

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Jim Chiu and Sean Lin, <i>Transferors</i>)	
)	
Vertex Telecom, Inc., <i>Licensee</i>)	
)	WC Docket No. 20-____
and)	
)	
Dr. Peng Holdings, Inc., <i>Transferee</i>)	
)	IB File No ITC-T/C-2020-_____
Joint Application for <i>Nunc Pro Tunc</i> Consent)	
to Transfer Control of International and)	
Domestic Authority Pursuant to Section 214)	
of the Communications Act of 1934, as)	
Amended)	

JOINT DOMESTIC AND INTERNATIONAL APPLICATION

Jim Chiu and Sean Lin (“Transferors”), Vertex Telecom, Inc. (“Vertex” or “Licensee”), and Dr. Peng Holding, Inc. (“Dr. Peng” or “Transferee” and, together with Transferors and Licensee, the “Applicants”), hereby respectfully request *nunc pro tunc* authority pursuant to Section 214 of the Communications Act of 1934, as amended,¹ (the “Act”), and Sections 63.04 and 63.24 of the Federal Communications Commission (“FCC” or “Commission”) rules,² to transfer control of the domestic and international section 214 authorizations held by Vertex from Mr. Chiu and Mr. Lin to Dr. Peng (the “Transaction”). As explained below, Applicants respectfully request streamlined processing.

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.04, 63.24.

This Joint Application is the first of two separate joint applications seeking the Commission's consent to transfer control of Vertex's domestic and international section 214 authorizations. The two separate joint applications are being filed as part of a Consent Decree to terminate the Commission's Enforcement Bureau's investigation into whether Vertex violated the Commission's rules related to the sale of 100% of Vertex's stock to Dr. Peng without the requisite prior approvals from the Commission's Wireline Competition Bureau and International Bureau.³ This first joint application is seeking *nunc pro tunc* authority for the prior sale of Vertex from Mr. Chiu and Mr. Lin to Dr. Peng ("First Application"). The second joint application, filed concurrently with this First Application, is seeking authority to "unwind" the sale of Vertex to Dr. Peng, divest Dr. Peng of all interest and rights that it holds in Vertex, and place 100% ownership of Vertex with Mr. Chiu ("Second Application").

I. DESCRIPTION OF THE APPLICANTS

A. Vertex (Licensee)

Vertex is a privately-held corporation. It was originally incorporated in the State of California on November 8, 1995 as Vertex Group, Inc. The articles of incorporation were amended on July 9, 2004 to change the name of the company to Vertex Telecom, Inc. Vertex holds International Section 214 Authorization ITC-214-19980226-00152 and Domestic 214 Authorization by operation of rule, and provides services under two brands, VTX Telecom and Dynasky. VTX Telecom delivers cost-effective voice, data and business solutions services for enterprise customers and quality, cost-saving switched long distance services to both residential and Small Office Home Office ("SOHO") users. DynaSky offers worldwide low-cost international calling options, including web-based calling services, mobile apps and traditional

³ File No. EB-IHD-19-00030086.

phonecards, primarily within the Asian-American and Chinese-American communities located in the greater Los Angeles area.

B. Jim Chiu and Sean Lin (Transferors)

Mr. Chiu is a dual citizen of the United States and Taiwan with more than 20 years of experience in the telecommunications industry, including establishing new startups and managing enterprises. Mr. Chiu is the co-founder and former co-owner of Vertex. Mr. Lin, a dual citizen of the United States and Taiwan, is the co-founder and former co-owner of Vertex and was responsible for the company's sales operations and client relations.

C. Dr. Peng (Transferee)

Dr. Peng is incorporated in California and is a wholly-owned subsidiary of Dr. Peng Telecom and Media Group, Ltd., a publicly traded Chinese company and is principally engaged in the provision of Internet access services and value-added services. Dr. Peng operates through four segments: (i) Personal Broadband, which provides broadband access and services for community families; (ii) Enterprise Marketing, which provides government and enterprise broadband access, private network construction, dedicated access, mobile office, security monitoring and e-government services, among others; (iii) Data Center, which provides storage, computing, cloud platform and information technology outsourcing services, among others; and (iv) Value-added, which provides video, online education and cloud game services, among others. Dr. Peng operates businesses in domestic and overseas markets.

II. DESCRIPTION OF THE TRANSACTION

On April 28, 2015, Mr. Chiu and Mr. Lin, the shareholders of Vertex, agreed to sell 100% of the stock of Vertex to Dr. Peng. The transfer was completed on March 31, 2016. The parties did not seek Commission consent to the transfer of control of Vertex's domestic and

international section 214 authorizations prior to the transfer (“First Transaction”). At this time, the parties are seeking *nunc pro tunc* Commission consent to that transfer of control. In addition, pursuant to an agreement dated January 7, 2021, upon grant of FCC approval of the Second Application, 100% of the stock of Vertex will be transferred from Dr. Peng to Mr. Chiu (“Second Transaction”). The ownership structure for each stage of both transactions can be found in the diagrams attached hereto as Exhibit 1.

III. PUBLIC INTEREST STATEMENT

Applicants submit that *nunc pro tunc* Commission consent to the First Transaction serves the public interest because it is a necessary prelude to complete the Second Transaction, which would divest Dr. Peng of all interest and rights in Vertex, thereby resolving any foreign ownership issues associated with Dr. Peng’s continued ownership of Vertex. In addition, the consummation of both transactions would return ownership and control of Vertex to Mr. Chiu, its founder, an experienced telecommunications operator, and a citizen of the United States.

Commission consent to the First Transaction, or the Second Transaction, will not result in a change or disruption in services, rates, terms, or conditions for customers of Licensee and is therefore fully transparent to them. At the same time, Commission consent to the First Transaction, or the Second Transaction, will not diminish or negatively affect competition. Vertex is a non-dominant carrier and will continue to compete with other carriers in the long distance markets it serves. Accordingly, the Applicants respectfully request that the Commission grant this Joint Application *nunc pro tunc*.

IV. INFORMATION REQUIRED FOR INTERNATIONAL APPLICATION

Pursuant to Section 63.24(e)(2) of the Commission's rules,⁴ the Applicants submit the following information in support of this application:

63.18(a) – Name, address and telephone number of each Applicant

Jim Chiu, Sean Lin, and Vertex (Transferors and Licensee)
980 Corporate Center Dr.
Pomona, CA 91768
Telephone: (213) 996-1998

Dr. Peng (Transferee)
41 E. Live Oak Ave.
Arcadia, CA 91006
Telephone: (626) 200-1388

63.18(b) – Laws under which each Applicant is organized

Mr. Chiu and Mr. Lin are individuals, citizens of the United States (with dual citizenship with Taiwan), and residents of California. Vertex and Dr. Peng are both California corporations.

63.18(c) – Correspondence concerning the application

Robert E. Stup, Jr.
Squire Patton Boggs (US) LLP
2550 M Street NW
Washington, DC 20037
(202) 626-6721
robert.stup@squirepb.com

⁴ 47 C.F.R. § 63.24(e)(2).

63.18(d) – Prior Section 214 Authorizations

Transferors – Do not hold any Section 214 authority.⁵

Licensee – Holds Domestic Section 214 authority by operation of rule pursuant to Section 63.01 of the Commission’s rules⁶ and International Section 214 Authorization ITC-214-19980226-00152.

Transferee – Does not hold any Section 214 authority.

63.18(h) – Ownership and Interlocking Directorates

Dr. Peng is a wholly-owned subsidiary of Dr. Peng Telecom & Media Group Co., Ltd.:

Name: Dr. Peng Telecom & Media Group Co., Ltd.
Address: Creative Center, West High-tech Zone, Chengdu, China
Ownership: 100%
Citizenship: China
Principal Business: Listed company on Shanghai stock exchange

Following the Transaction, the following entity holds a 10% or greater ownership interest in Licensee:

Name: Dr. Peng Telecom & Media Group Co., Ltd.
Address: Creative Center, West High-tech Zone, Chengdu, China
Ownership: 100%
Citizenship: China
Principal Business: Listed company on Shanghai stock exchange

Dr. Peng does not have any interlocking directorates with a foreign carrier.⁷

63.18(i) – Foreign Carrier Certification

The Applicants certify they are neither foreign carriers nor affiliated with a foreign carrier.

⁵ Mr. Chiu owns approximately 47.86% of OneSuite Corporation (“OneSuite”). OneSuite is a privately-held corporation that was originally incorporated in the State of Delaware on June 23, 1999 as OneSuite.Com Corporation. The articles of incorporation were subsequently amended on November 5, 2000 to change the name of the company to OneSuite Corporation. OneSuite primarily provides online prepaid phone services to English-speaking customers in the United States. OneSuite holds domestic Section 214 authority by operation of rule and International Section 214 authorization ITC-214-19990811-00541.

⁶ 47 C.F.R. § 63.01.

⁷ Dr. Peng Telecom & Media Group is a broadband provider and does not provide, and is not allowed to provide, traditional voice or VoIP services in China.

63.18(j) – Intention to provide international telecommunications services post-transaction

The Applicants certify that they do not currently, or seek to, provide international telecommunications services to any destination country for which any of the following is true: (1) Dr. Peng is a foreign carrier in that country; (2) Dr. Peng controls a foreign carrier in that country; (3) any entity that owns more than 25 percent of Dr. Peng or that controls Dr. Peng, controls a foreign carrier in that country; or (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of Dr. Peng and are parties to, or the beneficiaries of, a contractual relation (*e.g.*, a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.⁸

63.18(k) – Not applicable.

63.18(l) – Not applicable.

63.18(m) – Not applicable.

63.18(n) – No Special Concessions

The Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into any such agreements in the future.

63.18(o) – Certification pursuant to §§ 1.2001 through 1.2003 of the Commission’s Rules

The Applicants certify that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.

⁸ Vertex routes traffic to China, and plans to continue to do so after the Transaction. However, Dr. Peng is not a carrier in China, and instead is a broadband service provider that does not terminate voice services. In addition, following the Second Transaction, Vertex will not have any common ownership or control by or with any foreign carrier. See certifications included in the Second Application.

63.18(p) – Request for Streamlined Processing

The Applicants respectfully request streamlined treatment of this application pursuant to Section 63.12 of the Commission’s rules.⁹ With respect to the international authority, this application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission’s rules.¹⁰ In particular, Section 63.12(c)(1)¹¹ is inapplicable because none of the Applicants is a foreign carrier or is affiliated with any foreign carrier. Section 63.12(c)(2)¹² is likewise inapplicable because none of the Applicants is affiliated with a dominant U.S. carrier whose international switched or private line services the Applicants seek authority to resell.

V. INFORMATION REQUIRED FOR DOMESTIC APPLICATION

The Applicants submit the following information pursuant to Section 63.04(b)¹³ of the Commission’s rules:

63.04(a)(6) – Description of the Transaction

The Transaction is described above in **Section II** of the application.

63.04(a)(7) – Geographic services areas and services provided in each area by the transferor and transferee

Neither Transferors nor Transferee provide any telecommunications services in the U.S. Vertex’s services are described in **Section I.A.** of the application.

⁹ 47 C.F.R. §§ 63.03, 63.12.

¹⁰ 47 C.F.R. § 63.12(a)-(b).

¹¹ 47 C.F.R. § 63.12(c)(1).

¹² 47 C.F.R. § 63.12(c)(2).

¹³ 47 C.F.R. § 63.04(b).

63.04(a)(8) – Qualification for streamlined processing

The Applicants respectfully request streamlined treatment of the application pursuant to Section 63.03 of the Commission’s rules.¹⁴ This application is eligible for streamlined processing pursuant to Section 63.03(b)(1)(i)¹⁵ because no Applicant is a facilities-based carrier in the U.S. In addition, pursuant to Section 63.03(b)(2)(i), following the Transaction, Transferee and Licensee combined hold less than a ten percent share of the interstate interexchange market. Accordingly, the application qualifies for streamlined processing under Section 63.03 of the Commission’s rules.

A. 63.04(a)(9) – Additional FCC applications related to the same transaction

The Applicants are filing the Second Application discussed *supra*.

B. 63.04(a)(10) – Special consideration because of imminent business failure

The Applicants are not requesting special consideration due to imminent business failure.

C. 63.04(a)(11) – Identification of any separately-filed waiver requests

No waiver requests are being filed in conjunction with this application.

63.04(a)(12) – Public interest statement

A statement showing how grant of this application will serve the public interest, convenience, and necessity may be found above in **Section III** of the application.

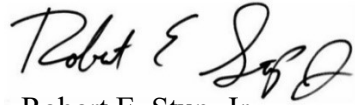
¹⁴ 47 C.F.R. § 63.03.

¹⁵ 47 C.F.R. § 63.03(b)(1)(i).

VI. CONCLUSION

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this application.

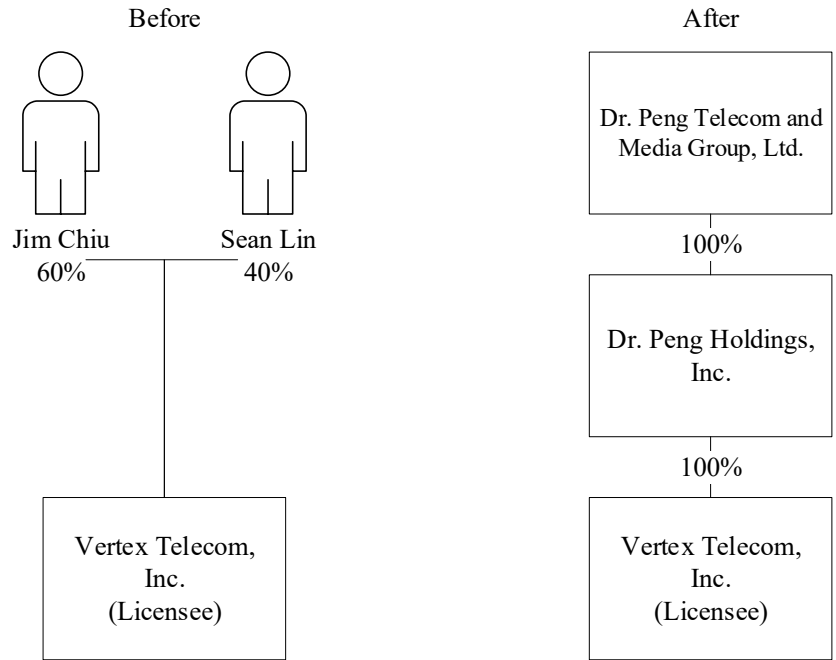
Respectfully submitted,



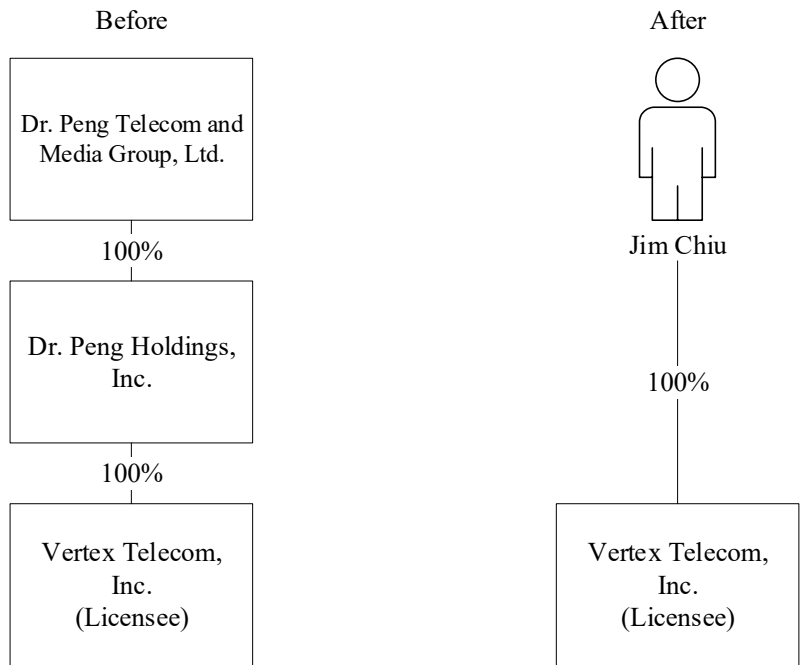
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PRE- AND POST-TRANSACTION DIAGRAMS

First Transaction




Second Transaction



Certification of Jim Chiu

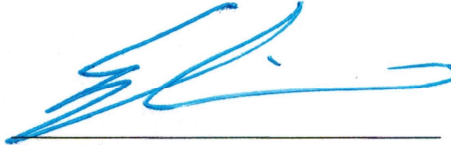
I hereby certify under penalty of perjury that the contents and certifications contained in the foregoing Joint Application for the Transfer of Control of Domestic and International Section 214 Authority held by Vertex Telecom, Inc. regarding: (1) me and (2) Vertex Telecom, Inc., prior to its sale to Dr. Peng Holdings, Inc. are true and accurate to the best of my knowledge, information, and belief.



Jim Chiu
January 13, 2021

Certification of Sean Lin

I hereby certify under penalty of perjury that the contents and certifications contained in the foregoing Joint Application for the Transfer of Control of Domestic and International Section 214 Authority held by Vertex Telecom, Inc. regarding me are true and accurate to the best of my knowledge, information, and belief.



Sean Lin
January 13, 2021

Certification on Behalf of Dr. Peng Holdings, Inc.

I hereby certify under penalty of perjury that I am authorized to make this certification on behalf of Dr. Peng Holdings, Inc. and that the contents and certifications contained in the foregoing Joint Application for the Transfer of Control of Domestic and International Section 214 Authority held by Vertex Telecom, Inc. regarding Dr. Peng Holdings, Inc. are true and accurate to the best of my knowledge, information, and belief.



Lan Wang, Director
January 13, 2021

Certification on Behalf of Vertex Telecom, Inc.

I hereby certify under penalty of perjury that I am authorized to make this certification on behalf of Vertex Telecom, Inc. and that the contents and certifications contained in the foregoing Joint Application for the Transfer of Control of Domestic and International Section 214 Authority held by Vertex Telecom, Inc. regarding Vertex Telecom, Inc. are true and accurate to the best of my knowledge, information, and belief.



Alice Ching, Chief Executive Officer
January 13, 2021