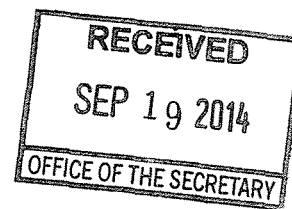


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Attorneys for AIRTOUCH COMMUNICATIONS, INC.

UNITED STATE OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
 Reference No. 9634 / August 22, 2014

SECURITIES EXCHANGE ACT OF 1934
 Release No. 72904 / August 22, 2014

ACCOUNTING AND AUDITING ENFORCEMENT
 Release No. 3576 / August 22, 2014

ADMINISTRATIVE PROCEEDING
 File No. 3-16033

In the Matter of

**AIRTOUCH COMMUNICATIONS,
 INC., HIDEYUKI KANAKUBO,
 AND JEROME KAISER, CPA,**

Respondents.

**AIRTOUCH COMMUNICATIONS'
 ANSWER TO ORDER INSTITUTING
 ADMINISTRATIVE AND CEASE-
 AND-DESIST PROCEEDINGS
 PURSUANT TO SECTION 8a OF THE
 SECURITIES ACT OF 1933 AND
 SECTIONS 4C AND 21C OF THE
 SECURITIES EXCHANGE ACT OF
 1934, AND RULE 102(c) OF THE
 COMMISSION'S RULES OF
 PRACTICE**

I.

Pursuant to Rule 220 of the Securities and Exchange Commission's Rules of Practice, Defendant AirTouch Communications, Inc. ("AirTouch") hereby Answers the allegations of the Order Instituting Administrative and Cease-and-Desist Proceedings as follows:

II.**A. SUMMARY**

1. In response to paragraph 1 of the Order, Defendant AirTouch admits that it is a California issuer, that it was founded by Kanakubo who was also its former president and CEO, that Kaiser was its former CFO and corporate secretary, that it voluntarily filed a form 10-Q for the third quarter of 2012, and that it obtained a \$2 million loan from an investor in the fall of 2012. AirTouch denies that it engaged in fraudulent financial disclosures and/or omissions, and/or that it engaged in fraudulent statements and/or omissions in connection with the loan. On information and belief, AirTouch denies that Kanakubo and/or Kaiser engaged in fraudulent financial disclosures and/or omissions, and/or engaged in fraudulent statements and/or omissions in connection with the loan.

2. In response to paragraph 2 of the Order, Defendant AirTouch denies the allegations contained therein.

3. In response to paragraph 3 of the Order, Defendant AirTouch denies the allegations contained therein, except that it filed a Form 8-K in early 2013.

B. RESPONDENTS

4. In response to paragraph 4 of the Order, Defendant AirTouch admits the allegations contained therein.

5. In response to paragraph 5 of the Order, Defendant AirTouch admits the allegations contained therein except that Kanakubo was AirTouch's chief technology officer (a position held by Hidekazu Nakama).

6. In response to paragraph 6 of the Order, Defendant AirTouch lacks sufficient information to admit or deny, and on that basis denies, that Kaiser resides in Chowchilla, California, is an active member in the AICPA and California Society of Public Accountants and that Kaiser holds a BS in Accounting and an MS in Business Taxation. On information and belief, AirTouch admits that Kaiser is a licensed Certified Public Accountant and. AirTouch admits the remainder of the allegations in this paragraph.

C. FACTUAL BACKGROUND

7. In response to paragraph 7 of the Order, Defendant AirTouch admits the allegations therein except to the extent it implies the U250 SmartLinx was designed solely for the Mexican Entity.

8. In response to paragraph 8 of the Order, Defendant AirTouch denies the allegations therein.

9. In response to paragraph 9 of the Order, on information and belief, Defendant AirTouch denies the allegations contained therein.

10. In response to paragraph 10 of the Order, Defendant AirTouch admits the allegations contained therein.

11. In response to paragraph 11 of the Order, Defendant AirTouch admits that on or about July 30, 2012, the Florida Entity issued a \$1.74 million purchase order for 20,000 U250 SmartLinx (the "Purchase Order"). On information and belief, AirTouch denies the remainder of the allegations in this paragraph.

12. In response to paragraph 12 of the Order, on information and belief, Defendant AirTouch admits the allegations contained therein.

13. In response to paragraph 13 of the Order, Defendant AirTouch admits that it shipped inventory to the Florida entity during the third quarter of 2012. AirTouch denies the remainder of the allegations in this paragraph.

14. In response to paragraph 14 of the Order, on information and belief, Defendant AirTouch denies the allegations contained therein.

15. In response to paragraph 15 of the Order, Defendant AirTouch admits that Kanakubo and Kaiser discussed AirTouch receivables at board meetings. On information and belief, AirTouch denies the remainder of the allegations in this paragraph.

16. In response to paragraph 16 of the Order, Defendant AirTouch admits the allegations contained therein.

1. AirTouch, Kanakubo and Kaiser Made False and Misleading Statements and Engaged in a Scheme to Defraud and Deceptive Conduct Concerning Revenue Recognition in AirTouch's Form 10-Q for the Third Quarter 2012

17. In response to paragraph 17 of the Order, Defendant AirTouch admits that on or about November 14, 2012, it filed its Form 10-Q for the third quarter of 2012 reporting net revenues of \$1,031,747. The remaining allegations in this paragraph constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

18. The allegations in paragraph 18 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

19. The allegations in paragraph 19 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch

20. In response to paragraph 20 of the Order, Defendant AirTouch admits the allegations contained therein.

21. In response to paragraph 21 of the Order, Defendant AirTouch denies the allegations contained therein.

22. In response to paragraph 22 of the Order, Defendant AirTouch admits the allegations contained therein.

23. The allegations in paragraph 23 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

24. The allegations in paragraph 24 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

25. The allegations in paragraph 25 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

26. In response to paragraph 26 of the Order, Defendant AirTouch admits that certain persons involved in AirTouch's financial reporting process were unaware of the Agreement at the time AirTouch filed its Form 10-Q for the third quarter of 2012. On information and belief, AirTouch denies the remainder of the allegations in this paragraph.

27. The allegations in paragraph 27 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

28. In response to paragraph 28 of the Order, Defendant AirTouch admits the allegations contained therein.

2. Kanakubo and Kaiser Made False and Misleading Statements and Omissions to an Investor and Engaged in a Scheme to Defraud and Deceptive Conduct Concerning Revenues from the Florida Entity

29. In response to paragraph 29 of the Order, Defendant AirTouch lacks sufficient information to admit or deny, and on that basis denies, the allegations contained therein.

30. In response to paragraph 30 of the Order, Defendant AirTouch lacks sufficient information to admit or deny, and on that basis denies, the allegations contained therein.

31. In response to paragraph 31 of the Order, Defendant AirTouch lacks sufficient information to admit or deny, and on that basis denies, the allegations contained therein.

32. In response to paragraph 32 of the Order, Defendant AirTouch admits the allegations contained therein.

33. In response to paragraph 33 of the Order, Defendant AirTouch admits that on or about October 19, 2012, Kanakubo approved a \$15,000 bonus to Kaiser. AirTouch denies the remainder of the allegations contained in this paragraph.

34. The allegations in paragraph 34 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

35. The allegations in paragraph 35 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

36. The allegations in paragraph 36 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

37. The allegations in paragraph 37 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

38. In response to paragraph 38 of the Order, on information and belief, Defendant AirTouch denies the allegations contained therein.

39. The allegations in paragraph 39 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

40. In response to paragraph 40 of the Order, Defendant AirTouch admits the allegations contained therein.

3. AirTouch Announces It Will Restate Revenues

41. In response to paragraph 41 of the Order, Defendant AirTouch admits the allegations contained therein.

42. In response to paragraph 42 of the Order, on information and belief, Defendant AirTouch denies the allegations contained therein.

43. In response to paragraph 43 of the Order Defendant AirTouch admits denies the allegations contained therein.

44. In response to paragraph 44 of the Order, Defendant AirTouch admits the allegations contained therein.

D. VIOLATIONS

45. The allegations in paragraph 45 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

46. The allegations in paragraph 46 of the Order constitute legal contentions that need not be admitted or denied by Defendant AirTouch.

Respectfully submitted,

DATED: September 19, 2014

GREENBERG TRAURIG, LLP

By



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Roger L. Scott
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AirTouch Communications, Inc.