

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Satamatics, Inc.)	File No. EB-07-IH-5289
)	NAL Account No. 200832080008
Licensee of a Blanket Authorization for 20,000)	FRN No. 0010570406
Mobile Earth Terminals and Holder of an)	
International Section 214 Authorization)	

NOTICE OF APPARENT LIABILITY FOR FORFEITURE

Adopted: December 6, 2007

Released: December 6, 2007

By the Chief, Investigations and Hearings Division, Enforcement Bureau:

I. INTRODUCTION

1. In this *Notice of Apparent Liability for Forfeiture* ("NAL"), we find that Satamatics, Inc. ("Satamatics"), licensee of a blanket authorization for mobile earth terminals and holder of an International Section 214 authorization, apparently willfully and repeatedly violated Sections 214, and 310(d) of the Communications Act of 1934 as amended,¹ (the "Act") by engaging in an unauthorized transfer of control. In addition, in a series of transactions, Satamatics issued additional voting and equity stock, which apparently resulted in additional indirect foreign ownership beyond the percentage permitted by Section 310(b)(4) and a Commission order issued in 2004.² For the reasons explained below, we conclude that Satamatics is apparently liable for a forfeiture in the amount of \$24,000.

II. BACKGROUND

2. Satamatics holds a blanket license for 20,000 mobile earth terminals used in the United States for the provision of Inmarsat D+ mobile satellite service ("Earth Station License") and an international Section 214 authorization.³ By Public Notice issued on December 21, 2004, the International Bureau and Wireline Competition Bureau granted Satamatics Worldwide Limited's ("SWL") applications for authority under Sections 214(a) and 310(d) to acquire all of the shares of Satamatics Holdings, Inc. ("SHI"), a Delaware corporation that wholly owns Satamatics.⁴ The Bureaus ruled, pursuant to Section 310(b)(4), that the public interest would not be served by prohibiting the 100 percent indirect foreign

¹ See 47 U.S.C. §§ 214 and 310(d).

² See 47 U.S.C. § 310(b)(4); *Authorizations Granted, Applications of Satamatics, Inc., Satamatics Worldwide Limited, and Richtec PLC to Transfer Control of Licenses and Authorizations and Request for a Declaratory Ruling on Foreign Ownership*, IB Docket No. 04-285, Public Notice, DA 04-3997, 19 FCC Rcd 24511 (Int. Bur./Wir. Comp. Bur. 2004) ("2004 Public Notice").

³ Satamatics also has pending applications for authority to add the new Inmarsat 4F2 satellite at the 52.75 degree W.L. orbital location as a point of communication (File No. SES-MFS-20051202-01665) and for Section 214 authority to provide Inmarsat D+ service using fourth-generation Inmarsat satellites (File No. ITC-214-20060207-00086). Satamatics amended both applications on March 5, 2007, to reflect the transfer of control and other ownership changes at issue.

⁴ See 2004 Public Notice, *supra* note 2.

ownership of Satamatics by SWL, a U.K. corporation, and its named foreign shareholders.⁵ The ruling specifically permitted Satamatics to acquire up to and including an additional, aggregate 25 percent indirect equity and/or voting interest from the foreign shareholders named in the petition and from other foreign individuals and entities without seeking further Commission approval under Section 310(b)(4) subject to certain conditions: (1) no single foreign individual or entity, with the exception of SWL, Canterbury Limited, Liverpool Limited and Bryan Jeeves may acquire indirect equity or voting ownership interest of Satamatics in excess of 25 percent without Commission approval; and (2) Satamatics shall seek additional approval before it accepts any additional indirect investments from Canterbury Limited, Liverpool Limited and Bryan Jeeves.⁶

3. On December 21, 2006 and March 20, 2007, SWL and Satamatics Global Limited (“SGL”) (collectively the “Applicants”) filed applications pursuant to Sections 214(a) and 310(d) of the Act seeking Commission consent to the transfer of control of licenses and authorizations held by Satamatics from SWL to SGL.⁷ Simultaneously with the earth station transfer applications, Satamatics filed a petition for declaratory ruling under Section 310(b)(4) of the Act, requesting a Commission finding that the public interest would be served by permitting up to 100 percent indirect foreign ownership of Satamatics by SGL, a privately-held U.K. corporation, and SGL’s named foreign shareholders, all of which are citizens of World Trade Organization member countries.⁸ The applications and petition sought approval for changes to Satamatics’ ownership structure (including additional foreign ownership) that had occurred since the Commission previously approved Satamatics’ ownership structure in 2004.⁹ The Applicants also requested approval to remove SWL from the Satamatics’ ownership structure approved in 2004.¹⁰

4. In its recent applications and its Petition for a Declaratory Ruling, Satamatics described in detail the various transactions that resulted in changes to Satamatics’ ownership structure since 2004.¹¹ After SWL filed its transfer of control applications and petition on July 15, 2004, and until October 12, 2006, SWL, on at least four occasions, issued additional shares of capital stock.¹² As a result, new shareholders from the United Kingdom, the United States and Hong Kong acquired an aggregate 24.49 percent of SWL’s outstanding capital stock (representing both equity and voting interests). In addition, on January 1, 2005, Bryan Jeeves, a citizen of Liechtenstein, transferred joint ownership and control of two

⁵ Four citizens of the United Kingdom would hold an aggregate 43.13 percent ownership interest in SWL. Canterbury Limited and Liverpool Limited, both registered in St. Vincent and the Grenadines, and wholly owned by Bryan Jeeves, a citizen of Liechtenstein, would hold an aggregate 56.86 percent ownership interest. *See 2004 Public Notice*, 19 FCC Rcd at 24513.

⁶ *See id.*

⁷ *See* 47 U.S.C. §§ 214(a), 310(d). File Nos. SES-T/C-20061221-02208 (earth station transfer application), ITC-T/C-20070319-00113 (international Section 214 authorization transfer application). The International Bureau placed the transfer of control applications on public notice as acceptable for filing on March 23, 2007, and March 28, 2007. *See* Public Notices, Report No. TEL-01126NS (rel. March 23, 2007) (applying for transfer of international Section 214 authorization), and Report No. SES-00912 (rel. March. 28, 2007) (applying for transfer of blanket mobile earth terminal license).

⁸ *See* Petition for Declaratory Ruling filed December 21, 2006 (filed concurrently with the earth station transfer application pursuant to 47 U.S.C. § 310(b)(4)) (“Petition for Declaratory Ruling”). The International Bureau placed the Petition for Declaratory Ruling on public notice as acceptable for filing on March 23, 2007. *See* Public Notice, Report No. TEL-01126NS (rel. March 23, 2007).

⁹ *See* SES-T/C-20061221-02208-Supplement to Clarify Ownership Information for Satamatics, Inc., filed March 5, 2007 (“Supplement to Clarify Ownership Information”).

¹⁰ *See* Application, ITC-T/C-20070319-00113, Attachment 1.

¹¹ *See* Supplement to Clarify Ownership Information.

¹² *See id.* at 1-3.

foreign-organized private mutual funds that indirectly controlled approximately half of SWL's capital stock to himself and his son, Alexander Jeeves, also a citizen of Liechtenstein.¹³ As a result of transactions that occurred since 2004, by October 12, 2006, new shareholders had acquired the right to vote more than 50 percent of SWL's capital stock, and more than 25 percent of Satamatics' indirect equity and voting interests were held by new foreign investors.¹⁴

5. Further, on October 12, 2006, prior to seeking Commission approval, SWL's newly-formed U.K. corporation, SGL, acquired all of SWL's shares in a one-for-one share exchange with SWL's existing shareholders.¹⁵ Thus, the Applicants request for approval of this change was made only after the exchange was already in place.

6. On July 30, 2007, the International Bureau approved the changes in Satamatics' ownership structure and granted the Petition for Declaratory Ruling under Section 310(b)(4) stating that it would not serve the public interest to prohibit the additional indirect foreign ownership of Satamatics.¹⁶ The International Bureau made these findings noting that the ownership changes had already occurred without the required Commission consent, and it noted that the grant of the applications was without prejudice to an enforcement action for non-compliance with the Commission's rules.¹⁷

III. DISCUSSION

7. Under Section 503(b)(1) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.¹⁸ Section 312(f)(1) of the Act defines willful as "the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate" the law.¹⁹ The legislative history to Section 312(f)(1) of the Act clarifies that this definition of willful applies to both Sections 312 and 503(b) of the Act,²⁰ and the Commission has so interpreted the term in the Section 503(b) context.²¹ The Commission may also assess a forfeiture for violations that are merely repeated, and not willful.²² "Repeated" means that the act was committed or

¹³ On January 1, 2005, Alexander Jeeves was given joint ownership and control of a foreign-organized private mutual fund that had been wholly-owned and controlled by his father, Bryan Jeeves, also a citizen of Liechtenstein. The mutual fund, in turn, wholly-owned two companies registered in St. Vincent and the Grenadines, Canterbury Limited and Liverpool Limited. As of January 1, 2005, Canterbury Limited and Liverpool Limited together held 51.64 percent of the total capital stock and 41.41 percent of the voting stock of SWL. By October 12, 2006, Canterbury Limited, Liverpool Limited and a new foreign-organized affiliate, Barclay Limited, together held 42.76 percent of SWL's total outstanding capital stock, representing both equity and voting interests in SWL. See Application, ITC-T/C-20070319-00113, Attachment 1.

¹⁴ See Supplement to Clarify Ownership Information at 2-3.

¹⁵ On that same day, additional shares in SGL were offered to existing shareholders of SWL as well as to a small number of employees and directors of SGL who had not previously held any shares in SWL. See *id.*

¹⁶ See *Authorizations Granted, Applications of Satamatics, Inc., Satamatics Worldwide Limited, and Satamatics Global Limited for Consent to Transfer Control of Licenses and Authorizations and Petition for a Declaratory Ruling on Foreign Ownership*, Public Notice, 22 FCC Rcd 13894 (Int. Bur. 2007) ("2007 Public Notice").

¹⁷ See *id.* at 13897.

¹⁸ See 47 U.S.C. § 503(b)(1)(B); 47 C.F.R. § 1.80(a)(1).

¹⁹ 47 U.S.C. § 312(f)(1).

²⁰ See H.R. Rep. No. 97-765, 97th Cong. 2d Sess. 51 (1982).

²¹ See, e.g., *Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 (1991).

²² See, e.g., *Callais Cablevision, Inc., Grand Isle, Louisiana*, Notice of Apparent Liability for Monetary Forfeiture, 16 FCC Rcd 1359, 1362, ¶ 10 (2001) ("*Callais Cablevision*") (issuing a Notice of Apparent Liability for, *inter alia*, a

omitted more than once, or lasts more than one day.²³ In order to impose such a penalty, the Commission must issue a notice of apparent liability, the notice must be received, and the person against whom the notice has been issued must have an opportunity to show, in writing, why no such penalty should be imposed.²⁴ The Commission will then issue a forfeiture if it finds, by a preponderance of the evidence, that the person has willfully or repeatedly violated the Act or a Commission rule.²⁵ As described in greater detail below, we find that Satamatics apparently willfully and repeatedly violated Sections 214, 310(b)(4), and 310(d) of the Act by acquiring more than 25 percent additional foreign ownership and by failing to seek Commission approval prior to transferring control of Satamatics, its international Section 214 authorization and its Earth Station License.

8. Sections 214 and 310(d) require that, before a license or authorization or rights thereunder may be transferred or assigned, the Commission must find that the transfer or assignment serves the public interest, convenience and necessity.²⁶ The Commission generally considers whether a substantial change of ownership is occurring on a case-by-case basis. In the instant case, the ownership structure approved in 2004 permitted Canterbury Limited and Liverpool Limited to hold 56.3 percent of the outstanding shares of Satamatics; these entities were 100 percent owned and controlled by Bryan Jeeves, a citizen of Liechtenstein. Satamatics now reports that while Bryan Jeeves ultimately controlled 56.3 percent of the equity shares of Satamatics, not all of those shares were voting stock and that Bryan Jeeves did not exercise day-to-day control over Satamatics.²⁷ Subsequently, on January 1, 2005, Bryan Jeeves transferred joint control of these entities to himself and his son Alexander Jeeves.²⁸ During the 2004 to 2006 time period, Satamatics issued substantial amounts of stock to new entities and replaced its ultimate corporate parent with a new corporate structure in a one-for-one stock exchange.²⁹ We find that the changes at issue required prior Commission approval.³⁰

9. Section 310(b)(4) requires in pertinent part that common carriers obtain Commission approval before exceeding the 25 percent benchmark in that section of the Act. In 2004, the Commission approved Satamatics' foreign ownership and delineated that a further application was necessary if Satamatics wanted to exceed 25 percent additional indirect foreign ownership.³¹ Yet Satamatics issued stock on four occasions between 2004 and October 12, 2006, resulting in more than 25 percent of Satamatics stock being held by new foreign investors.³² Because the transactions at issue apparently

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cable television operator's repeated signal leakage).

²³ *Southern California Broadcasting Co.*, 6 FCC Rcd at 4388, ¶ 5; *Callais Cablevision, Inc.*, 16 FCC Rcd at 1362, ¶ 9.

²⁴ 47 U.S.C. § 503(b); 47 C.F.R. § 1.80(f).

²⁵ See, e.g., *SBC Communications, Inc.*, Forfeiture Order, 17 FCC Rcd 7589, 7591 ¶ 4 (2002) (forfeiture paid).

²⁶ See 47 U.S.C. § 214 and 310(d). See also *AT&T, Inc. and Bell South Corporation*, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5671-72 (2006) (reviewing the standard governing the Commission's consideration of applications to transfer or assign licenses and authorizations including earth station licenses and Section 214 authorizations). See also 47 C.F.R. §§ 25.119 and 63.24 (requiring holders of Earth Station licenses and International Section 214 authorizations to apply for Commission approval when transferring control of a corporate parent, respectively).

²⁷ See Supplement to Clarify Ownership Information at 1-2.

²⁸ See *id.* at 3.

²⁹ See *id.* at 1-3.

³⁰ See generally Stephen F. Sewell, "Assignments and Transfers of FCC Authorizations Under Section 310(d) of the Communications Act of 1934," 43 Fed Comm Law Journal (July 1991).

³¹ See 2004 Public Notice, 19 FCC Rcd at 24513.

³² See 2007 Public Notice, 22 FCC Rcd at 13896.

increased foreign ownership beyond the amount permitted in the conditions of its license, Satamatics' failure to seek and obtain approval for these transactions, constitutes a violation of Section 310(b)(4).

10. Based on our review of the record, we find that Satamatics violated Sections 214, 310(b)(4), and 310(d) of the Act. The facts underlying this case are undisputed.³³ Satamatics engaged in a transfer of control of its license and authorization without prior Commission approval. Satamatics acquired more than 25 percent new foreign ownership. Further, before seeking Commission approval, SGL acquired all of SWL's shares in a one for one exchange. We therefore conclude that Satamatics apparently willfully and repeatedly violated Sections 214, 310(b)(4), and 310(d) of the Act with respect to its international Section 214 authorization and its Earth Station License. Thus, we find that a proposed forfeiture is appropriate.

11. The Commission's *Forfeiture Policy Statement* and implementing rules prescribe base forfeitures of \$8,000 for engaging in an unauthorized substantial transfer of control and \$8,000 for violations of the alien ownership restrictions.³⁴ In consideration of the factors enumerated in Section 503(b)(2)(D) for establishing the forfeiture amount, there is no other evidence before us to suggest that the base amount should be adjusted in any way.³⁵ Accordingly, we find that the base forfeiture of \$8,000 against Satamatics is appropriate for the unauthorized transfer of control of its Earth Station license. Similarly, we find that a proposed forfeiture in the amount of \$8,000 against Satamatics is warranted for the unauthorized transfer of control of its international Section 214 authorization. Finally, we find that a proposed forfeiture amount of \$8,000 is appropriate for its apparent violation of the alien ownership restrictions under Section 310.³⁶ Based on the facts and circumstances presented, we conclude that an aggregate proposed forfeiture of \$24,000 against Satamatics is warranted.

IV. ORDERING CLAUSES

12. ACCORDINGLY, IT IS ORDERED that, pursuant to Section 503(b) of the Communications Act of 1934, as amended, and Sections 0.111, 0.311, 0.314, and 1.80 of the Commission's Rules, Satamatics, Inc. is hereby NOTIFIED of its APPARENT LIABILITY FOR A FORFEITURE in the amount of twenty four thousand dollars (\$24,000) for willfully violating Section 214, 310(b)(4), and 310(d) of the Communications Act of 1934, as amended.

13. IT IS FURTHER ORDERED that, pursuant to Section 1.80 of the Commission's rules, within 30 days of the release date of this *Notice of Apparent Liability for Forfeiture*, Satamatics, Inc. SHALL PAY the full amount of the proposed forfeiture or SHALL FILE a written statement seeking reduction or cancellation of the proposed forfeiture.

14. Payment by check or money order, payable to the order of the "Federal Communications Commission," may be mailed to Forfeiture Collection Section, Finance Branch, Federal Communications

³³ See Petition for Declaratory Ruling, *supra* note 9, at 5 (stating that "Satamatics recognizes that this Petition is being untimely filed with the Commission.").

³⁴ See 47 C.F.R. § 1.80; *Forfeiture Policy Statement*, 12 FCC Rcd 17087, 17113 (1997). See also *One Call Internet, Inc. Section 214 Transfer of Control of Domestic Transmission Lines Requirements*, Order adopting Consent Decree, 18 FCC Rcd 25718 (2003) (setting the voluntary amount at \$8,000 for possible unauthorized domestic section 214 transfer of control).

³⁵ See *Rally Capital, LLC*, Notice of Apparent Liability for Forfeiture, 22 FCC Rcd 17270 (Enf. Bur., Investigations and Hearings Div., 2007) (proposing a \$16,000 forfeiture for two unauthorized transfers of control).

³⁶ See *Texas Educational Broadcasting Cooperative, Inc.*, Memorandum Opinion and Order and Notice of Apparent Liability for Forfeiture, 22 FCC Rcd 13038, 13041-42 (Media Bureau 2007) (assessing \$8,000 forfeiture for violation of alien ownership restrictions).

Commission, P.O. Box 358340, Pittsburgh, PA 15251. Payment by overnight mail may be sent to Mellon Client Service Center, 500 Ross Street, Room 670, Pittsburgh, PA 15262-0001, Attn: FCC Module Supervisor. Payment by wire transfer may be made to: ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6229. The payment should note the *NAL*/Acct. No. referenced in the caption.

15. IT IS FURTHER ORDERED that the response, if any, shall be mailed to Hillary S. DeNigro, Chief, Investigation and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Suite 4-C330, Washington, D.C. 20554, and must include the *NAL*/Acct. No. referenced in the caption.

16. IT IS FURTHER ORDERED that the Commission shall not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the respondent submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices ("GAAP"); or (3) some other reliable and objective documentation that accurately reflects the respondent's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

17. Requests for full payment of the full amount of this Notice of Apparent Liability under an installment plan should be sent to: Chief Financial Officer -- Financial Operations, Federal Communications Commission, 445 12th Street, S.W., Room 1-A625, Washington, D.C. 20554. For answers to questions, please contact the Financial Operations Group Help Desk at 1-877-480-3201 or Email: ARINQUIRIES@fcc.gov.³⁷

18. IT IS FURTHER ORDERED that a copy of this Notice of Apparent Liability for Forfeiture shall be sent by Certified Mail - Return Receipt Requested, and regular mail, to the attention of Brendan Kasper, Esquire, Steptoe & Johnson, LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036-1795, and to the licensee.

FEDERAL COMMUNICATIONS COMMISSION

Hillary S. DeNigro
Chief, Investigations and Hearings Division
Enforcement Bureau

³⁷ 47 C.F.R. § 1.1914.