

DA 00-1949

August 24, 2000

Mr. Steven R. Sixberry
Nevada Wireless
593 Overmyer Road
Sparks, NV 89431

Dear Mr. Sixberry:

This letter is in response to your request that the Federal Communications Commission (“Commission”) immediately re-evaluate the “very small business” status awarded to the Auction No. 34 bidder, Preferred Acquisitions Inc. (“Preferred”).¹ You allege that Preferred has failed to fully disclose its gross revenues as required by the Commission’s rules, which may effect Preferred’s small business status.

The Commission takes allegations of wrongdoing very seriously. However, we are also sensitive to the fact that any action we take during the course of an ongoing auction, or before the long-form applications are filed, could harm the integrity of the auction process. Upon receipt of the short-form applications, the Commission carefully scrutinized each application to ensure compliance with the Commission’s rules. Absent substantiated evidence of wrongdoing, we believe it is more prudent to address such allegations after the winning bidders have submitted their long-form applications.² As Auction No. 34 is ongoing, we are unable, at this time, to specify the long-form due date. Please note however, that at the close of Auction No. 34, in accordance with Section 1.2108(b) of the Commission’s rules, we will issue a public notice announcing the filing period for petitions to deny.

Accordingly, we believe that your request for an investigation is not ripe and is denied.

Sincerely,

Margaret Wiener
Deputy Chief
Auctions and Industry Analysis Division
Wireless Telecommunications Bureau

cc: Preferred Acquisitions, Inc.

¹ Letter from Steven R. Sixberry, Nevada Wireless, to Auction 34 Staff, Wireless Telecommunications Bureau, dated August 16, 2000 (copy attached).

² See Baker Creek Communications, L.P., For Authority to Construct and Operate Local Multipoint Distribution Services In Multiple Basic Trading Areas, DA 98-1921, *Memorandum Opinion and Order*, 13 FCC Rcd. 18709 (1998).



"Your Business Connection"

593 Overmyer Road • Sparks, NV 89431
(775) 353-3600 • FAX 353-3621

August 16, 2000

Auction 34 Staff
Wireless Telecommunications Bureau
Federal Communications Commission
Room 4-A760
445 12th Street, SW
Washington, DC 20554

Via Facsimile: 202-418-2923

Petition for review: ~~Very~~ Small Business Credit, Preferred Acquisitions Inc.

Dear Sir or Madam:

We are a participant in Auction 34 and are requesting a review on Preferred Acquisitions Inc.'s Very Small Business (35% Bid Credit).

After reviewing the FCC Form 175 filed by Preferred Acquisitions Inc. it appears that Charles M. Austin, the Director and President of the parent company Preferred Communications Systems, Inc. (PCSI) failed to disclose complete gross earnings from all sources. Mr. Austin is the only shareholder of Preferred Acquisitions Inc. It appears he did not disclose all his related business pass through revenue and related 3rd party trusts pass through revenues.

It is suspected that a company and individual that discloses only \$50,000 total revenue for the last 3 years is incorrectly stating their aggregate 3 year revenue in light of their \$1,325,000 upfront payment submitted to the commission.

We respectfully request that this pass through revenue information be furnished to the commission in a prompt manner so as to avoid Preferred Acquisitions being given an unfair bidding advantage over the other bidders.

Respectfully Submitted,

Steven R Sixberry
Nevada Wireless