



PUBLIC NOTICE

Federal Communications Commission
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DA 06-1409
Released: July 7, 2006

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF
CONTROL OF CAPITAL TELECOMMUNICATIONS, INC.
TO STARVOX COMMUNICATIONS, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-127

Comments Due: July 21, 2006

Reply Comments Due: July 28, 2006

On June 16, 2006, StarVox Communications, Inc. ("StarVox") and Capital Telecommunications, Inc. ("CTI") (together, the "Applicants"), filed an application, pursuant to section 63.04 of the Commission's rules,¹ requesting authority to consent to the transfer of control of CTI to StarVox.²

Applicants submit that this transaction is entitled to presumptive streamlined treatment under 63.03(b)(2)(i) of the Commission's rules because (i) Applicants and their affiliates combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (ii) Applicants and their affiliates will provide local exchange services, if at all, only in areas served by dominant local exchange carriers (none of which are a party to the proposed transactions) and; (iii) none of the Applicants or their Affiliates are dominant with respect to any service.³

CTI, a Pennsylvania corporation, provides resold and facilities based intrastate long distance and local exchange telecommunications in Connecticut, Delaware, D.C., Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, and Texas. CTI also owns

¹ 47 C.F.R. § 63.04; *see* 47 U.S.C. § 214.

² Applicants filed a supplement to the application on June 20, 2006. Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

³ 47 C.F.R. § 63.03(b)(2)(i).

Eastern Telephone System, Inc., a non-operational, dormant shell corporation based in Pennsylvania, that has not offered telecommunications services for several years.

CTI is owned entirely by the following U.S. citizens or entities: George Kingsbury, Barry J. Silverberg Living Trust Dated 09/22/1995, and Charles H. Wallace.

StarVox, a privately-held California corporation, provides switched and dedicated intrastate, interstate, and international long distance message toll telecommunications services to business, enterprise (multi-location businesses), and carrier customers on a retail and wholesale basis. StarVox is currently providing long distance services in California, D.C., Florida, Georgia, Indiana, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Utah, Virginia, and Washington.

The following persons or entities hold a 10 percent or greater interest in StarVox: Douglas Zorn, a U.S. citizen (12%); Novus Ventures II, LP (“Novus Ventures”), a U.S. limited liability company (20%); and Trinad Capital Master Fund Ltd., a Cayman Islands Hedge Fund Investment Group (16%).⁴ Novus Ventures is controlled by DT Associates II, LLC (100%), a U.S. limited liability company, which is controlled by Dan Tompkins, a U.S. citizen. Dan Tompkins has an equity ownership of DT Associates II, LLC of 33 percent and voting rights of DT Associates II, LLC of 67 percent. Trinad Capital Master Fund Ltd. is controlled by Trinad Capital LP (96%), a U.S. limited partnership. Dave Smith, a U.S. citizen, has an approximately 45 percent interest in Trinad Capital LP. Trinad Advisors GP, LLC, a U.S. limited liability company, is a general partner of Trinad Capital LP. Trinad Management, LLC, a U.S. limited liability company, manages Trinad Capital LP. Robert S. Ellin, a U.S. citizen, owns approximately 66.7 percent of Trinad Advisors GP, LLC, and Trinad Management, LLC. Applicants state that no other entity holds a 10 percent or greater direct or indirect ownership interest in Starvox.

Pursuant to the terms of a stock purchase agreement, dated June 14, 2006, by and between StarVox and CTI and CTI's individual shareholders, George Kingsbury, Barry J. Silverberg Living Trust Dated 09/22/1995, and Charles H. Wallace, StarVox will acquire 100 percent of the issued and outstanding capital stock of CTI. Following completion of the transaction, CTI will be a direct, wholly owned subsidiary of StarVox.

The Applicants state that the proposed transaction serves the public interest. The Applicants state that StarVox's proposed acquisition of CTI will enhance StarVox's current market position and allow StarVox to provide new services, including local exchange services, to both business and residential consumers. The Applicants assert that CTI and StarVox together will achieve economies of scale and scope that will enhance StarVox's ability to deploy new

⁴ Trinad Capital Master Fund Ltd. is structured in a Master Fund/Feeder Fund format. Trinad Capital, LP is the domestic feeder, and all U.S. investors invest through this entity. Trinad Capital International is a Cayman Island corporation and is the offshore feeder entity through which offshore investors and tax-exempt investors invest. All monies invested in the domestic and offshore feeder flow through Trinad Capital Master Fund Ltd.

products and services and expand into new markets. Finally, the Applicants assert that the transfer of control of CTI to StarVox will not result in any anticompetitive effects and will be transparent to end users. Although CTI and StarVox both provide similar services in a few overlapping markets, the Applicants assert that neither has significant market share in any of these markets and that the combined market share post-closing will not exceed 10 percent in any market.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. 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. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before July 21, 2006** and **reply comments on or before July 28, 2006**.⁵ Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31st day after the date of this notice.⁶ Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- **For ECFS filers,** if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

⁵ See 47 C.F.R. § 63.03(a).

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

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

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Cecilia Seppings, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C230, Washington, D.C. 20554; email: cecilia.seppings@fcc.gov;
- (3) Gail Cohen, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C111, Washington, D.C. 20554; e-mail: gail.cohen@fcc.gov;

- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) Jim Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: jim.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CYB402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Cecilia Seppings at (202) 418-1588, or Gail Cohen at (202) 418-0939.

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