BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
Affiniti Holdings, Inc.,	)	File No. ISP-PDR-2016___________
Affiniti, LLC and	)	
Affiniti PA, LLC	)	
	)	
Petition for Declaratory Ruling Under	)	
Section 310(b)(4) of the Communications Act of	)	
1934, as Amended	)	

PETITION FOR DECLARATORY RULING

Affiniti Holdings, Inc. ("AHI"), pursuant to Section 310(b)(4) of the Communications Act of 1934, as amended ("Section 310(b)(4)"), and Section 1.990 *et seq.* of the Commission's Rules (47 C.F.R. §§ 1.990-1.994), hereby petitions the Commission to adopt a declaratory ruling finding that the proposed ownership of more than 25% of the shares of AHI, the parent company of FCC licensee Affiniti, LLC ("Affiniti LLC") and the proposed ultimate parent company of Affiniti PA, LLC ("Affiniti PA"), by an entity organized under the laws of the Cayman Islands and with an aggregate non-U.S. ownership, both verified and assumed, in excess of 25% will be consistent with the public interest under precedents applying Section 310(b)(4).

AHI is an applicant through a separate, contemporaneously-filed application for transfer of control of Affiniti PA, the holder of eighty-three (83) FCC microwave authorizations, which include sixteen (16) common carrier point-to-point licenses. Specifically, the application seeks approval for the merger of Affiniti PA Holdings, Inc.

("APAHI") into AHI with Affiniti PA, currently a subsidiary of APAHI, becoming a direct subsidiary of Affiniti LLC, a wholly-owned subsidiary of AHI. Following the merger, AHI's wholly-owned subsidiary, Affiniti LLC, and Affiniti LLC's wholly-owned subsidiary, Affiniti PA, will be indirectly controlled by AHI's majority owner, Global Leveraged Capital Credit Opportunity Fund I ("GLC COF I"), an entity established under the laws of the Cayman Islands. The Commission has previously granted a similar declaratory ruling request filed on behalf of Affiniti LLC, which is currently controlled by GLC COF I under a slightly different ownership structure than that for which approval is sought here.[1] Grant of the requested relief will allow GLC COF I, Global Leveraged Capital Primary Credit Fund ("GLC PCF") and Tatonka Capital Corporation ("Tatonka") to exercise warrants through APAHI to effect its merger with AHI and acquire control of Affiniti PA. As a result of the merger, all of APAHI's shares, including warrants, will be exchanged for shares of AHI.

I. THE PROPOSED TRANSACTION

Pursuant to a Merger Agreement by and among Global Leveraged Capital, Inc. ("GLC Inc."), GLC COF I, and APAHI, on one hand, and GLC COF I, GLC PCF, Tatonka and AHI, on the other, the parties have agreed to the transfer of control of Affiniti PA from GLC Inc. through the merger of APAHI into AHI. This merger will be effected by the exchange of all the shares and warrants of APAHI for shares of AHI to effect the merger contemplated by the

[1] *See* FCC File No. ISP-PDR-20121121-00008 (granted May 20, 2013). TX Communications LLC, the entity named in that request, changed its name to Affiniti, LLC effective December 11, 2013. *See* Letter from David S. Keir, Counsel to Affiniti, LLC, to Marlene H. Dortch, Secretary, FCC, FCC File No. ISP-PDR-20121121-00008, dated December 12, 2013. The change in Affiniti LLC's ownership to be effectuated upon grant of this request is slight, with Global Leveraged Capital Primary Credit Fund relinquishing approximately 5.7% of the shares it holds in AHI, and Tatonka Capital Corporation yielding 3.34% of such shares to GLC COF I. The result of these changes is to increase the percentage of non-U.S. ownership in AHI from just under 25%, as it was in 2013, to 27.55%, as further detailed in Exhibit C hereto.

Merger Agreement. Through the proposed transaction, all of the FCC licenses currently held by Affiniti PA would be transferred to the indirect control of AHI. Affiniti PA will become a wholly-owned subsidiary of Affiniti LLC.

Affiniti LLC is one of the nation's leading providers of E-Rate eligible Voice over Internet Protocol ("VoIP") and broadband wide area network ("WAN") services to K-12 schools districts and consortia. Currently, Affiniti provides services to approximately 700 schools and over 300,000 students, many of which are located in rural and economically disadvantaged areas. To facilitate the provision of these services, Affiniti employs FCC-licensed microwave facilities, which are used to support wireless WANs that carry data traffic between school sites within a school district as well as between consortia school districts or locations. Affiniti PA provides similar services, primarily to schools and other public institutions in Pennsylvania.

II. SPECIFIC INFORMATION REQUIRED UNDER SECTION 1.991 OF THE COMMISSION'S RULES

1.991(a) – The Applicants

Affiniti Holdings, Inc.
c/o Global Leveraged Capital Management, LLC
805 Third Avenue, 20th Floor
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P: (212) 835-9955
F: (646) 619-4122
E: jjy@glcllc.com

FRN: 0022115885

Delaware Corporation

Name & Title of Officer Certifying: Jeffrey Youle, Chairman

Affiniti, LLC
9208 Waterford Centre Boulevard
Suite 150
Austin, TX 78758
P: (512) 334-4091
F: (512) 334-4099

FRN: 0022115869

Delaware Limited Liability Company

Affiniti PA, LLC
9208 Waterford Centre Boulevard
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Austin, TX 78758
P: (512) 334-4091
F: (512) 334-4099

FRN: 0022804173

Delaware Limited Liability Company

1.991(b) – Legal Counsel Contact Information

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Counsel to the Affiniti entities

1.991(c) – Licenses Held by the Applicants

Affiniti LLC currently holds FCC licenses in the microwave radio service classified as Common Carrier Fixed Point-to-Point Microwave and Microwave Industrial/Business Pool.

Affiniti PA currently holds FCC licenses in the microwave radio service classified as Microwave Industrial/Business Pool, Common Carrier Fixed Point-to-Point Microwave and a Nationwide 3.65 MHz Broadband license.

Affiniti PA is an applicant for authority to transfer control of all of its licenses described above under ULS File No. 0007194175.

1.991(d) – Type of Declaratory Relief Requested

Petitioners' hereby request a declaratory ruling under **§ 1.990(a)(1)** of the Commission's Rules.

1.991(e) & (g) – Direct Ownership of AHI

Post-closing, GLC COF I, GLC PCF and Tatonka will own more than 99% of AHI, the ultimate parent of Affiniti PA under the proposed merger, with the majority of the equity (72.48%) held by GLC COF I. A chart depicting the current ownership structure of Affiniti PA is set forth at Exhibit A hereto. A chart depicting the proposed ownership structure of Affiniti LLC and Affiniti PA, post-merger, is provided as Exhibit B hereto. Each of the relevant entities is described in greater detail below.

GLC COF I: GLC COF I is an entity organized under the laws of the Cayman Islands as an Exempted Company with Limited Liability.[2] The company currently has no officers and two directors, both of whom are citizens of the Cayman Islands. Because it is an investment fund, the company has no tangible assets or business headquarters. The majority of the revenues derived by GLC COF I are from investments in U.S. companies. The day-to-day management, operational and investment decisions for the fund are made by Global Leveraged Capital, LLC ("GLC"), a Delaware limited liability company, pursuant to a Management Agreement. GLC is ultimately controlled, in turn, by the three individuals, listed below, who are each citizens of the United States:

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[2] Under the law of the Cayman Islands, an "Exempted Company" is one that will carry out its business principally outside of the Cayman Islands. *See* Cayman Islands Companies Law at Part VII, § 163 (2013 Revision).

Name	Title	Ownership	Business Address	Phone No.
Thomas M. Benninger	Managing General Partner	33.333%	451 Jackson St. 2nd Floor San Francisco, CA 94111	415-962-8515
Lee S. Buckner	Managing General Partner	33.333%	451 Jackson St. 2nd Floor San Francisco, CA 94111	415-962-8505
Jeffrey J. Youle	Managing General Partner	33.333%	805 Third Avenue 20th Floor New York, NY 10022	212-835-9955

GLC COF I would hold 72.5%, of the equity interest in AHI. GLC COF I's shares are held by numerous investors, the substantial majority of which (62.11%) are citizens of or are organized in the United States. A total of 37.89% of the investment equity in GLC COF I is held by non-U.S. citizens, entities organized under the laws of other countries, or investors who are assumed to be foreign because the securities are held in street name and the citizenship of the unidentified passive investor cannot be determined. *See* Exhibit C hereto. Under the terms of the Management Agreement referenced above, all investors in GLC COF I are fully insulated, *i.e.*, none has the ability to control or be involved in the day-to-day business operations, activities, or decisions of GLC COF I.[3]

GLC PCF: GLC PCF is a Delaware limited liability company managed by Global Leveraged Capital Advisors, LLC, an affiliate of GLC. None of GLC PCF's investors has the ability to control or be involved in the day-to-day business operations, activities, or decisions of GLC PCF. The company currently has no officers or directors. Because it is an investment fund, GLC PCF has no tangible assets or business headquarters. The majority of the revenues derived by GLC PCF are from investments in U.S. companies. GLC PCF would hold 17.12%

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[3] *See* 47 C.F.R. § 1.993. Accordingly, no separate calculation of "voting" interests is required with respect to the shares of GLC COF I.

of AHI. The equity in GLC PCF is held by numerous investors, the majority of whom are citizens of or are entities organized in the United States.

Tatonka: Tatonka is a corporation incorporated under the laws of the State of Colorado. Its headquarters are in Denver, Colorado. It is one of the leading privately held public sector financial services companies in the country. All of Tatonka's officers and directors are U.S. citizens. Tatonka would hold 10% of the equity of AHI. All of the owners of Tatonka are U.S. citizens or entities in which all investors are U.S. citizens.

1.991(f) & (g) – Indirect Ownership in AHI

JH Capital Partners II, LP ("JHCP"): JHCP, a Delaware limited partnership, would hold a 12% indirect attributable interest in the proposed licensee, Affiniti PA, through GLC COF I. This same entity also would hold a 4% indirect interest in Affiniti PA through GLC PCF, and thus has an aggregate attributable interest in Affiniti LLC and Affiniti PA of approximately 16%. JHCP is a private investment fund. All of the investment shares in JHCP are held by individuals who are citizens of the United States or entities in which all investors are U.S. citizens.

Farallon Capital Partners LP ("FCP"): FCP, a California limited partnership, holds a non-controlling two-thirds (66.667%) equity interest in GLC PCF, which would give it an 11.4% indirect attributable interest in the licensee entities post-merger. FCP is a private investment fund managed by Farallon Capital Management, LLC. More than 99% of the investment shares in FCP are held by individuals who are citizens of the United States or entities in which all investors are U.S. citizens.

1.991(h) – Additional Ownership Information

(1) Estimate of aggregate foreign ownership. As detailed in Exhibit C hereto, the aggregate non-U.S. investment in AHI and its FCC-licensee subsidiaries is 27.55%. The total non-U.S. investment through GLC COF I is 27.46% (72.48 x 37.89). Total non-U.S. investors through GLC PCF (all through FCP): 0.09% (17.12 x 0.54).

(2) Ownership and control structure. A complete diagram of the post-merger ownership structure, including the non-U.S. ownership stake held in each investor in AHI is attached hereto as Exhibit B.

1.991(i) – Foreign Ownership Stakes of Greater Than Five Percent

There are no foreign individuals or entities that hold a greater than 5% indirect stake in the licensee entities for which specific approval is required.

1.991(j) – Requests for Specific Approval

Not applicable.

1.991(k) – Requests for Advance Approval

None requested.

III. GRANT OF THE RELIEF REQUESTED IS IN THE PUBLIC INTEREST

Section 310(b)(4) establishes a 25-percent threshold limitation on indirect, attributable non-U.S. investment in an entity that holds U.S. common carrier radio licenses under Title III of the Act, including control "by any corporation organized under the laws of a foreign country."[4] This benchmark cannot be exceeded without a specific Commission finding that an

[4] *See* 47 U.S.C. § 310(b)(4) ("No broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by … any corporation directly or indirectly controlled … by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest would be served by the refusal or revocation of such license.")

interest in excess of the threshold is consistent with the public interest. For nearly two decades, the determination of the public interest in such circumstances was governed generally by the Commission's 1997 finding that it would serve the public interest to allow indirect foreign ownership in U.S. Title III common carrier licensees in excess of the 25% threshold set forth in Section 310(b)(4) of the Act.[5] As originally adopted, investing entities from countries that are members of the World Trade Organization ("WTO") were subject to a rebuttable presumption that their investment above the 25% benchmark would serve the public interest.[6] In 2013, the Commission abandoned the linkage between a prospective investor's domicile in a WTO Member State and the presumption that foreign investment by such a WTO-Member-domiciled entity would serve the public interest. Instead, the Commission adopted a broader open entry standard for all foreign investments, subject to the Commission's continued public interest standard and the need to consider potential issues with respect to national security, law enforcement, foreign policy, and trade policy issues.[7]

The Commission's established approach, as revised in 2013, benefits U.S. consumers by encouraging the availability of additional capital to U.S. companies from non-U.S. sources, which promotes technical innovation, economic growth and job creation.[8] This, in turn, fosters enhanced competition in the U.S. market for telecommunications services, allowing the Commission's mechanisms for preventing anticompetitive conduct in the provision of

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[5] *See Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration*, 12 FCC Rcd 23891, 23896-97 (¶¶ 8-12) & 23913 (¶ 50) (1997).

[6] *See id.* at 23897-98 (¶¶ 13-14).

[7] *See Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, 28 FCC Rcd 5741, 5757 (¶ 26)(2013).

[8] *See id.* at 5744 (¶ 3).

international services and facilities to function more effectively, and stimulating the opening of foreign markets to U.S. carriers.

By this petition, Affiniti PA and Affiniti LLC, through their parent AHI, seek a ruling permitting these Affiniti licensee entities to be indirectly controlled by GLC COF I, a non-U.S. investment entity established under the laws of the Cayman Islands. As outlined above, GLC COF I will hold 72.12% of the equity in AHI, which owns 100% of Affiniti LLC, which in turn would own 100% of Affiniti PA following consummation of the merger. Although GLC COF I is a Cayman Islands entity, the substantial majority of the investors owning shares in the fund are currently U.S. citizens. Aggregate foreign ownership in the licensee entities is just above the 25% statutory benchmark at 27.55%. As stated above, actual management and operational control of AHI, Affiniti LLC and Affiniti PA is exercised by a manager, GLC, pursuant to a Management Agreement. All major day-to-day decisions concerning GLC COF I's investment in AHI, Affiniti LLC and Affiniti PA are made by GLC, which is itself controlled by its officers and owners, all of whom are U.S. citizens. Accordingly, the non-U.S. investments are entirely passive.

As detailed above, in all other respects, the interests held through GLC COF I and the other indirect investors in Affiniti LLC and Affiniti PA are U.S.-based. The fund itself derives a majority of its revenues through operations based in the United States. The day-to-day management, operational and investment decisions for the fund are made by GLC, a U.S. entity organized under the laws of the State of Delaware. The majority of the equity in the fund itself is held by U.S. citizens or entities organized and based in the United States, and the remaining indirect interests in Affiniti LLC and Affiniti PA will be held almost exclusively by U.S. investors through GLC PCF and Tatonka. Finally, through the Management Agreement, the management decisions for GLC COF I are made by GLC, which is controlled by three U.S. citizens. Under similar circumstances, the Commission has found that a Cayman Islands entity may also be deemed to have its "principal place of business" in the United States for purposes of the 310(b)(4) ownership analysis.[9] The Commission has also previously approved a very similar ownership structure involving the same investing entities in FCC File No. ISP-PDR-20121121-00008.

No adverse circumstances exist with respect to the proposed transaction. Operation of Affiniti LLC and Affiniti PA under the control of GLC COF I and its U.S.-based management would pose no national security, law enforcement, foreign policy or trade policy concerns. Neither GLC COF I nor any other party to the application is a foreign carrier, or is controlled by or under common control with a foreign carrier. The acquisition of the FCC licensees subject to transfer therefore will not result in any increased concentration in any market for telecommunications services in the United States and will not otherwise result in a foreign carrier being able to exercise market power to favor a U.S. affiliate.

The proposed transfer of control to AHI will also affirmatively serve the public interest, convenience and necessity. Following consummation of the proposed transaction, Affiniti PA, under the direction of Affiniti LLC and AHI, will continue to operate its existing business, which will benefit both current and future school system, school consortia and other customers that rely or will rely on the communications capacity provided using the facilities covered by the subject FCC licenses. The assets assembled to provide E-Rate broadband services to schools and consortia around the country will continue to be used to provide critical connectivity for these users. Accordingly, the parties respectfully submit that the instant

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[9] *See Mobile Satellite Ventures Subsidiary, et al.,* 23 FCC Rcd 4436, 4452 & n.62 (¶ 7) (Appendix B) (2008).

transaction will serve the public interest, convenience and necessity, and thus should be approved as expeditiously as possible.

IV. CONCLUSION

For the foregoing reasons, the petitioners respectfully request that a declaratory ruling be issued on an expedited basis, subject to all standard conditions, that it is in the public interest for Affiniti Holdings, Inc., Affiniti, LLC and Affiniti PA, LLC to be indirectly controlled by Global Leveraged Capital Credit Opportunity Fund I, an entity organized in the Cayman Islands with 27.55% aggregate foreign ownership as detailed herein.

The applicants have calculated the ownership interests disclosed in this Petition based upon review of the Commission's Rules and the interests disclosed satisfy each of the pertinent standards and criteria set forth in the Rules.

The undersigned hereby certifies under penalty of perjury that all facts stated in the foregoing Petition are true and correct.

Respectfully submitted,

AFFINITI HOLDINGS, INC.

April 14, 2016

By: ______________________
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EXHIBIT A
Affiniti Holdings, Inc. et al.
April 2016

Existing Ownership Chart for Affiniti PA, LLC

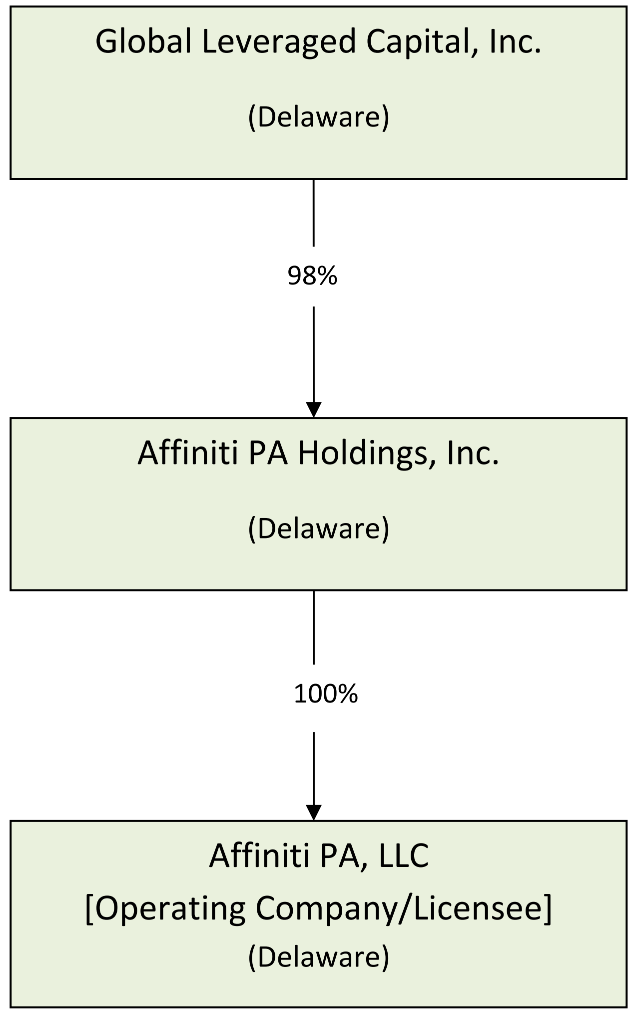

EXHIBIT B
Affiniti Holdings, Inc. et al.
April 2016

Proposed Ownership Chart for Interests in FCC Licensees, Affiniti, LLC & Affinti PA, LLC

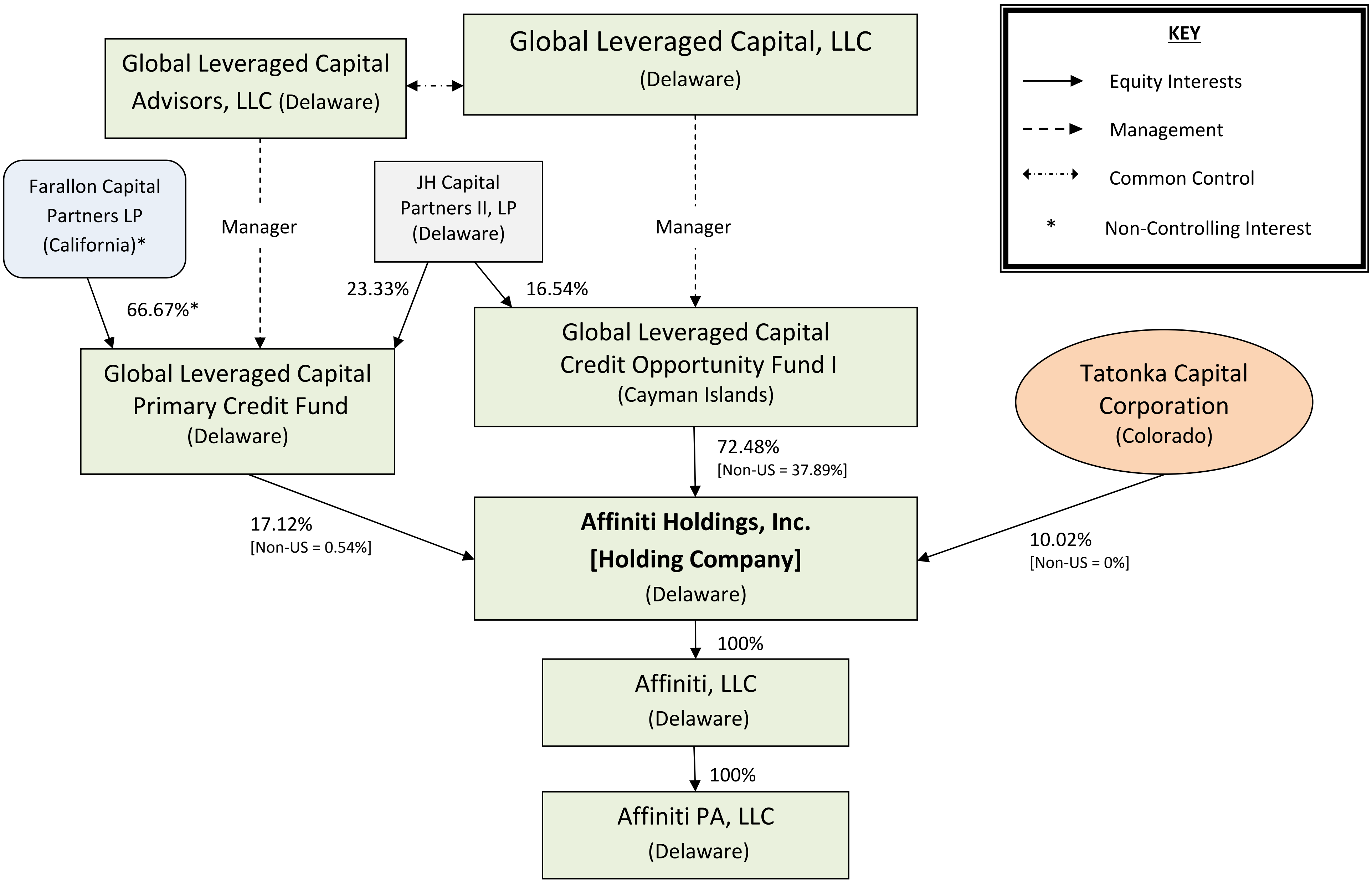

EXHIBIT C
Affiniti Holdings, Inc., *et al.*
April 2016

Calculation of Aggregate Foreign Ownership

This exhibit provides a percentage estimate of the aggregate indirect foreign equity (and voting) interests in AHI, the controlling U.S. parent of the FCC-licensee entities subject to this Petition, Affiniti LLC and Affiniti PA. The relevant non-U.S. ownership percentages calculated in accordance with Section 1.992 of the Commission's Rules are provided below in the last column of the chart detailing AHI's proposed post-merger ownership --

AFFINITI HOLDINGS, INC. OWNERSHIP (Post-Merger)	% of Affiniti	LP Ownership %	% of LP Foreign / Unknown	% of Affiniti Foreign / Unknown
COF1 Ownership		% of COF1		
CEDE & Co.	25.60	35.33	100.00	25.60*
The Bank of New York Depository, London, UK	1.86	2.56	100.00	1.86*
JH Capital Partners II, LP	11.99	16.54	0.00	0.00
Goldman Sachs & Co.	9.58	13.21	0.00	0.00
Other - Various	23.45	32.36	0.00	0.00
Total	**72.48**	100.0		**27.46**
PCF Ownership		% of PCF		
Farallon Capital Partners, LP	11.41	66.67	0.80%	0.09
JH Capital Partners II, LP	3.99	23.33	0.00%	0.00
Other - Various	1.71	10.00	0.00%	0.00
Total	**17.12**	100.00		**0.09**
Tatonka Ownership	**10.02**	100.00	0.00	**0.00**
Other	0.38	--	0.00	0.00
Total Affiniti Holdings Ownership, Post-Merger	*100.00*			**27.55**

* Non-U.S. CUSIP numbers, assumed to be foreign

Stakes in the funds that hold equity indirectly in AHI are owned (1) through the investment funds specifically identified above and (2) as investments held in "street name" through a depository trust company and various investment firms. In some cases, the citizenship of specific owners falling into the latter category is difficult to determine because shares held in street name are distributed among several brokerage firms and are not directly traceable to specific investors through ordinary inquiries. With respect to domestic investment partnerships, AHI has been able to ascertain through inquiry that the individual investors are domestic. For example, 9.6% of AHI is held indirectly through GLC COF I by U.S. investors who hold shares in street name through Goldman Sachs & Co. While AHI is unable to identify the specific individuals who hold these interests, they have been identified by CUSIP number as U.S.-based. On the other hand, 25.6% of AHI is held through CEDE & Co., a nominee of The Depository Trust Company, by a number of investors whose identities are unknown to AHI and that hold shares through several different entities, including JPMorgan Chase Bank, N.A. and Wells Fargo & Company. Although it is probable that the substantial majority of the CEDE & Co. interests are actually held by U.S. entities or individuals, because they are held through non-U.S. partnerships with foreign CUSIP numbers, they have been counted for the purposes of foreign ownership analysis as non-U.S. interests in their entirety, as noted above.

In addition to the foreign ownership interests for which approval is specifically sought herein, the applicants understand that a declaratory ruling issued pursuant to Section 1.990(a)(1) of the Commission's Rules will also allow AHI, as the controlling U.S.-organized parent named herein, to be 100 percent owned, directly and/or indirectly through one or more U.S. or foreign-organized entities, on a going forward basis by foreign investors that are not specifically identified herein without prior Commission approval under the "100 percent aggregate allowance" provided for in Section 1.994(a)(1) of the Commission's Rules.[1] The applicants further understand that this standard allowance is subject to the requirement that the affected licensees, Affiniti and Affiniti PA, seek and obtain independent Commission approval in the event that any foreign individual, entity, or "group" not previously approved would be slated to acquire, directly and/or indirectly, more than five percent of the equity or voting control of AHI, or any controlling interest, with the exception of any foreign individual, entity, or "group" that acquires an equity and/or voting interest of ten percent or less that is considered exempt under Section 1.991(i)(3) of the Commission's Rules.

A complete explanation of the facts necessitating the submission of this Petition and the public interest benefits that will arise from its grant are contained at pp. 1-3 and Section III of the Petition

[1] *See also Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended,* 28 FCC Rcd 5741, 5788 (¶ 86)(2013).