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PGWC: MetricStream Does Not Address PGWC's Compliance Woes

On August 3, 2006 Pegasus Wireless Corporation (NASDAQ: PGWC, \$5.76) announced that the "Company has embarked on an initiative for sustainable compliance with the Sarbanes-Oxley Act and ISO Quality Standards using MetricStream."

How MetricStream Software's ("MetricStream") program applications would address PGWC's major compliance issues remains a mystery. MetricStream provides a checklist of requirements, it's the companies that decide how they want to behave.

The implementation of MetricStream at PGWC will not erase outlandish compliance irregularities such as PGWC's ties to an indicted Taiwanese National who stands accused of embezzling in excess of \$525 million, or the background of PGWC's Chief Financial Officer who himself lost his Certified Public Accountant license in North Carolina.

You can also probably count on the fact that since the software is being designed by management, including the aforementioned CFO, and Mr. Knabb, then the software also probably won't be able to address irregularities such as PGWC's cancellation of 19,506,000 shares in a series of transactions, PGWC's announcement of Mr. Knabb's purchase of 1.25 million shares which was later disclosed in the Form-10Q as being a "subscription" with undisclosed terms, or the fact that PGWC has had three auditors since its inception, one of which was owned by the current CFO.

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