

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In re Petition of)
)
Truphone, Inc., SmartCall, LLC,)
iSmart Mobile, LLC and)
Truphone Limited)
)
To Modify Declaratory Ruling)
ISP-PDR-20120913-00005)
)
To: The International Bureau)

PETITION FOR DECLARATORY RULING

Truphone, Inc. ("TI"), SmartCall, LLC ("SmartCall"), iSmart Mobile, LLC ("iSmart") and Truphone Limited ("Truphone") (collectively, "Petitioners"), through their undersigned counsel and pursuant to 47 C.F.R. §1.5001, hereby petition the FCC for a declaratory ruling to permit the insertion of a foreign-organized entity, Aldon Investments Limited ("Aldon"), in the Petitioners' controlling ownership chain. The insertion of Aldon into the controlling ownership chain does not affect the Petitioners' ultimate ownership structure reviewed and approved by the International Bureau ("Bureau") in a 2012 Declaratory Ruling¹ because the ultimate owners currently hold an indirect 100 percent ownership interest in Aldon, and the majority ownership interest held by the ultimate owners in the Petitioners continues to conform to the 2012 Declaratory Ruling. This petition includes updated information regarding the structure of the Petitioners' controlling ownership chain approved in the 2012 Declaratory Ruling and responses to specific questions from Bureau staff. The Petitioners seek approval of the proposed restructuring inserting Aldon into the controlling ownership chain as modified by the updated

¹ See ISP-PDR-20120913-0005, 27 FCC Rcd. 16050, 16051 (Int'l Bur. 2012) ("2012 Declaratory Ruling").

information provided below. Finally, the Petitioners respectfully request that the Bureau issue a declaratory ruling in response to the petition under the rules adopted by the FCC in 2013.

2012 DECLARATORY RULING AND PROPOSED ALDON RESTRUCTURING

The 2012 Declaratory Ruling found that it would not serve the public interest to prohibit the indirect ownership of TI's wholly-owned subsidiaries SmartCall and iSmart in excess of the 25 percent benchmark set forth in 47 U.S.C. §310(b)(4). The Declaratory Ruling also expressly authorized SmartCall and iSmart to accept an additional aggregate 25 percent indirect equity and/or voting interests from other foreign investors without prior FCC approval. *See* Declaratory Ruling, 27 FCC Rcd. at 16051.

Minden Worldwide Limited ("Minden"), a British Virgin Islands-registered company, acquired a 23.91 percent ownership interest in Truphone in a funding transaction that was completed on February 1, 2013. TI notified the FCC of the Minden transaction by letter dated February 12, 2013. Minden currently holds a 22.75 percent interest in Truphone. The February 1, 2013 transaction also diluted the ownership interest of Vollin Holdings Limited ("Vollin") in Truphone, and indirectly in TI, SmartCall and iSmart, to 60.90 percent. The FCC had reviewed Vollin's ownership interests in the Petitioners in the 2012 Declaratory Ruling and in a previous declaratory ruling. *See* ISP-PDR-20111020-00011, 27 FCC Rcd. 10884, 10885 (Int'l. Bur. 2012). Vollin currently holds a 72 percent interest in Truphone.

Aldon is a limited company registered in the British Virgin Islands. Subject to FCC approval and pursuant to agreement between the parties, Vollin will transfer its share interest in Truphone to Aldon, and Aldon will be inserted into the Petitioners' controlling ownership chain. Following completion of the proposed restructuring, Aldon will continue to be an entity indirectly owned by the ultimate owners. The ownership structure chart attached as Exhibit 1

pursuant to 47 C.F.R. §1.5002(h)(2) depicts the Petitioners' ownership structure following the proposed restructuring. The proposed restructuring will not affect the indirect majority ownership interest held by the ultimate owners in the Petitioners.

In the course of reviewing corporate records for preparation of this petition to seek prior approval of the Aldon restructuring, the Petitioners determined that certain entities had been omitted from the corporate ownership chain previously disclosed in the application filings in the 2012 Declaratory Ruling proceeding. Specifically, Redrock Group Limited ("Redrock"), a British Virgin Islands registered entity, is indirectly wholly-owned by irrevocable discretionary trusts, the beneficiaries of which are Alexander Abramov and Alexander Frolov and certain family members. The Bureau previously reviewed and approved the ultimate ownership interests of Messrs. Abramov and Frolov in the 2012 Declaratory Ruling. Redrock, in turn, holds a direct, approximate 100 percent interest in Whiteclif Enterprises Limited ("Whiteclif")², and a direct 100 percent interest in Aldon. Following completion of the proposed restructuring, Redrock will continue to hold a direct 100 percent interest in Aldon, and Aldon will hold the majority ownership interest in Truphone Limited, and, indirectly, in the Petitioners, currently held by Vollin. In addition, Whiteclif will no longer be in the Petitioners' ownership chain.

Redrock is directly wholly-owned by Dapore Holdings Ltd. ("Dapore") (66.7 percent interest) and Elpins Co. Ltd. ("Elpins") (33.3 percent interest). All of the shares of Dapore are held by an irrevocable discretionary trust, the beneficiaries of which are Alexander Abramov and certain family members. All of the shares of Elpins are held by an irrevocable discretionary trust, the beneficiaries of which are Alexander Frolov and certain family members. The Bureau previously reviewed and approved the ultimate ownership interests of Messrs. Abramov and

² Certain individuals hold a *de minimis* number of shares in Whiteclif, which do not entitle such holders to voting or dividend rights.

Frolov in the 2012 Declaratory Ruling. The Chronology of Truphone Share Capital Changes attached as Exhibit 2 provides a narrative of the share and corporate structure changes since the filing of the petition for declaratory ruling in 2012.

THIS PETITION IS ELIGIBLE FOR STREAMLINED PROCESSING

The FCC should apply streamlined processing procedures to this request for authorization to insert Aldon into the Petitioners' controlling ownership chain. The proposed restructuring does not involve the assignment or transfer of control of the broadband PCS license held by iSmart. *See Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd. 23891 (1997), at ¶323. The FCC has determined that streamlined processing procedures will continue to apply to petitions under Section 310(b)(4) of the Communications Act that do not involve assignments or transfers of control. *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 (2013), at ¶132. Here, there is no change in the ultimate indirect ownership interests in the Petitioners.

PUBLIC INTEREST SHOWING

The proposed transfer of the ownership interest held by Vollin to Aldon and the insertion of Aldon into the Petitioners' ownership chain will not affect the ultimate indirect majority interest in the Petitioners. The proposed ownership restructuring will have no effect on the provision of broadband PCS services in the United States by iSmart. The Petitioners therefore respectfully submit that the proposed restructuring serves the public interest, convenience and necessity.

CONCLUSION

The Petitioners respectfully request Bureau consent for the insertion of Aldon into the Petitioners' controlling ownership chain as amended in this Petition. Following the proposed restructuring, the ultimate owners will continue to hold a controlling interest in the Petitioners, and no transfer of control of FCC licensee iSmart will occur. The Petitioners accordingly request that the FCC issue a Declaratory Ruling under the rules adopted in 2013 to permit this proposed restructuring of the Petitioners' controlling ownership chain as amended by the ownership structure information set forth above.

December 23, 2019

Respectfully submitted,

Truphone, Inc., SmartCall, LLC,
iSmart Mobile, LLC, and Truphone Limited

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Their Attorneys

Information Required Pursuant to 47 C.F.R. §1.5001

1.5001(a)

Truphone Limited

FRN: 0021247044
Mailing Address: 25 Canada Square
London E14 5LQ
United Kingdom

Place of Organization: England and Wales
Telephone number: +44 7408-870-000
Type of organization: Private limited company
Certifying officer: Ralph Steffens, CEO and Director

Truphone, Inc.

FRN: 0018261735
Mailing Address: 4819 Emperor Blvd., Suite 400
Durham, North Carolina 27703
Place of organization: Delaware
Telephone number: (816) 399-4400
Type of organization: Corporation
Certifying officer: Ralph Steffens

SmartCall, LLC

FRN: N/A
Mailing address: 6801 Engle Road, Suite L
Middleburg Heights, Ohio 44130
Place of organization: Delaware
Telephone number: (216) 298-1990
Type of organization: Limited liability company
Certifying officer: Ralph Steffens

iSmart Mobile, LLC

FRN: 0019107051
Mailing address: 6801 Engle Road, Suite L
Middleburg Heights, Ohio 44130
Place of organization: Delaware
Telephone number: (216) 298-1990
Type of organization: Limited liability company
Certifying officer: Ralph Steffens

1.5001(b)

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1.5001(c)

iSmart Mobile, LLC -- Broadband PCS service

1.5001(d)

Applicants seek a declaratory ruling under §1.5001(a)(1).

1.5001(e)(1)

Truphone Limited holds 100 percent of the equity/voting interests in Truphone, Inc.

1.5001(e)(4)(i)

Truphone Limited holds 100 percent of the equity/voting interests in Truphone, Inc.

1.5001(e)(4)(iv)

Truphone, Inc. holds all of the membership interests in SmartCall, LLC. SmartCall, LLC holds all of the membership interests in iSmart Mobile, LLC.

1.5001(f)(1)

After completion of the proposed restructuring, the following entities will hold indirect equity/voting interests in Truphone, Inc. of 10 percent or more: Aldon Investments Limited ("Aldon"), Minden Worldwide Limited ("Minden"), Redrock Group Limited ("Redrock"), Dapore Holdings Ltd. ("Dapore") and Elpins Co. Ltd. ("Elpins"). A discretionary irrevocable trust for the benefit of Alexander Abramov and certain family members owns all of the shares of Dapore, and a discretionary irrevocable trust for the benefit of Alexander Frolov and certain family members owns all of the shares of Elpins.

1.5001(g)(1)

A discretionary irrevocable trust for the benefit of Alexander Abramov and certain family members holds all of the shares of Dapore:

Dapore Place of Organization: Cyprus
Type of Business Organization: Company
Principal Business: Investment holding company

A discretionary irrevocable trust for the benefit of Alexander Frolov and certain family members holds all of the shares of Elpins:

Elpins Place of Organization: Cyprus
Type of Business Organization: Company
Principal Business: Investment holding company

Dapore and Elpins hold 66.7 percent and 33.3 percent, respectively, of the shares of Redrock:

Redrock Place of Organization: British Virgin Islands
Type of Business Organization: Limited company
Principal Business: Investment holding company

Petitioners seek authorization to insert Aldon into the controlling ownership chain, with a 100 percent interest to be held by Redrock:

Aldon Place of Organization: British Virgin Islands
Type of Business Organization: Limited company
Principal Business: Investment holding company

Aldon will hold a 72 percent interest in Truphone Limited. As noted above, Minden holds a 22.75 percent equity/voting interest in Truphone Limited:

Minden Place of Organization: British Virgin Islands
Type of Business Organization: Limited company
Principal Business: Investment holding company

Truphone Limited holds a 100 percent interest in controlling U.S. parent Truphone, Inc:

Truphone Limited Place of Organization: England and Wales
Type of Limited Business Organization: Private limited company
Principal Business: Telecommunications and related services

1.5001(h)(1)

Vollin and Minden together hold 94.75 percent of the voting/equity interests in Truphone Limited. Following completion of the proposed restructuring, Aldon will hold Vollin's indirect

ownership interest in the Petitioners. No other shareholder holds a voting/equity interest of 5 percent or more in Truphone Limited. The methods used for determining ownership interests for purposes of this petition are consistent with those set forth in 47 C.F.R. §1.5002. The circumstances prompting the filing of this petition and a public interest statement are set forth above at pages 1-4.

1.5001(h)(2)

See attached Exhibit 1 depicting ownership and control structure of the Petitioners following the proposed restructuring.

Request for PDR Ruling Under FCC Rules Adopted in 2013

Petitioners respectfully request that the Bureau issue a declaratory ruling in response to this petition under the rules adopted by the FCC in 2013. *See Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licenses Under Section 310(b)(4) of the Communications Act of 1934, as amended*, 28 FCC Rcd. 5741(2013). In particular, Petitioners respectfully request that any declaratory ruling incorporate the routine terms and conditions set forth in 47.C.F.R. §1.5004.

Responses to Bureau Staff Questions³

1. Chronology of Ownership Changes Since Filing of the 2012 Petition for Declaratory Ruling. The requested chronology of ownership changes in Truphone's shareholding is attached as Exhibit 2.

2. Diagrams of Ownership Changes Since Filing of the 2012 Petition for Declaratory Ruling. The requested diagrams showing corporate structure changes are attached as Exhibit 3.

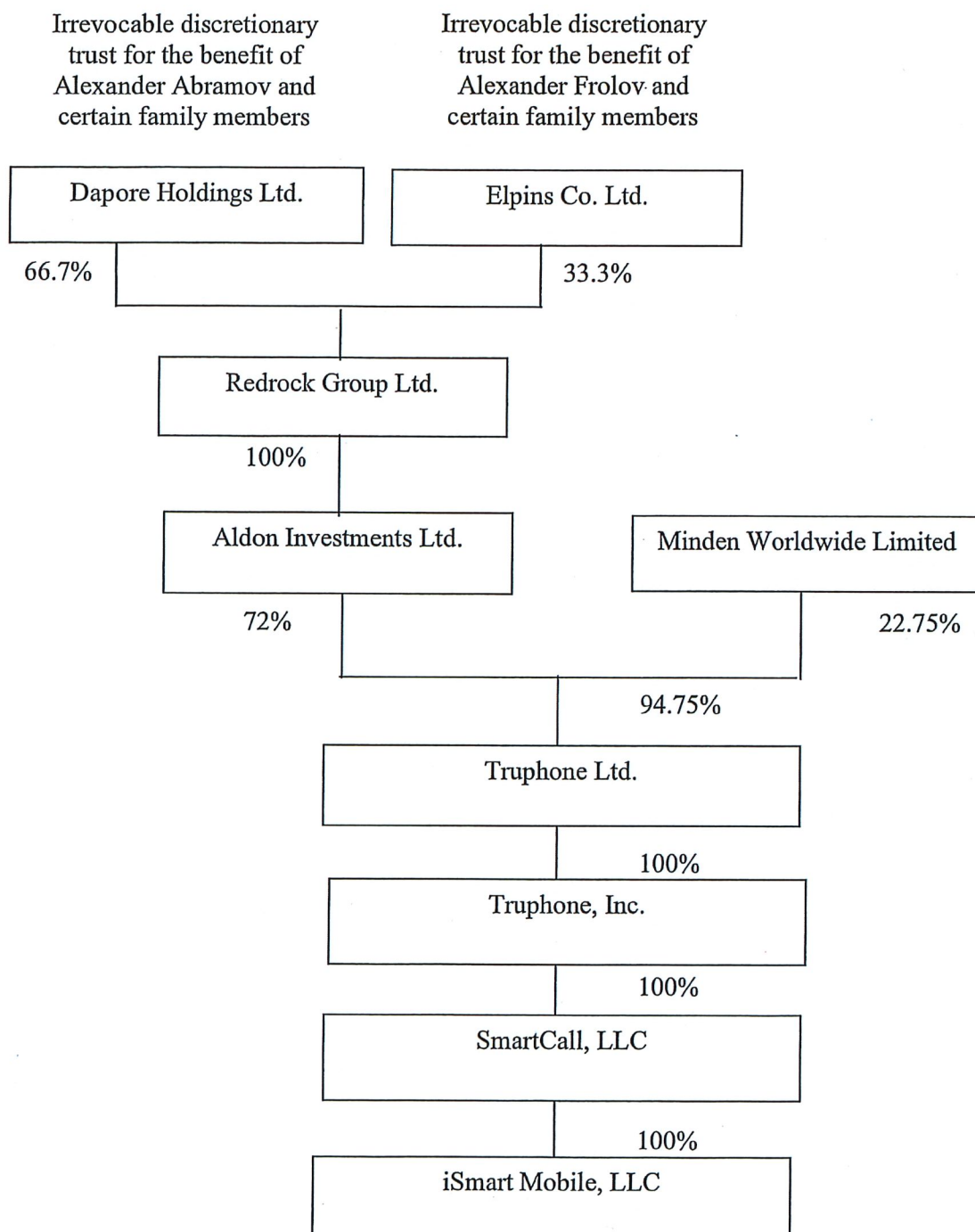
3. Individuals/Entities that Currently Hold Shares in Whiteclif. Redrock currently holds a direct 100 percent interest in Whiteclif⁴.

4. Individuals/Entities that Will Hold Post-Closing the Remaining 5.25 percent Interest in Truphone Not Held by Aldon and Minden. The remaining 5.25 percent interest in Truphone will be held by numerous individuals and entities, each owning a *de minimis* interest in Truphone. No single holder of this remaining interest will own a 5 percent or greater interest in Truphone.

³ Bureau staff forwarded certain questions to Petitioners' counsel by email dated September 9, 2019.

⁴ Certain individuals hold a *de minimis* number of shares in Whiteclif, which do not entitle such holders to voting or dividend rights.

Section 1.5001(h)(2) Exhibit⁵



⁵ Exhibit depicts ownership structure following completion of the proposed restructuring. Please note that Redrock Group Ltd. currently owns a direct 100% interest in Aldon Investments Ltd. ("Aldon"), but Aldon is not currently in the Petitioners' ownership chain.

CHRONOLOGY OF TRUPHONE SHARE CAPITAL CHANGES⁶

September 2012

Pursuant to a funding transaction that closed in September 2012, Vollin Holdings Limited (“Vollin”) increased its direct interest in Truphone Limited (“Truphone”), and accordingly its indirect interest in Truphone, Inc. (“TI”), SmartCall, LLC (“SmartCall”) and iSmart Mobile, LLC (“iSmart”) from 76.89 percent to 80.12 percent.

This funding transaction diluted the direct interest of Somercourt Investments in Truphone, and indirectly in TI, SmartCall and iSmart, from 5.43 percent to 4.59 percent.

As of the date of this funding transaction (“Vollin Reference Date”), Whiteclif Enterprises Limited (“Whiteclif”) held a direct 100 percent interest in Vollin. Redrock Group Limited (“Redrock”) held a direct 100 percent interest in Whiteclif. Redrock was directly wholly-owned by Dapore Holdings Ltd (“Dapore”) (66.7 percent interest) and Elpins Co. Ltd (“Elpins”) (33.3 percent interest). All the shares of Dapore were held by an irrevocable discretionary trust, the beneficiaries of which were Alexander Abramov and certain family members. All the shares of Elpins were held by an irrevocable discretionary trust, the beneficiaries of which were Alexander Frolov and certain family members. This direct and indirect ownership of Vollin is collectively herein defined as the “Vollin Ownership”.

January 2013

Pursuant to a further funding transaction that closed in January 2013, Vollin increased its direct interest in Truphone, and accordingly its indirect interest in TI, SmartCall and iSmart, to 81.87 percent.

February 2013

Pursuant to a further funding transaction that closed in February 2013, Minden Worldwide Limited (“Minden”) acquired a 23.91 percent direct interest in Truphone, and accordingly an equivalent indirect interest in TI, Smartcall and iSmart.

This transaction diluted the direct interest of Vollin in Truphone, and indirectly in TI, SmartCall and iSmart, to 60.90 percent.

This transaction was made pursuant to FCC’s prior authorisation to SmartCall and iSmart to accept up to and including an additional 25 percent indirect equity and/or voting interest from other foreign investors without seeking prior FCC approval pursuant to 47 U.S.C. § 310(b)(4). See ISP-PDR-20120913-00005, 27 FCC Rcd 16050, 16051 (Int’l Bur. 2012).

March 2013

Pursuant to a further funding transaction that closed in March 2013, Vollin increased its direct interest in Truphone, and indirect interest in TI, SmartCall and iSmart, to 61.69 percent. This transaction diluted the direct interest of Minden in Truphone, and indirectly in TI, Smartcall and iSmart, to 23.33 percent.

November 2014

Pursuant to a further funding transaction that closed in November 2014, certain minority shareholders subscribed for further shares directly in Truphone. Neither Vollin nor Minden subscribed for shares pursuant to this funding transaction.

⁶ General note: Truphone Limited has three classes of share capital: B Ordinary Shares, D Ordinary Shares and Ordinary Shares. The B Ordinary Shares and D Ordinary Shares do not carry voting rights and, as at 10 October 2019 comprise only 0.006 percent of the entire issued share capital. Accordingly, all calculations and percentages set forth in this chronology have excluded those classes of shares and are based only on the issued Ordinary Share class.

This transaction diluted the direct interest of Vollin in Truphone, and indirect interest in TI, SmartCall and iSmart, to 61.57 percent. This transaction also diluted the direct interest of Minden in Truphone, and indirect interest in TI, SmartCall and iSmart, to 23.29 percent.

September 2017

Pursuant to a funding transaction that closed in September 2017:

- (a) Vollin increased its direct interest in Truphone, and indirect interest in TI, SmartCall and iSmart, to 71.76 percent.
- (b) Minden's direct interest in Truphone, and indirect interest in TI, SmartCall and iSmart, was diluted to 22.75 percent.

October 2018

Pursuant to a further funding transaction that closed in October 2018:

- (a) Vollin increased its direct interest in Truphone, and indirect interest in TI, SmartCall and iSmart, to 72.00 percent.
- (b) Minden retained its direct interest in Truphone, and indirect interest in TI, SmartCall and iSmart, at 22.75 percent.

July 2019

Pursuant to a further funding transaction that closed in July 2019:

- (a) Vollin increased its direct interest in Truphone, and indirect interest in TI, SmartCall and iSmart, to 72.07 percent.
- (b) Minden retained its direct interest in Truphone, and indirect interest in TI, SmartCall and iSmart, at 22.75 percent.

Please note that there has been no change to the Vollin Ownership structure described above since the Vollin Reference Date.

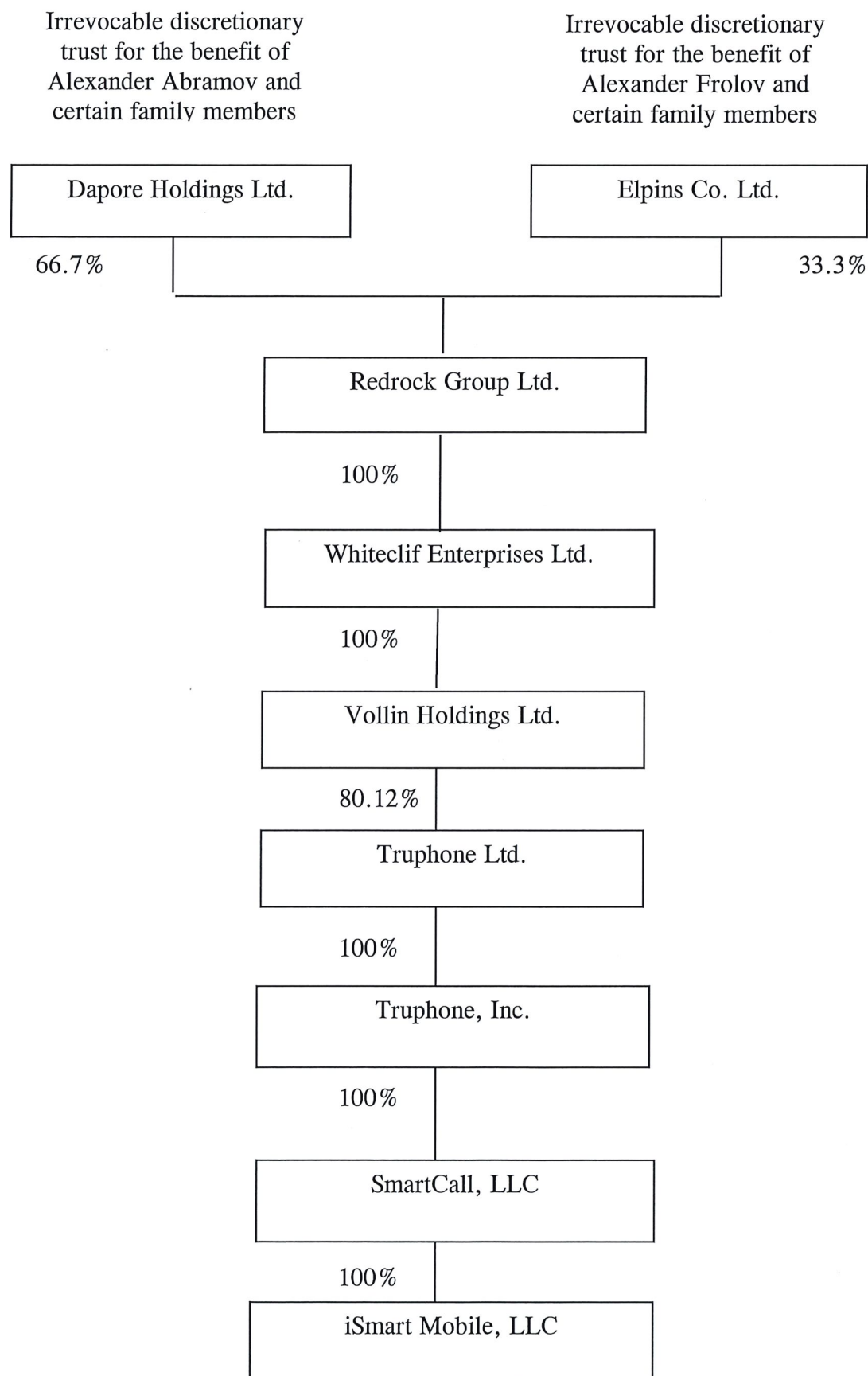
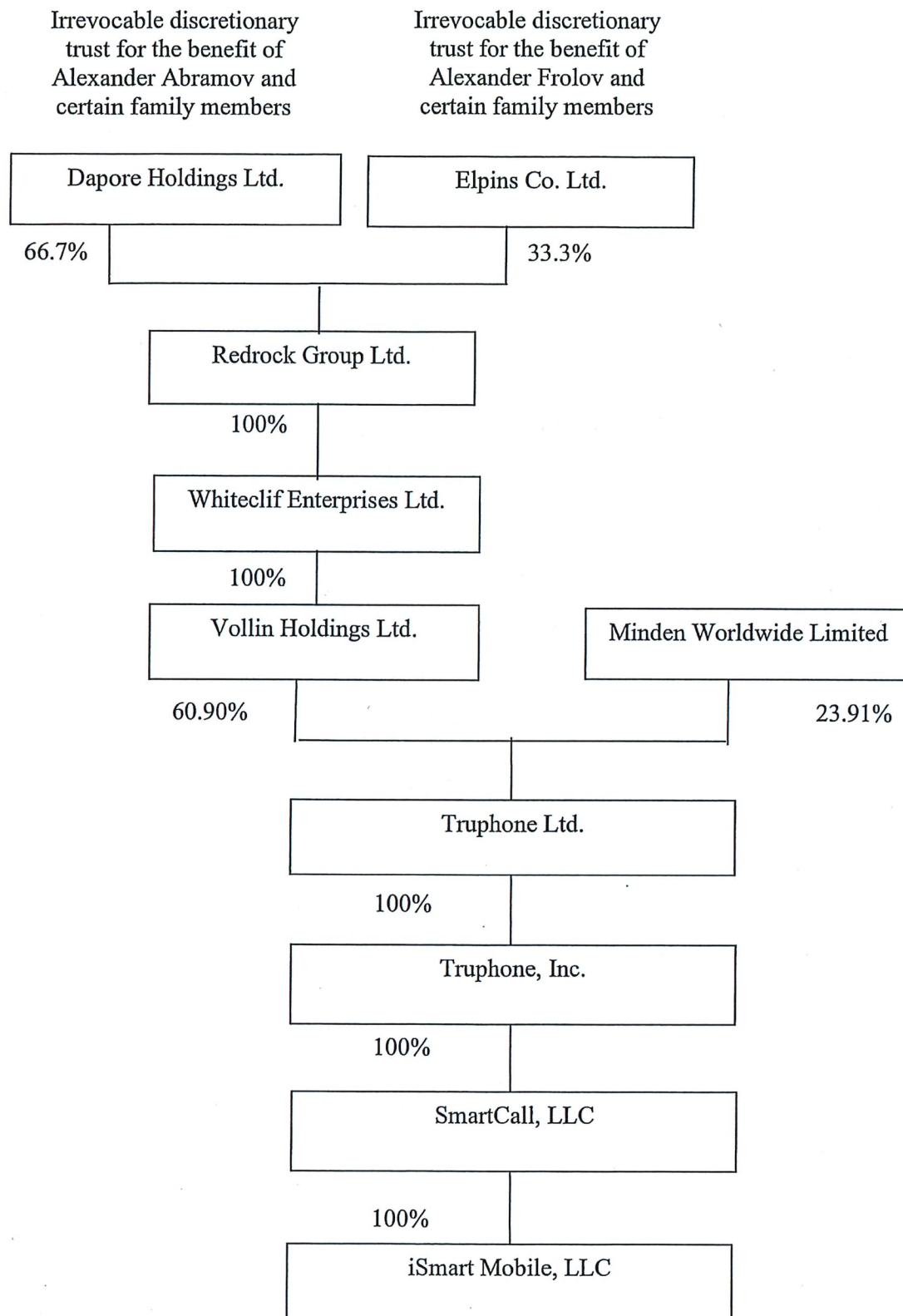


Exhibit 3-2
February 2013



DECLARATION

I, Ralph Steffens, Chief Executive Officer of Truphone Limited, on behalf of the Petitioners included in the foregoing Petition to Modify Declaratory Ruling ISP-PDR-20120913-00005, state under penalty of perjury that: (1) the information contained in the foregoing Petition is accurate and (2) all ownership interests disclosed in the Petition have been calculated based upon FCC rules and that the interests disclosed satisfy each of the pertinent standards and criteria set forth in the rules.



Ralph Steffens

12/17/2019

Date