

# The Depository Trust Company

# IMPORTANT

**B#:** 0019-06

**DATE:** August 14, 2006

**TO:** All Participants

**CATEGORY:** Dividends

**FROM:** John Pastorino, Senior Specialist, Stock Dividends

**ATTENTION:** Dividend Managers, Cashiers, and Reorganization Managers

**SUBJECT:** Property Dividend: Pegasus Wireless Corporation Common Stock (CUSIP# 70558E108) distribution of non-transferable purchase warrants R/D: 8/11/06 P/D: to be determined  
Rate: One warrant for every 10 common shares held

\*\*\*\*\* Warning Time Critical \*\*\*\*\*

Pegasus Wireless Corporation (PGWC) is issuing, as a Property Dividend, non-transferable purchase warrants to holders of its common stock (CUSIP# 70558E108) as of August 11, 2006 (the "Record Date"). One warrant will be issued for every ten shares owned (all fractions are being rounded up). The warrant certificates will only be registered directly in the name of the beneficial owner, not a Broker/Dealer, Clearing Agent, Depository, etc. Therefore, DTC will not be allocating warrants to participants' accounts.

Participants will need to supply Pegasus' Transfer Agent, Olde Monmouth Stock Transfer Co., Inc., with a list of shareholders, including full name; address; SSN#, and number of common shares held as of August 11, 2006. The shareholder listing must be sent to Olde Monmouth Stock Transfer Co., Inc. no later than August 28, 2006 (4:00 p.m. Eastern Time). The shareholder listing can be sent to Olde Monmouth Stock Transfer Co., Inc. via Fax# (732) 872-2728.

Olde Monmouth Stock Transfer Co., Inc. will be mailing the warrants directly to each shareholder based on the instructions received. The warrants should be mailed shortly after August 28, 2006.

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If participants have any questions regarding the distribution, they may contact Olde Monmouth Stock Transfer Co., Inc. at (732) 872-2727.

If participants have any questions regarding this notice, they may contact DTC's Customer Help Center at (888) 360-3822.