Contact Information: acampbell@infinitycomm.com
Form 471 Application Number: 623923
Funding Request Number: 1771176
Funding Status: Not Funded
Category of Service: Basic Maintenance of Internal Connection
Form 470 Application Number: 972480000650304
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 09/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$15,957.36
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$15,957.36
Applicant's Discount Percentage Approved by SLD: 90%
Funding Commitment Decision: \$.00 - Administrator's Request
Funding Commitment Decision Explanation: CR1: This is a new FRN. It was split from FRN 1720768. This FRN contains the following product(s)/service(s): Basic Maintenance of VBrick Ethernet Digital Video Equipmt. <><><><><> CR1: Canceled to correct administrative data entry error.

FCDL Date: 09/30/2008
Wave Number: 025
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

Attachment 5

Please see the attached letter.

If you have any questions, please call me.

Thank you.

Sincerely,

Kelly Miller
Program Compliance
973-581-5115 (phone)
973-599-6582 (fax)
kmiller@sl.universalservice.org



Schools and Libraries Division

February 24, 2011

Sandi Pangallo
Digital Networks Group, Inc.
949-428-6333 (phone)
949-428-6334 (fax)
Form 471 Application Number: FY2008 Application 623923 (PANAMA-BUENA VISTA UN SCH DIST)

Response Due Date: March 11, 2011**Time Sensitive – 15-Day Response Expected**

As we discussed in our conversation, the Program Compliance team is in the process of reviewing a Funding Year 2008 Form 471 application for schools and libraries discounts to ensure that it is in compliance with the rules of the Universal Service program. To complete my review, I need some additional information. The information needed to complete the review is listed below.

- Based on review of documentation that was provided during a PIA Review, we have determined that USAC improperly committed and/or disbursed funds for FRN 1720768 because it included an ineligible product. According to program rules, USAC is unable to fund ineligible products or services. As a result, USAC may seek recovery of improperly disbursed funds from **the Service Provider** for FRN 1720768 in the amount associated with ineligible products as required by program rules. In order to facilitate commitment adjustment or recovery of improperly disbursed funds process for this FRN, the charges associated with ineligible items must be identified. Listed below are the ineligible items and their associated costs:

**(2) ETV Scheduling Module @ \$7,996.00(#7500-0139),
7.25% for tax = \$579.71 for a total recovery of \$7,718.14 @ the
Applicants 90% discount.**

Please confirm that you agree with the cost allocation and the commitment adjustment or recovery of improperly disbursed funds determination. Yes or No

What to do if you disagree**Option I**

If you do not agree with the cost allocation, provide an alternative cost allocation identifying the cost(s) for the ineligible item(s). Such a cost allocation must be measurable and identified in your supporting documentation. For further information, see "Cost Allocation Guidelines for Products and Services" located in the Reference Area of

the SLD Web site at: <http://www.universalservice.org/sl/applicants/step06/cost-allocation-guidelines-products-services.aspx>.

Option II

If you do not agree with our eligibility assessment of your product(s)/service(s), then you may provide third party supporting documentation (e.g., vendor bill, contract, service agreement, etc.) to show why this product(s)/service(s) is eligible.

If you do not respond within 15 days, USAC will seek recovery of improperly disbursed funds for FRN 1720768 in accordance with the cost allocation determination provided above.

Please fax or email the requested information to my attention. If you have any questions, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to do so may result in a commitment adjustment and/or recovery of previously disbursed funds.** If recovery is needed, USAC may seek recovery of any improperly disbursed funds from the Service Provider.

Thank you for your cooperation and continued support of the Universal Service Program.

Kelly Miller
Program Compliance
973-581-5115 (phone)
973-599-6582 (fax)
kfitzgi@sl.universalservice.org

Attachment 6



11 Goddard
Irvine, CA 92618
TEL: 949-428-6333
FAX: 949-428-6334

Transmittal

To:	Kelly Miller	From:	Dan Rivera			
Company:	SLD	Pages:	5			
Phone:	973-581-5115	Fax:	973-599-6582			
Subject:	Application 623923	Date	03/11/2011			
Action:	<input type="checkbox"/> Approval	<input type="checkbox"/> Review	<input type="checkbox"/> Comment	<input type="checkbox"/> Reply	<input type="checkbox"/> Use	<input type="checkbox"/> Information Only

Hi Kelly,

Please find the attached correspondence regarding our application 623923. Should you have any questions please contact Dan Rivera 951-317-5757.

Sent via U.S. Postal Service, Facsimile and e-mail



Sent via U.S. Postal Service, Facsimile, and E-Mail

March 10, 2011

Kelly Miller
Program Compliance
Schools and Libraries Division
P.O. Box 685
Correspondence Unit
Parsippany, NJ 07054
973.581.5115 office
973.599.6582 fax
kfitzgi@sl.universalservice.org

RE: PIA Review of committed and/or disbursed funds for FRN 1720768, FY2008
Application 623923 (Panama-Buena Vista Union School District)

Ms. Miller:

I am writing in reference to the 'eligibility assessment' letter which I received via email, dated February 24, 2011. This letter indicated that the following items were deemed ineligible:

(2) ETV Scheduling Module @ \$7,996.00 (#7500-0139), 7.25% for tax = \$570.71 for a total recovery of \$7,718.14 @ the Applicants 90% discount.

Please allow this letter to serve as our notification that we do not agree with your eligibility assessment of the above product.

The VBrick EtherneTV Scheduling Module function falls under the category of Video Components (as defined by the Eligible Services List for Funding Year 2007) because it is used to control the programming, distribution, and selection of video content; and is used in the transport of information to individual classrooms or public areas of a library. Moreover, this module is not used in end-user equipment, nor is it controlled and/or operated directly by end-users.

This module is an integral part of the Video Distribution system and is needed to ensure the successful transportation of information to individual classrooms and the public areas of a library

It is my hope this explanation will provide the clarification which the SLD seeks in order to satisfy the eligibility requirements of this product.



100 Columbia, Suite 100, Aliso Viejo, CA 92656
Office (949) 428-6333 Fax (949) 428-6334

www.digitalnetworksgroup.com



Should you have any questions or require further information, please feel free to contact me at the contact information listed below.

Thank you,

Dan Rivera
Digital Networks Group
951.317.5757 cell

Encl.
Schools and Libraries Division – Eligibility Assessment letter

the SLD Web site at: <http://www.universalservice.org/sl/applicants/step06/cost-allocation-guidelines-products-services.aspx>.

Option II

If you do not agree with our eligibility assessment of your product(s)/service(s), then you may provide third-party supporting documentation (e.g., vendor bill, contract, service agreement, etc.) to show why this product(s)/service(s) is eligible.

If you do not respond within 15 days, USAC will seek recovery of improperly disbursed funds for FRN 1720768 in accordance with the cost allocation determination provided above.

Please fax or email the requested information to my attention. If you have any questions, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to do so may result in a commitment adjustment and/or recovery of previously disbursed funds.** If recovery is needed, USAC may seek recovery of any improperly disbursed funds from the Service Provider.

Thank you for your cooperation and continued support of the Universal Service Program.

Kelly Miller
Program Compliance
973-581-5115 (phone)
973-599-8582 (fax)
kfitzgi@sl.universalservice.org



February 24, 2011

Sandi Pangallo
Digital Networks Group, Inc.
949-428-6333 (phone)
949-428-6334 (fax)
Form 471 Application Number: FY2008 Application 623923 (PANAMA-BUENA VISTA UN. SCH DIST)

Response Due Date: March 11, 2011

Time Sensitive – 15-Day Response Expected

As we discussed in our conversation, the Program Compliance team is in the process of reviewing a Funding Year 2008 Form 471 application for schools and libraries discounts to ensure that it is in compliance with the rules of the Universal Service program. To complete my review, I need some additional information. The information needed to complete the review is listed below.

- Based on review of documentation that was provided during a PIA Review, we have determined that USAC improperly committed and/or disbursed funds for FRN 1720768 because it included an ineligible product. According to program rules, USAC is unable to fund ineligible products or services. As a result, USAC may seek recovery of improperly disbursed funds from **the Service Provider** for FRN 1720768 in the amount associated with ineligible products as required by program rules. In order to facilitate commitment adjustment or recovery of improperly disbursed funds process for this FRN, the charges associated with ineligible items must be identified. Listed below are the ineligible items and their associated costs:

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7.25% for tax = \$579.71 for a total recovery of \$7,718.14 @ the
Applicants 90% discount.**

Please confirm that you agree with the cost allocation and the commitment adjustment or recovery of improperly disbursed funds determination. Yes or No

What to do if you disagree

Option 1

If you do not agree with the cost allocation, provide an alternative cost allocation identifying the cost(s) for the ineligible item(s). Such a cost allocation must be measurable and identified in your supporting documentation. For further information, see "Cost Allocation Guidelines for Products and Services" located in the Reference Area of

the SLD Web site at: <http://www.universalservice.org/sl/applicants/step06/cost-allocation-guidelines-products-services.aspx>.

Option II

If you do not agree with our eligibility assessment of your product(s)/service(s), then you may provide third party supporting documentation (e.g., vendor bill, contract, service agreement, etc.) to show why this product(s)/service(s) is eligible.

If you do not respond within 15 days, USAC will seek recovery of improperly disbursed funds for FRN 1720768 in accordance with the cost allocation determination provided above.

Please fax or email the requested information to my attention. If you have any questions, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to do so may result in a commitment adjustment and/or recovery of previously disbursed funds.** If recovery is needed, USAC may seek recovery of any improperly disbursed funds from the Service Provider.

Thank you for your cooperation and continued support of the Universal Service Program.

Kelly Miller
Program Compliance
973-581-5115 (phone)
973-599-6582 (fax)
kfitzgi@sl.universalservice.org

Attachment 7

Dan Rivera

From: Miller, Kelly [KFITZGI@sl.universalservice.org]
Sent: Monday, March 14, 2011 11:40 AM
To: Dan Rivera
Cc: Sandi Pangallo; Karrie Coon; Chris Ursetta
Subject: RE: Form 471 Application Number: FY2008 Application 623923 (Panama-Buena Vista Union School District)

You were recently informed of our decision to rescind and recover funds for FRN 1720768 for ineligible 2 ETV Scheduling Module @ \$7,996.00 (#7500-0139), plus 7.25% for tax. For a total of \$7,718.14 @ the Applicants 90% discount.

The letter sent to you listed two modules, for Castle and Siebert Elementary, but only showed the recovery amount for one module. This is to inform you that the correct rescission and recovery amount is as follows:

FRN	Commitment to be Rescinded	Disbursed Funds to be Recovered
1720768	\$15,436.28	\$15,436.28

Thank you for your cooperation and continued support of the Universal Service Program.

Sincerely,

Kelly Miller
Program Compliance
973-581-5115 (phone)
973-599-6582 (fax)
kmiller@sl.universalservice.org

From: Dan Rivera [<mailto:drivera@digitalnetworksgroup.com>]
Sent: Thursday, March 10, 2011 1:34 PM
To: Miller, Kelly
Cc: Sandi Pangallo; Karrie Coon; Chris Ursetta
Subject: Form 471 Application Number: FY2008 Application 623923 (Panama-Buena Vista Union School District)

Hello Ms. Miller,

Please find attached our response to your Eligibility Assessment letter, dated February 24, 2011.

If you have any questions, please do not hesitate to contact me directly at (951) 317-5757.

Thank you,

Dan Rivera



<i>Erate Program Manager</i>	100 Columbia Suite 100 Aliso Viejo, CA 92656 Tel: 949-428-6333 Fax: 949-428-6334 Cell: 951-317-5757
drivera@digitalnetworksgroup.com	
www.digitalnetworksgroup.com	

This message contains confidential information and is intended only for kfitzgi@sl.universalservice.org, spangallo@digitalnetworksgroup.com, kcoon@digitalnetworksgroup.com, cursetta@digitalnetworksgroup.com. If you are not kfitzgi@sl.universalservice.org, spangallo@digitalnetworksgroup.com, kcoon@digitalnetworksgroup.com, cursetta@digitalnetworksgroup.com you should not disseminate, distribute or copy this e-mail. Please notify drivera@digitalnetworksgroup.com immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. E-mail transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. Dan Rivera therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.

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