

**APPLICATION FOR ASSIGNMENT OF INTERNATIONAL AND
DOMESTIC SECTION 214 AUTHORITY AND
REQUEST FOR WAIVER OF SECTION 1.1910 OF THE COMMISSION'S RULES**

Pursuant to Section 214 of the Communications Act of 1934, as amended, (“the Act”), 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Federal Communications Commission’s (“FCC” or “Commission”) rules, 47 C.F.R. §§ 63.04 and 63.24, Next Angel LLC (“Next Angel”) and STi Prepaid, LLC (“STi Prepaid”) (collectively “the Applicants”) hereby request FCC consent to the assignment of STi Prepaid’s international and domestic Section 214 authorizations to Next Angel. In addition, as described below, Next Angel and STi Prepaid seek waiver of Section 1.1910 of the Commission’s rules to allow the processing of this application.

ANSWER TO QUESTION 10

Assignor Information (STi Prepaid)

Contact Information:

STi Prepaid, LLC
c/o Jesus Velazquez Garcia
1250 Broadway, 25th Floor
New York, NY 10001
Tel: (212) 660-2766
jvelazquez@vivarocorp.com

with a copy to

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2 Park Avenue
New York, NY 10016
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State of Incorporation:

STi Prepaid is a limited liability company organized under the laws of the State of Delaware.

International Section 214 Authority:

STi Prepaid holds the international Section 214 authorizations that are the subject of this assignment application: File Nos. ITC-214-20010220-00085 (authority to provide global facilities-based and resold services); ITC-214-20010618-00348 (authority to provide global facilities-based and resold services); ITC-214-20020531-00293 (authority to provide global facilities-based and resold services); ITC-214-20050315-00105 (authority to provide global facilities-based and resold services).

Assignee Information (Next Angel):

Contact Information:

Next Angel LLC
c/o Jerry M. Huerta
100 North Biscayne Blvd, 9th Floor
Miami, FL 33132
Tel: 305-356-4559
jerry@nextcommunications.com

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Wiley Rein LLP
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International Section 214 Authority:

Next Angel does not hold any international Section 214 authorizations. Next Angel has three direct owners: Next Communications, Inc. (“Next Communications”), Angel Telecom (USA) Inc. (“Angel Telecom”), and Marcatel Telecommunications, LLC (“Marcatel”). Next Communications holds an international Section 214 authorization to provide global facilities-based and resold services, File No. ITC-214-19990107-00014. Marcatel has a pending application for authority to provide global resale services, File No. ITC-214-20120913-00230.

ANSWER TO QUESTION 11

Direct Ownership:

The following individuals have a direct ten percent or greater direct ownership interest in assignee, Next Angel:

Direct Shareholder Name: Next Communications, Inc.
Address: 100 North Biscayne Blvd., 9th Floor,
Miami, FL 33132
Citizenship: United States
Principal Business: Telecommunications
Percentage Equity and Voting Ownership in Next Angel: 45%

Direct Shareholder Name: Angel Telecom (USA) Inc.
Address: c/o WUERSCH & GERING LLP
100 Wall Street, 10th Fl.
New York, NY 10005
Citizenship: United States
Principal Business: Telecommunications
Percentage Equity and Voting Ownership in Next Angel: 40%

Direct Shareholder Name: Marcatel Telecommunications, LLC
Address: 10190 Katy Freeway, Suite 410
Houston, TX 77043
Citizenship: United States
Principal Business: Telecommunications
Percentage Equity and Voting Ownership in Next Angel: 15%

Indirect Ownership:

Next Communications Ownership:

Indirect Shareholder Name: Arik Meimoun
Address: 450 Alton Road, No 1102, Miami Beach, Florida 33139
Citizenship: United States
Principal Business: Telecommunications
Attributable Equity and Voting Ownership in Next Angel: 22.5%

Indirect Shareholder Name: Engin Yesil
Address: 40 Star Island Drive, Miami Beach, Florida 33139
Citizenship: Turkey
Principal Business: Real Estate

Attributable Equity and Voting Ownership in Next Angel: 16.65%

Angel Telecom Ownership:

Indirect Shareholder Name: Angel Telecom Holding AG
Address: Blegistrasse 11a,
CH-6340 Baar, Switzerland
Citizenship: Switzerland
Principal Business: Holding Company
Attributable Equity and Voting Ownership in Next Angel: 40%

Indirect Shareholder Name: Angel Telecom Corporation
Address: Blegistrasse 11a,
CH-6340 Baar, Switzerland
Citizenship: United States
Principal Business: Holding Company
Attributable Equity and Voting Ownership in Next Angel: 40%

Marcatel Ownership:

Indirect Shareholder Name: IXC International LLC
Address: 10190 Katy Freeway, Suite 410
Houston, TX 77043
Citizenship: United States
Principal Business: Holding Company
Attributable Equity and Voting Ownership in Next Angel: 15%

Indirect Shareholder Name: Telecom Overseas C.V. (“TOCV”)¹
Address: AJ Emstraat 199
Amsterdam, Netherlands
Citizenship: Netherlands
Principal Business: Holding Company
Attributable Equity and Voting Ownership in Next Angel: 15%

No other individual or entity will hold a ten percent or greater ownership interest in Next Angel.

¹ TOCV has one general partner: Stichting Jarda which is a Dutch foundation. Stichting Jarda owns less than a one percent (1 %) interest in TOCV. The address of Stichting Jarda is Baarerstrasse 75 CH-6300, Zug, Switzerland. TOCV has one limited partner: Gustavo Mario de la Garza Ortega, a citizen of Mexico whose principal business is his work as a telecommunications executive. Mr. De la Garza Ortega owns more than a ninety-nine percent (99%) interest in TOCV. The address of Mr. De la Garza Ortega is Avenida San Jeronimo 210 Poniente, Colonia San Jeronimo, Monterrey, Nuevo Leon.

ANSWER TO QUESTION 12

Through its ownership by Next Communications, Next Angel will have the following interlocking directorates:

- Arik Meimoun, the Chief Executive Officer of Next Communications, is the General Manager of ATSI Comunicaciones SA de CV, a telecommunications company in Mexico.

Through its ownership by Angel Telecom, Next Angel will have the following interlocking directorates:

- Peter Waneck, President and CEO of Angel Telecom (USA) Inc., is the Chief Executive Officer of Angel Telecom AG, a telecommunications carrier in Switzerland.

Through its ownership by Marcatel, Next Angel will have the following interlocking directorates:

- Gustavo Mario de la Garza Ortega is the President and Secretary of Marcatel, and a director of Marcatel Com, S.A. de C.V. (“Marcatel Mexico”), a Mexican long distance and international carrier.
- Gustavo Mario de la Garza Flores is the Chief Executive Officer of Marcatel and the Sales & Marketing Director of Marcatel Mexico.
- Roberto Xavier Margain Santos is the Secretary and Agent of Marcatel and the Chief Financial Officer of Marcatel Mexico.

ANSWER TO QUESTION 13

Description of the Proposed Transaction and Request for Waiver

Next Angel seeks Commission consent to the assignment of the international and domestic Section 214 authorizations held by STi Prepaid to Next Angel. STi Prepaid and its sister company, STi Telecom, are currently in bankruptcy and may soon be unable to provide telecommunications services to customers. As described below, this transaction is in the public interest, as it will allow the customers of STi Prepaid and STi Telecom to continue receiving telecommunications services.

Next Angel understands that STi Prepaid is delinquent in certain debts owed to the Commission. Next Angel seeks waiver of Section 1.1910 of the Commission’s rules, 47 C.F.R.

§ 1.1910, to allow the FCC to process the instant application. Under Section 1.3 of the Commission's rules, the Commission has authority to waive its rules "for good cause shown."² Good cause exists if "special circumstances warrant a deviation from the general rule and such deviation will serve the public interest" better than adherence to the general rule.³ In determining whether waiver is appropriate, the Commission should "take into account considerations of hardship, equity, or more effective implementation of overall policy."⁴ Good cause exists in this case because, as explained herein, without grant of the instant application, the current customers of STi Prepaid may be unable to receive ongoing telecommunications services.

Description of the Parties

STi Prepaid, a Delaware limited liability company, provides a variety of long-distance phone services, including prepaid international calling cards and prepaid wireless products and services. STi Prepaid holds Section 214 authority to provide international and domestic telecommunications services.

The assignee, Next Angel LLC, is a Delaware limited liability company that was recently formed by three experienced telecommunications companies, Next Communications, Angel Telecom, and Marcatel, to purchase the assets of STi Prepaid and STi Telecom from bankruptcy. Next Communications, Inc., a Delaware corporation, is a provider of wholesale long distance voice, data, and video services for wired and wireless telecommunications carriers will own 45 percent of Next Angel. Angel Telecom is a wholly owned subsidiary of Angel Telecom Holding AG, a Swiss holding company that controls experienced telecommunications providers in Switzerland. Angel Telecom will own 40 percent of Next Angel. Marcatel is a Delaware limited liability company whose principal business is to provide wholesale telecommunications services and will own 15 percent of Next Angel.

Description of the Agreement

It is contemplated that an Asset Purchase and Sale Agreement will, subject to the approval of the Bankruptcy Court, be executed by Next Angel ("Purchaser") and Vivaro Corporation; STi Prepaid, LLC; Kare Distribution, Inc.; STi Telecom Inc.; TNW Corporation; STi CC I, LLC; and STi CC II, LLC (collectively, the "Sellers"). Each Seller is a debtor-in-possession under title 11, of the United States Code, 11 U.S.C. §§ 101 - 1532 (as amended, the "Bankruptcy Code"), and filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code on September 5, 2012 (the "Petition Date"), in the United States Bankruptcy Court for the

² 47 C.F.R. § 1.3; *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969).

³ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

⁴ *WAIT Radio*, 418 F.2d at 1159.

Southern District of New York (the “Bankruptcy Court”) and the Sellers’ cases are jointly administered under case number 12-13810 (MG) (collectively, the “Bankruptcy Cases”). On November 21, 2012, the Bankruptcy Court entered an Order Approving (A) Bidding Procedures In Connection With Sale of All of the Debtors’ Assets, (B) Stalking Horse Bid Protections, (C) Form and Manner of Notice of Sale Hearing, and (D) Such Other and Further Relief As the Court Deems Just and Equitable (the “Bidding Procedures Order”). On December 19, 2012, the Bankruptcy Court entered an Amended Order Approving (A) Bidding Procedures In Connection With Sale of All of the Debtors’ Assets, (B) Stalking Horse Bid Protections, (C) Form and Manner of Notice of Sale Hearing, and (D) Such Other and Further Relief As the Court Deems Just and Equitable (the “Amended Bidding Procedures Order” and together with the Bidding Procedures Order, the “Bidding Procedures Orders”). The parties intend to enter into the Purchase Agreement and consummate the transactions contemplated thereby under the Bidding Procedures Orders and in accordance with sections 105, 363, 365 and 1123 of the Bankruptcy Code.

Public Interest Statement

The proposed transaction is in the public interest because it will allow current customers of STi Prepaid to continue receiving quality telecommunications services. As described above, STi Prepaid is currently in bankruptcy, and if the sale is not consummated within the next week, it is expected that STi Prepaid’s business may run out of cash and be forced into liquidation.⁵ Next Angel, through its ownership by Next Communications, Angel Telecom, and Marcatel, has the financial and technical capabilities to provide continued and even improved service to STi Prepaid’s existing customers.

This transaction will not impact consumers who continue to utilize the existing prepaid calling cards. Consumers holding prepaid calling cards issued before the transaction occurs will continue to receive high-quality telecommunications services without interruption. Consumer notice is not required because STi Prepaid does not have a dedicated, identifiable consumer base. STi Prepaid’s calling card services can be used by any person at any time after purchasing the calling card from a retailer, as it is done today. STi Prepaid (i) sells all of its prepaid cards through distributors; (ii) has no knowledge of the identity of the persons who purchase its calling cards, and (iii) has no direct relationship with the persons utilizing its calling cards.

ANSWER TO QUESTION 14

Next Angel is not a foreign carrier, but through its ownership by Next Communications, Angel Telecom, and Marcatel, is affiliated with the following foreign carriers:

⁵ Applicants are simultaneously filing an application for Special Temporary Authority seeking to permit Next Angel to provide service to STi Prepaid’s customers pending grant of the instant assignment application.

- ATSI Comunicaciones SA de CV, a telecommunications company in Mexico.
- Marcatel Com, S.A. de C.V. (“Marcatel Mexico”) is a Mexican long distance and international carrier.
- Angel Telecom AG, a telecommunications company in Switzerland, provides international call services through a VoIP network.
- Connexcom AG provides prepaid calling services in Switzerland.

Next Angel has no other foreign carrier affiliations.

ANSWER TO QUESTION 15

Pursuant to Section 63.18(j) of the Commission’s rules, 47 C.F.R. § 63.18(j), Next Angel certifies that it is not a foreign carrier but that will provide service to Mexico, where it is affiliated with foreign carriers ATSI Comunicaciones SA de CV and Marcatel Mexico and Switzerland, where it is affiliated with foreign carriers Angel Telecom AG and Connexcom AG.

ANSWER TO QUESTION 16

Pursuant to Section 63.10 of the Commission's rules, 47 C.F.R. § 63.10, Next Angel qualifies for non-dominant classification on the route between the United States and Mexico because ATSI Comunicaciones SA de CV and Marcatel Mexico have no market power in Mexico. *See id.* § 63.10(a)(3). ATSI Comunicaciones SA de CV provides wholesale national and international long distance services in Mexico. ATSI Comunicaciones SA de CV lacks 50 percent market share in the international transport and the local access markets in Mexico. Marcatel Mexico is a competitive long distance and international carrier in Mexico, with less than a two percent market share. The Commission has previously found that "Marcatel [Mexico] has a limited market share, no market power, and a lack of control over bottleneck services or facilities."⁶ This remains true today.

Next Angel also qualifies for non-dominant classification on the route between the United States and Switzerland because Angel Telecom AG and Connexcom AG have no market power in Switzerland. *See id.* § 63.10(a)(3). Both of these companies lack 50 percent market share in the international transport and the local access markets in Mexico.

Moreover, ATSI Comunicaciones SA de CV, Marcatel Mexico, Angel Telecom AG and Connexcom AG are not listed on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets.⁷ As such, Next Angel is presumptively classified as non-dominant on the U.S.-Mexico route and the U.S.-Switzerland route.

ANSWER TO QUESTION 20

This application for assignment of international Section 214 authorization qualifies for streamlined processing pursuant to Section 63.12(c). 47 C.F.R. § 63.12. Although Next Angel is affiliated with foreign carriers in Mexico and Switzerland, it qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules as set forth in the Answer to Question 16.

⁶ *Progress International, L.L.C.; Application for Global Authorization Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Resell International Communications Services*, Order, Authorization and Certificate, 12 FCC Rcd 9799 (1997).

⁷ *The International Bureau Revises and Reissues the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, DA 07-233 (Jan. 26, 2007).

**INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN
RELATION TO STI PREPAID'S DOMESTIC 214 AUTHORIZATION**

In support of the Applicants' request for consent to assignment of STi Prepaid's domestic blanket Section 214 authority to Next Angel, the following information is submitted pursuant to Section 63.04 of the Commission's rules. 47 C.F.R. § 63.04. Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 assignment application should submit as an attachment to the international Section 214 application responses to the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

RESPONSES TO SECTION 63.04(a)(6)-(12)

Section 63.04 (a)(6) – Description of the transaction:

See Answer to Question 13.

Section 63.04(a)(7) – Description of the geographic area in which the assignor and assignee offer domestic telecommunications services, and what services are provided in each area:

STi Telecom, an affiliate of STi Prepaid, provides resold telecommunications services throughout the United States.

STi Prepaid provides interstate and international telecommunications services throughout the United States.

Next Angel does not currently provide domestic telecommunications services. Next Communications provides wholesale long distance voice, data, and video services for wired and wireless telecommunications carriers. Meimoun & Mammon, LLC, an affiliate of Next Communications, provides prepaid calling card services in Florida. Neither Angel Telecom and its affiliates nor Marcatel and its affiliates provide domestic telecommunications services.

Section 63.04(a)(8) – Statement as to how the Application qualifies for streamlined treatment:

This application for assignment of domestic Section 214 authorization presumptively qualifies for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction: (1) Applicants and their affiliates (as defined in 47 U.S.C. § 153(1) – “Affiliates”) combined will hold less than a ten (10) percent share of the interstate, interexchange market; (2) to the extent that Applicants or their Affiliates provide U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to this transaction; and (3) none of the Applicants or their Affiliates is dominant with respect to any U.S. domestic service. 47 C.F.R. §63.03(b)(2)(i).

Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction:

Applicants are simultaneously filing an application for assignment of STi Prepaid's international and domestic Section 214 authorizations to Next Angel.

(Section 63.04(a)(10) – Statement of whether the applicants request special consideration because either party is facing imminent business failure:

As explained in the Answer to Question 13 above, STi Prepaid is facing imminent business failure. If the sale is not consummated within the next week, it is the expectation of the parties that the STi Prepaid's business may run out of cash and be forced into liquidation.

Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this application:

No separately filed waiver requests are sought in conjunction with this application.

Section 63.04(a)(12) – Statement showing how grant of the Application will serve the public interest, convenience and necessity:

See Answer to Question 13.