



PUBLIC NOTICE

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DA 13-133

Released: February 7, 2013

DOMESTIC SECTION 214 AUTHORIZATION GRANTED

Domestic Section 214 Application Filed for the Transfer of Control of dPi Teleconnect, LLC to Amvensys Capital Group, LLC

WC Docket No. 12-32

Pursuant to section 214 of the Communications Act of 1934, as amended (Act), 47 U.S.C. § 214, and sections 0.91, 0.291, and 63.03 of the Federal Communication Commission's (Commission) rules, 47 C.F.R. §§ 0.91, 0.291, 63.03, the Wireline Competition Bureau (Bureau) approves the application to transfer control of dPi Teleconnect, LLC (now Unity Telecom, LLC) (Unity)¹ to Amvensys Capital Group, LLC, f/k/a Amvensys Telecom Holdings, LLC (Amvensys, together with Unity, the Applicants).² The Bureau has determined that grant of this Application serves the public interest,³ and accordingly, the Application is granted pursuant to the Commission's procedures for domestic section 214 transfer of control applications.⁴

On February 21, 2012, Lawrence Green filed comments opposing the transaction proposed in the

¹ dPi Teleconnect, LLC changed its name to Unity Telecom, LLC on May 18, 2012.

² *Domestic 214 Application Filed for the Transfer of Control of dPi Teleconnect, LLC to Amvensys Capital Group, LLC, f/k/a Amvensys Telecom Holdings, LLC*, WC Docket No. 12-32 (filed Feb. 3, 2012) (Application); *Application Filed for the Transfer of Control of dPi Teleconnect, LLC to Amvensys Capital Group, LLC, f/k/a Amvensys Telecom Holdings, LLC*, WC Docket No. 12-32, Public Notice, 27 FCC Rcd 1443 (WCB 2012); *Notice of Removal of Domestic Section 214 Application From Streamlined Treatment*, WC Docket No. 12-32, Public Notice, 27 FCC Rcd 2305 (WCB 2012). On November 17, 2009, without prior approval from the Commission, Amvensys acquired all of the membership interests in dPi Teleconnect from dPi Teleconnect's then-current owner, Rent-A-Center East, Inc. (RentA-Center). Applicants state that they have taken steps to correct any compliance deficiencies. They are currently operating under Special Temporary Authority that the Bureau granted on February 9, 2012, and renewed on April 9, June 7, July 31, August 20, October 15, and December 14, 2012. *Domestic 214 Application Filed for the Transfer of Control of dPi Teleconnect, LLC to Amvensys Capital Group, LLC, f/k/a Amvensys Telecom Holdings, LLC*, WC Docket No. 12-32, Request for Special Temporary Authority at 2-3 (filed Feb. 8, 2012). Action on this domestic 214 application is without prejudice to Commission action on other proceedings or related applications and does not preclude or prejudice any enforcement action related to the unauthorized transfer of control.

³ *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, CC Docket No. 01-150, Report and Order, 17 FCC Rcd 5517, 5540, para. 45 (2002).

⁴ 47 C.F.R. § 63.03.

Application.⁵ Mr. Green contends that Amvensys's controlling interest holder and Chief Executive Officer, Mr. Zayed Lateef, is not qualified to control Unity because he is a convicted felon; he lied about his conviction to state regulators; and he uses questionable means to finance his companies and business practices.⁶ Applicants respond that the allegations raised by Mr. Green are mitigated because the underlying circumstances occurred long ago,⁷ the alleged misconduct was adjudicated at the state commission, and the claims are further mitigated by internal restructuring and other compliance improvements by Amvensys.⁸

The concerns raised by Mr. Green do not persuade us to deny the transaction or to impose conditions on the terms of the transfer. As the Commission held in its *1990 Character Qualifications Order*, we will take into account how recently the misconduct occurred and efforts made to remedy the wrong when evaluating whether an applicant has the requisite qualifications to hold an authorization or license.⁹ In the case of Mr. Lateef's felony conviction, Applicants submitted a sworn affidavit stating that the circumstances arose in 1989 from a check Mr. Lateef wrote on an account with insufficient funds and that he paid full restitution at the time.¹⁰ Based on the amount of time that has lapsed since the felony, and its surrounding circumstances, we find that concerns arising from the conviction are mitigated as contemplated in the *1990 Character Qualifications Order*.

The Commission previously found that one of the primary purposes of its character policy is to ensure that licensees will be truthful in their dealings with the Commission; misrepresentation and lack of candor raise serious concerns as to the likelihood of such truthfulness.¹¹ Applicants deny that Mr.

⁵ *Comments of Lawrence Green*, WC Docket No. 12-32 (filed Feb. 21, 2012) (Green Comments). Mr. Green also filed letters on March 7 and July 18, 2012 opposing grant of the transaction. Letter from Lawrence Green to FCC, WC Docket No. 12-32 (filed on March 7, 2012) (Green March 7 *Ex Parte* Letter); Letter from Lawrence Green to FCC, WC Docket No. 12-32 (filed on July 18, 2012) (claiming that Mr. Lateef failed to properly file income taxes). There is no evidence in the record supporting Mr. Green's claim.

⁶ Green Comments at 1; Green March 7 *Ex Parte* Letter at 2.

⁷ *Reply Comments of dPi Teleconnect*, WC Docket No. 12-32 at 3-4 (filed Mar. 1, 2012) (Applicant Reply).

⁸ Letter from John J. Heitmann and Joan M. Griffin to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-32 (filed May 18, 2012) (May 18 *Ex Parte* Letter). See Applicant Reply at 3-4 (citing *WorldCom, Inc. and its Subsidiaries (debtors-in-possession), Transferor, and MCI, Inc., Transferee, Applications for Consent to Transfer and/or Assign Section 214 Authorizations, Section 310 Licenses, and Submarine Cable Landing Licenses*, WC Docket No. 02-215, Memorandum Opinion and Order, 18 FCC Rcd 26484, 26494 n.57 (2003) (*WorldCom-MCI Order*); *Policy Regarding Character Qualifications in Broadcast Licensing*, Policy Statement and Order, 5 FCC Rcd 3252, 3252, para. 5 (1990) (*1990 Character Qualifications Order*)).

⁹ *1990 Character Qualifications Order*, 5 FCC Rcd at 3252, para. 5.

¹⁰ Applicant Reply at 2-4 and Attach. 1.

¹¹ *Maritime Communications/Land Mobile, LLC*, EB Docket No. 11-71, Order to Show Cause, Hearing Designation Order, and Notice of Opportunity for Hearing, 26 FCC Rcd 6520, 6530. para. 28 (2011) (citing *Character Policy Statement*, 102 FCC 2d 1179 (1986) and stating that the fundamental importance of truthfulness and candor on the part of applicants and licensees in their dealings with the Commission is well established. See *FCC v. WOKO, Inc.*, 329 U.S. 223 (1946); *Lebanon Valley Radio, Inc., Decision*, 35 FCC 2d 243 (Rev. Bd. 1972); Nick J. Chaconas, *Decision*, 28 FCC 2d 231 (Rev. Bd. 1971)).

Lateef intentionally provided false or misleading information to the state commissions.¹² Although we take allegations of nondisclosure seriously, a thorough review of the record provides no definitive evidence that the nondisclosure was intentional. We are persuaded that, on a going forward basis, Amvensys has a plan in place to ensure accurate, timely, and compliant dealings with the Commission. Specifically, Amvensys states that it has taken the following steps over the last three years: Amvensys replaced the Unity management team to ensure adherence to regulatory requirements, including section 214 obligations; the Amvensys Legal & Regulatory Department replaced outside counsel and now coordinates with management on a weekly basis to ensure regulatory compliance and accuracy; and Amvensys hired a general counsel and is interviewing candidates for a Compliance Director position.¹³ Further, the Enforcement Bureau and Amvensys entered into a Consent Decree terminating the Enforcement Bureau's investigation into the unauthorized transfer of control of Unity and adopting a Compliance Plan.¹⁴ We find that these steps provide sufficient assurance that Amvensys and its affiliates will comply with their statutory and regulatory requirements. Accordingly, we find that there is a lack of record evidence to support a determination that Mr. Lateef is unqualified to hold a section 214 license or authorization from the Commission. Mr. Green's other claims that Mr. Lateef will mismanage Unity or fund it from questionable sources are speculative.¹⁵ We find that the transaction is likely to result in public interest benefits, including uninterrupted provision of the prepaid telecommunications services that Unity provides to its customers.¹⁶ The Bureau concludes, upon consideration of the record, that grant of the application will serve the public interest, convenience, and necessity.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the consent granted herein is effective upon the release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Dennis Johnson, (202) 418-0809, Competition Policy Division, Wireline Competition Bureau.

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¹² Applicant Reply at 4-5 and Attach. 1.

¹³ May 18 *Ex Parte* Letter at 2-3. Letter from John Heitmann and Joan M. Griffin, Counsel to Applicants, to Marlene Dortch, Secretary, FCC, WC Docket No. 12-32 (filed Sept. 24, 2012).

¹⁴ *Amvensys Capital Group, LLC*, Order and Consent Decree, DA 13-85 (rel. Feb. 7, 2013).

¹⁵ *WorldCom-MCI Order*, 18 FCC Rcd at 26494 n.57. For example, Mr. Green alleges that Mr. Lateef mismanaged a reseller of electric utility service in Texas that eventually went out of business. Green Comments at 1-2; Green March 7 *Ex Parte* Letter at 1-2. Applicants state that the electric utility's discontinuance of service was unrelated to Mr. Lateef's 15 percent ownership interest in the entity. Letter from John Heitmann and Joan M. Griffin, Counsel to Applicants, to Marlene Dortch, Secretary, FCC, WC Docket No. 12-32 at 2-4 (filed Mar. 30, 2012).

¹⁶ Application at 7-8.