



PUBLIC NOTICE

Federal Communications Commission
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DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF SEGTEL, INC. TO TVC ALBANY, INC. AND TECH VALLEY HOLDINGS, LLC

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 11-102

Comments Due: July 12, 2011

Reply Comments Due: July 19, 2011

On June 15, 2011, TVC Albany, Inc. (TVC), Tech Valley Holdings, LLC (Holdings), and segTEL, Inc. (segTEL) (together with TVC and Holdings, the Applicants) filed an application pursuant to section 63.03 of the Commission's rules¹ to transfer control of segTEL to TVC and Holdings.

segTEL, a New Hampshire corporation, provides competitive local exchange carrier (LEC), interexchange, and private line services in Maine, New Hampshire, Vermont, and Massachusetts. It is a wholly-owned subsidiary of segNET TECHNOLOGIES, INC. (segNET), a Delaware corporation, that does not itself provide any telecommunications services.² TVC, a privately-held Delaware company, is a competitive LEC and interexchange carrier providing business and residential telecommunications services to approximately 1,000 customers in New York and western Massachusetts.³

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. On June 27, 2011, Applicants filed a supplement to the application. *See* Letter from Keith J. Roland, Counsel, Tech Valley Holdings, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-102, dated June 27, 2011.

² Applicants state that the stock of segNET is owned by Jeremy Katz (39 percent), Steven E. Goldsmith (53 percent), and Robert B. Ashton (8%). Because these three individuals own all of the stock of segNET, they are also the indirect owners of the stock of segTEL.

³ Applicants state that TVC holds a nationwide common carrier wireless license in the 3650-3700 MHz bank, under call sign WQLH897. This license was granted in 2010.

Holdings is a Delaware limited liability company formed in 2010 to acquire TVC.⁴ Holdings does not provide any telecommunications services. Holdings is currently owned 77 percent by two U.S.-based investment funds – Riverside Fund IV, L.P. and Riverside Fund IV Offshore, LP – and 23 percent by current officers and former shareholders of TVC as a group. Following the closing of the proposed transaction, Applicants state that the equity of Holdings will be as follows: Riverside Fund IV, L.P. (46 percent), Riverside Fund IV Offshore, L.P. (16 percent), management and former shareholders of TVC and one former shareholder of segNET as a group (12 percent), all U.S. citizens, with no such individual owning 10 percent or more of the equity of Holdings, Jeremy Katz, a U.S. citizen (11 percent), Steven E. Goldsmith, a U.S. citizen (15 percent).

Applicants state that the following U.S. entities own 10 percent or more of the equity of Riverside Fund IV, L.P. or hold general partnership interests: Yale University (14.81 percent), Arkansas Teacher Retirement System (13.16 percent); West Virginia Investment Management Board (13.16 percent), and Riverside Partners IV, L.P. (general partnership interest).⁵ They further state that the following investment entities own 10 percent or more of the equity of Riverside Fund IV Offshore, L.P. or hold general partnership interests: Ragunda, LLP (39.16 percent, Cayman Islands citizenship), Horsley Bridge IX, L.P. (19.57 percent, U.S. citizenship); BAE Systems Pension Funds Trustees Limited (10.28 percent, United Kingdom citizenship), Riverside Partners IV, L.P. (general partnership interest). No entity owns 10 percent or more of the equity of BAE Systems Pension Funds Trustees Limited. The following Cayman Islands-based investment entities each own 24.975 percent of the equity of Ragunda LLP: Norrby Holdings Limited, Ragunda Holdings Limited, Orsa Holdings Limited, and Falun Holdings Limited. Norrby Holdings Limited is a wholly-owned subsidiary of Ingelstorp Investments, a Cayman Islands company. Ragunda Holdings Limited is a wholly owned subsidiary of Hov Investments, a Cayman Islands company. Orsa Holdings Limited is a wholly-owned subsidiary of Djursholm Investments, a Cayman Islands company. Falun Holdings Limited is a wholly-owned subsidiary of Helsingfors Investments, a Cayman Islands company. Ingelstorp Investments, Hov Investments, Djursholm Investments, and Helsingfors Investments are each 100 percent owned by trusts. The trusts and the companies have the following directors, each having an equal vote: Dr. Johannes Burger, an Austrian citizen; Dr. Heinz Grabher, an Austrian citizen; and Geoffrey Richards, a United Kingdom citizen. The following entities hold a 10 percent or greater interest in Horsley Bridge IX, L.P.: Railways Pension Trustee Company Limited (11 percent, United Kingdom citizenship) and The Northern Trust Company, as Trustee for Account #22-93126 (11 percent, United States citizenship). Applicants state that no individual or entity owns 10 percent or more of the equity of Railways Pension Trustee Company Limited. The Northern Trust Company is a wholly owned subsidiary of Northern Trust Corporation, a Delaware corporation with no 10 percent or greater interest holders.⁶

⁴ The Commission granted consent to transfer control of TVC's domestic section 214 authority to Holdings on October 22, 2010 (*Domestic Section 214 Authorization Granted*, WC Docket No. 10-144, Public Notice, 25 FCC Rcd 14623 (2010)). As part of that approval process, the U.S. Department of Justice, including the Federal Bureau of Investigation and the Department of Homeland Security, reviewed the transaction for any potential national security, law enforcement or public safety issues, and determined that they had no objection to the transfer or the indirect minority foreign ownership of TVC. See Letter from Siobhan E. Dupuy, Attorney Advisor, Foreign Investment Review Staff, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-144, dated Oct. 22, 2010.

⁵ Applicants state that no individual or entity holds a 10 percent or greater interest in Yale University, the Arkansas Teacher Retirement System, or the West Virginia Investment Management Board. They also state that David Belluck, Brian Guthrie, and Steven F. Kaplan, all U.S. citizens, each own 10 percent or more of the equity of Riverside Partners IV, L.P. The general partner of Riverside Partners IV, L.P. is Riverside Partners IV, LLC, a Delaware limited liability company. Mr. Belluck and Mr. Guthrie are the sole members of Riverside Partners IV, LLC. Riverside Partners IV, L.P. is controlled by an investment committee comprised of the following U.S. citizens: David Belluck, Philip Borden, Frank Do, Brian Guthrie, Steven F. Kaplan, Jon Lemelman.

⁶ Applicants state that, other than their interests in Holdings and TVC, Riverside Fund IV, L.P. and Riverside Fund IV Offshore, L.P. hold no attributable interest in any entity that provides interstate telecommunications services.

Pursuant to the terms of the proposed transaction, both TVC and Holdings will each purchase a portion of segNET's stock, together totaling 100 percent. Holdings will then contribute its stock in segNET to TVC, so that TVC will directly own 100 percent of the equity of segNET, and indirectly own 100 percent of the equity of segTEL. Holdings, as the direct parent of TVC, will indirectly own 100 percent of segNET and segTEL. At closing, the current owners of segTEL will receive sufficient equity in Holdings to collectively equal approximately 28 percent of Holdings' total equity. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁷

Domestic Section 214 Application Filed for the Transfer of Control of segTEL, Inc. to TVC Albany, Inc. and Tech Valley Holdings, LLC, WC Docket No. 11-102 (filed June 15, 2011).

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 application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before July 12, 2011**, and reply comments **on or before July 19, 2011**. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.⁸ Comments should be filed using the Commission's Electronic Comment Filing System (ECFS). 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://fjallfoss.fcc.gov/ecfs2/>.

In addition, e-mail one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: (202) 488-5300; fax: (202) 488-5563;
- 2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 3) Alex Johns, Competition Policy Division, Wireline Competition Bureau, alexis.johns@fcc.gov;
- 4) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are 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 CY-B402, Washington, D.C. 20554; telephone: (202) 488-5300; fax: (202) 488-5563; e-mail: fcc@bcpiweb.com; url: www.bcpiweb.com.

⁷ 47 C.F.R. § 63.03(b)(2)(i).

⁸ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

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).

For further information, please contact Tracey Wilson at (202) 418-1394 or Alexis Johns at (202) 418-1167.

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