

December 05, 1996

***Asensio & Company, Inc. issues a Strong Sell Recommendation on Cellular Technical Services Company, Inc.
(Symbol: CTSC).***

CTSC faces survival challenge. Its product only offers an interim solution in a small, highly competitive and declining market. Its shares are grossly overvalued.

Investors are buying Cellular Technical Services Company, Inc. shares believing that recent sales are only the beginning of the Company's penetration into a huge and growing anti-fraud cellular telecommunications market. In fact, estimates of CTSC's total potential product market range from between \$150 million to \$300 million. These figures represent CTSC's entire potential market not annual sales. CTSC faces serious competition. Its product is only applicable to a limited number of analog-only cell sites. In addition, PIN codes, voice print and new authentication microchips are all highly effective substitute products. Furthermore, CTSC's product is useless to digital cellular and PCS operators that are the future of wireless communications.

CTSC's situation is more a challenge to remain solvent rather than an opportunity to increase its already staggering \$380 million market value. We see no possible future outcome that can remotely justify CTSC's current market value. We believe the shares would be overvalued at half their current price.

(Price: \$16.9375)

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks.