



# PUBLIC NOTICE

Federal Communications Commission  
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Washington, D.C. 20554

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**DA 02-1532**  
**Released: June 28, 2002**

## DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO TRANSFER CONTROL OF U.S. TELEPACIFIC CORPORATION

### PLEADING CYCLE ESTABLISHED

**WC Docket No. 02-140**

On May 10, 2002, Telepacific Corp. d/b/a TelePacific Communications (“TelePacific” or the “Applicant”) filed an application pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 63.01 of the Commission’s rules, 47 C.F.R. § 63.01, for authorization to transfer control of the domestic, interstate operations of TelePacific.

TelePacific is a California corporation that provides competitive local exchange and long distance services, international services, high-speed Internet access, web hosting and unified messaging to consumers in California and Nevada. TelePacific began operations in 1998 and primarily focuses on offering its range of communications services to small-and medium-sized business customers. TelePacific operates in Los Angeles, Orange County, San Diego, San Francisco, San Jose, and Las Vegas. TelePacific is a wholly owned subsidiary of U.S. TelePacific Holdings Corp. (“Holdings”), a Delaware corporation.

SIPCO Limited (“SIPCO”), a corporation organized under the laws of the Cayman Islands, is a holding company that operates for the benefit of the management of Investcorp SA (“Investcorp”) and its various subsidiaries and affiliates. Investcorp is organized under the laws of Luxembourg and is engaged in the business of investing and investment banking. SIPCO may be deemed to control Investcorp through its ownership of a majority of the stock of a company that indirectly owns a majority of Investcorp’s outstanding stock. Investcorp holds shares in Holdings through two entities organized under the laws of the Cayman Islands for the purpose of holding investments in TelePacific: (1) TelePacific Holdings Limited (“THL”); and (2) Investcorp TPC Limited Partnership (“ITPC”). TelePacific Investments Limited (“TIL”), a Cayman Islands corporation, is the sole general partner in ITPC. For purposes of this application, each of these entities can be deemed to be controlled by Investcorp due to the

combination of Investcorp's own indirect entity holdings and as a result of management agreements with other investors that can be deemed to confer *de facto* control for purposes of this application.<sup>1</sup>

In order to raise additional capital, Holdings offered to its existing shareholders and related parties the opportunity to increase their equity interest in the company through the purchase of preferred stock (the "Offering"). Investcorp formed a new Cayman Islands company, TelePacific Equity Limited, as its vehicle for participating in the Offering. Based on the additional investment and the associated anti-dilution adjustments, the Offering results in a change of control in which entities that can be deemed to be controlled by SIPCO will obtain control of TelePacific.

Under this new structure, SIPCO (through Investcorp) can be deemed to control an aggregate interest of 74% in Holdings, which would give it effective control over TelePacific once the necessary regulatory approvals have been obtained. The sole direct or indirect equity owner of 10% or more of SIPCO is as follows: Nemir A. Kirdar c/o Investcorp SA, 6 rue Adolph Fischer, L-1520 Luxembourg (Turkish private individual, 12%). The new ownership structure created by consummation of the Offering includes the following entities with a 10% or greater interest in Holdings: THL (46%), TelePacific Equity Limited (16%); and ITPC (12%).

TelePacific states that the Offering provides additional capital to TelePacific, which will facilitate TelePacific's provision of services to its customers and increase TelePacific's ability to compete. As a result, TelePacific states that telecommunication services in the areas that it currently serves and in the markets to which it expands will be enhanced by allowing consumers a greater number of service choices. Applicant states that the Offering facilitates competition without adversely affecting TelePacific's current customers. Finally, Applicant asserts that a grant of this application will enable TelePacific to become a more vibrant competitor and therefore is in the public interest.

## **GENERAL INFORMATION**

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file petitions to deny on or before **July 29, 2002**.<sup>2</sup> Final action will not be taken on the application earlier than 15 days following the date of this Public Notice.

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<sup>1</sup> None of these other equity holders individually has 10% or greater interest in TelePacific, Holdings, THL, ITPC, or TIL. In addition to Investcorp's ownership interests held by THL and ITPC, three individuals affiliated with those companies are directors of Holdings and TelePacific.

<sup>2</sup> See 47 C.F.R. § 63.52.

All filings concerning any or all matters in this Public Notice should refer to **WC Docket No. 02-140**. Due to the threat of contamination that resulted in the disruption of regular mail, the Commission released on November 29, 2001, an Order<sup>3</sup> temporarily amending certain procedural rules on an emergency basis. Pleadings must be filed electronically (*i.e.*, by e-mail or facsimile), by overnight delivery service, or by hand delivery to the Commission's Massachusetts Avenue location.<sup>4</sup>

- **If filed electronically** by e-mail, pleadings shall be filed at the following e-mail address: [CCBSecretary@fcc.gov](mailto:CCBSecretary@fcc.gov). Please also copy all those listed below. For security purposes, it is recommended that documents filed via electronic mail be converted to PDF format.
- **If filed by facsimile**, pleadings shall be faxed to (202) 418-0187. The fax transmission should include a cover sheet listing contact name, phone number, and an e-mail address (if available).
- **If filed by hand delivery**, documents shall be delivered to the Commission's contractor, Vistronix, at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. All hand deliveries must be held together with rubber bands or fasteners, and any envelopes must be disposed of before entering the building.
- **If filed by overnight delivery service** other than U.S. Postal Service (USPS) Express Mail and Priority Mail, filings must be addressed to 9300 East Hampton Drive, Capitol Heights, MD 20743. USPS first-class mail, Express Mail, and Priority Mail should continue to be addressed to the Commission's headquarters at 445 12<sup>th</sup> Street, S.W., Washington, D.C. 20554.

**In addition, one copy of each pleading must be sent to each of the following:**

- (1) the Commission's duplicating contractor, Qualex International, 445 12<sup>th</sup> Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: [qualexint@aol.com](mailto:qualexint@aol.com); facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: [twilson@fcc.gov](mailto:twilson@fcc.gov), and

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<sup>3</sup> See *Implementation of Interim Electronic Filing Procedures for Certain Commission Filings*, Order, FCC 01-345 (rel. Nov. 29, 2001).

<sup>4</sup> See *FCC Announces a New Filing Location for Paper Documents and a New Fax Number for General Correspondence*, Public Notice, DA 01-2919 (rel. Dec. 14, 2001).

- (3) Bill Dever, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C266, Washington, D.C. 20554; e-mail: [wdever@fcc.gov](mailto:wdever@fcc.gov); and
- (4) Imani Ellis-Cheek, Telecommunications Division, International Bureau, 445 12<sup>th</sup> Street, S.W., Room 6-A739, Washington, D.C. 20554; e-mail: [iellis@fcc.gov](mailto:iellis@fcc.gov).
- (5) Nandan Joshi, Office of General Counsel, 445 12<sup>th</sup> Street, S.W., Room 8-A820, Washington, D.C. 20554; e-mail: [njoshi@fcc.gov](mailto:njoshi@fcc.gov).

Copies of the application and any subsequently filed documents in this matter may be obtained from Qualex International, in person at 445 12<sup>th</sup> Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at (202) 863-2893, via facsimile at (202) 863-2898, or via e-mail at [qualexint@aol.com](mailto:qualexint@aol.com). The applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12<sup>th</sup> Street, S.W., Room CY-A257, Washington, D.C. 20554. The applications are also available electronically through the Commission's Electronic Comment Filing System (ECFS), which may be accessed on the Commission's Internet website at <http://www.fcc.gov>.

In addition to filing paper comments, parties may also file comments using the ECFS.<sup>5</sup> Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To obtain filing instructions for e-mail comments, commenters should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

For further information, please contact Tracey Wilson, at (202) 418-1394 or Bill Dever, Competition Policy, Wireline Competition Bureau at (202) 418-1578.

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<sup>5</sup> See Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24,121 (1998).