

August 29, 2006

Yet Another PGWC Fraud-Laden Shareholder

A July 25, 2006 Form 144 filing reported a planned sale of 10,000 shares of Pegasus Wireless Corporation (NASDAQ: PGWC \$5.30) by Wire To Wire, Inc ("Wire"). In 1999, Wire was implicated in, and subsequently Wire's former officers were found liable for fraud in a Wire-related entity, in a civil case brought forth by the Securities and Exchange Commission ("SEC").

On September 28, 1999, the SEC filed a complaint against Gerald H. Levine, Marie A. Levine, and CEC Industries Corporation ("CEC"). The complaint charged the Levines and CEC with fraud violation, falsifying books and records, and accounting violations during fiscal years ending on March 31, 1996 and March 31, 1997.

SEC filings during that time period list Gerald Levine as President, Chief Executive Officer, and Director of both CEC and Wire. During the same time period SEC filings list Marie Levine as CEC's Principle Financial Officer, Principle Accounting Officer, Director of CEC and Secretary and Director of Wire.

The SEC alleged that the Levines, acting through "another corporate entity, Wire to Wire, Inc.," which served as a selling shareholder, defrauded investors by profiting from the sale of CEC stock while knowingly overstating CEC's assets. The SEC complaint contended that the Levines were directly responsible for the fraud.

According to the SEC's Litigation Release No. 18420, CEC's stock price was inflated by the fraudulent overstatement of a 9,000-acre tract of land in Tennessee that the Levines claimed held 52 million tons of coal and timber, and forty-one paintings by "Sky Jones" that the Levines stated were valued at \$1.7 million. During the trial the SEC proved that neither CEC, nor any CEC affiliate owned the land, and that the paintings were worth "no more than \$10,350."

CEC settled the SEC's financial fraud charges without admitting or denying the allegations, and on September 11, 2001 accepted a permanent injunction barring CEC from violating certain antifraud, record-keeping and internal control provisions. Subsequent to an acquisition in August 2004, CEC changed its name to Advantage Capital Development Corp. (OTHER OTC: AVCP \$0.01). On October 16, 2003, Gerald and Marie Levine were found liable for financial fraud by a jury in the US District Court of the District of Columbia ("D.C.").

The SEC is seeking civil penalties, bars permanently prohibiting Gerald and Marie Levine from serving as officers or directors of any public company, and permanent injunctions against future violations of the securities laws, in the matter. The hearing on remedies and damages is set for September 15, 2006, according to the D.C. District Court.

Records of Experian, a business information firm that provides consumer credit ratings, list the same Henderson, Nevada address for Wire as for CEC, and for another public company, a penny-stock formerly known as OTS Holdings, Inc (OTC BB: OKME \$0.129), of which Gerald Levine was also an officer.

Yet another company, Worldwide Golf Resources, Inc. ("Golf"), lists the same address for its executive offices and contact address for its officers, Gerald and Marie Levine, in its SEC filings. Golf was deemed ineligible for trading, as

of November 30, 1999, on the Over-The-Counter Bulletin Board for failing to meet compliance requirements.

Gerald and Marie Levine are just the latest piece in the puzzle of fraud and deception surrounding PGWC, joining the company of felonious attorney Donald Mintmire and accused Taiwanese embezzler Hung Chiu-Hu.

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