**Federal Communications Commission** 445 12th St., S.W. Washington, D.C. 20554

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DA 13-2038

Released: October 22, 2013

# APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF STI PREPAID, LLC AND STI TELECOM INC. TO ANGEL AMERICAS LLC

### PLEADING CYCLE ESTABLISHED

**WC Docket No. 13-242** 

Comments Due: November 5, 2013

Reply Comments Due: November 12, 2013

On January 30, 2013, STi Prepaid, LLC (STi Prepaid), STi Telecom Inc. (STI Telecom, and together with STI Prepaid, STi), and Next Angel LLC (Next Angel) filed applications pursuant to sections 214 of the Communications Act of 1934, as amended (Act), to transfer the domestic and international authorizations and assets of STi Prepaid and STi Telecom to Next Angel. On June 30, 2013, the ownership of Next Angel changed, and on July 10, 2013, Next Angel changed its name to Angel Americas LLC (Angel Americas, collectively with STi, Applicants). On September 27, 2013, the Wireline Competition Bureau and the International Bureau granted Angel Americas special temporary authority (STA) to provide service to STi's customers pending grant of the applications.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 214.

<sup>&</sup>lt;sup>2</sup> Application of Next Angel LLC to Transfer Control of the Domestic Section 214 Authorization of STi Prepaid, LLC (filed Jan. 30, 2013) (STi Prepaid Domestic 214 Application); Application of Next Angel LLC to Transfer Control of the Domestic Section 214 Authorization of STi Telecom Inc. (filed Jan. 30, 2013) (STi Telecom Domestic 214 Application); Application for Assignment of the International Section 214 Authority of STi Prepaid, LLC to Next Angel LLC, ITC-ASG-20130130-00035; Application for Assignment of the International Section 214 Authority of STi Telecom Inc. to Next Angel LLC, ITC-ASG-20130130-00037.

<sup>&</sup>lt;sup>3</sup> Letter from Thomas M. Lynch, Counsel for Next Angel LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242; ITC-ASG-20130130-00035; ITC-ASG-20130130-00037 (filed July 9, 2013).

<sup>&</sup>lt;sup>4</sup> Letter from Thomas M. Lynch, Counsel for Angel Americas LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242; ITC-ASG-20130130-00035; ITC-ASG-20130130-00037 (filed July 10, 2013).

<sup>&</sup>lt;sup>5</sup> Letter from Thomas M. Lynch, Counsel for Angel Americas LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242 (filed Sept. 26, 2013) (STA Letter); ITC-STA-20130926-00264 (STi Prepaid); ITC-STA-20130926-00265 (STi Telecom). Grant of the STAs is for 180 days and is conditioned on Angel Americas abiding by a specified plan that is designed to ensure future compliance with Commission rules and requirements. Angel Americas states that "by granting the STA application, Angel Americas will be able to, and commits to, serve

STi Prepaid and STi Telecom are affiliated Delaware entities owned and controlled by Vivaro Corporation. STi Prepaid and STi Telecom provide resold long distance telecommunications services, including prepaid domestic and international calling cards. Both companies are debtors-in-possession and filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code on September 5, 2012.

Angel Americas is a Delaware limited liability company. Applicants state that the following entities have a five percent or greater direct ownership interest in Angel Americas: Angel Telecom (USA) Inc. (U.S. citizenship, 75 percent equity and voting interests); Marcatel Telecommunications, LLC (U.S. citizenship, 25 percent equity and voting interests). Angel Telecom Holding AG, a Swiss entity, owns 100 percent of Angel Telecom (USA) Inc. The following individuals own Angel Telecom Holding AG: Helmut Koechler (Swiss citizenship, 21.2 percent); Peter Waneck (Austrian citizenship, 35.3 percent). IXC International LLC, a U.S. entity, owns 100 percent of Marcatel Telecommunications, LLC. Telecom Overseas C.V., a Netherlands entity, owns 100 percent of IXC International LLC. Gustavo M. de la Garza, Mexican citizenship, owns 99 percent of Telecom Overseas C.V. Applicants state that Angel Americas has no subsidiaries that provide telecommunications services.

Pursuant to the Asset Purchase and Sale Agreement, approved by the Bankruptcy Court, Angel Americas will purchase all telecommunications authorizations and assets of STi Prepaid and STi Telecom. Applicants state that proposed transaction is in the public interest and will allow current customers of STi Prepaid and STi Telecom to continue receiving quality telecommunications services and that this transaction will not impact consumers who continue to use existing prepaid calling cards. Applicants further state that Angel Americas has the technical and financial expertise to provide quality and improved service to customers and that its management is committed to compliance with all regulatory requirements. 8

### **SECTION 214 AUTHORIZATIONS**

The following applications for consent to the transfer of control of section 214 authorizations to Angel Americas have been assigned the file numbers listed below.

## A. International

customers of STi still holding unused or unexpired prepaid calling cards and minutes during the period authorized by the STA (and thereafter if the transfer is ultimately approved)." STA Letter at 1-2.

<sup>&</sup>lt;sup>6</sup> In re: Vivaro Corporation, et al, Case No. 12-13810 (Ch. 11) (Bankr. S.D.N.Y, 2012).

<sup>&</sup>lt;sup>7</sup> See Order Pursuant to Sections 105(a) and 363 of the Bankruptcy Code (I) Approving (A) Sale of Substantially All of the Assets of the Debtors Outside the Ordinary Course of Business, Free and Clear of All Liens, Claims, Interests, and Encumbrances, and (B) Forms and Content of Asset Purchase Agreement, Case No. 12-13810 (Bankr. S.D.N.Y. Nov. 21, 2012).

<sup>&</sup>lt;sup>8</sup> STi Prepaid Domestic 214 Application, Att. 1 at 7; STi Telecom Domestic 214 Application, Att. 1 at 7.

<u>File No.</u>	Authorization Holder	<u>Authorization Number</u>
ITC-ASG-20130130-00035	STi Prepaid, LLC	ITC-214-20010220-00085
	•	ITC-214-20010618-00348
		ITC-214-20020531-00293
		ITC-214-20050315-00105
ITC-ASG-20130130-00037	STi Telecom Inc.	ITC-214-20031020-00495

### B. Domestic

Applicants filed applications for consent to transfer control of STi Prepaid and STi Telecom to Angel Americas. Applicants request streamlined treatment under section 63.03(b) of the Commission's rules for these transactions. In light of the multiple applications pending before the Commission with respect to these transactions and the public interest review associated with them, the domestic section 214 transfer of control applications are not subject to streamlined treatment.

## **GENERAL INFORMATION**

The applications referenced herein have been found, upon initial review, to be acceptable for filing.<sup>11</sup> The Commission reserves the right to return any 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 comments **on or before November 5, 2013,** and reply comments **on or before November 12, 2013.** 

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may 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/.
- Paper Filers: Parties who choose to file by paper must file an original and one copy 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.

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<sup>&</sup>lt;sup>9</sup> 47 C.F.R. § 63.03(b).

<sup>&</sup>lt;sup>10</sup> 47 C.F.R. § 63.03(c)(1).

<sup>&</sup>lt;sup>11</sup> STi Prepaid and STi Telecom have been delinquent in debts owed to the Commission and requested a waiver of section 1.1910 of the Commission's redlight rules to allow processing of their applications. 47 C.F.R. §1.1910. See Amendment of Parts 0 and 1 of the Commission's Rules; Implementation of the Debt Collection Improvement Act of 1996 and Adoption of Rules Governing Applications or Requests for Benefits by Delinquent Debtors, MD Docket No. 02-339, Report and Order, 19 FCC Rcd 6540 (2004). Applicants have made certain arrangements for payment of debt, and we therefore do not address their waiver requests here.

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

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of <u>before</u> 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 must be addressed to 445 12<sup>th</sup> Street, SW, Washington DC 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 <a href="fcc504@fcc.gov">fcc504@fcc.gov</a> or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

# In addition, provide 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; facsimile: (202) 488-5563;
- 2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, <a href="mailto:tracey.wilson@fcc.gov">tracey.wilson@fcc.gov</a> or (202) 418-1413 (facsimile);
- 3) Jodie May, Competition Policy Division, Wireline Competition Bureau, <u>jodie.may@fcc.gov</u> or (202) 418-1413 (facsimile);
- 4) David Krech, Policy Division, International Bureau, <u>david.krech@fcc.gov</u> or (202) 418-2824 (facsimile);
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov or (202) 418-1234 (facsimile).

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.<sup>12</sup> Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be

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<sup>&</sup>lt;sup>12</sup> 47 C.F.R. §§ 1.1200 et seq.

found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information, please contact Jodie May, Wireline Competition Bureau, (202) 418-0913 or David Krech, International Bureau, (202) 418-7443.