

Categories of Services for 214 Applications  
(Streamline/Non-streamline)

- LIMITED/GLOBAL RESALE SERVICE
- LIMITED/GLOBAL FACILITIES-BASED SERVICE
- LIMITED/GLOBAL FACILITIES-BASED/RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- INTERNATIONAL SPECIAL PROJECT
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- ASSIGNMENT OF LICENSE
- PRO FORMA TRANSFER/ASSIGNMENT
- SPECIAL TEMPORARY AUTHORITY
- SUBMARINE CABLE LANDING LICENSE

Description of Application: \_\_\_\_\_

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April 27, 2000

FCC/MELLON

APR 28 2000

VIA OVERNIGHT DELIVERY

Federal Communications Commission  
International Bureau, Telecommunications Division  
P.O. Box 358115  
Pittsburgh, PA 15251-5115  
Attn: Rebecca Arbogast, Division Chief

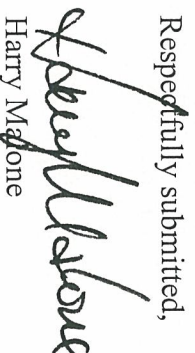
Re: Joint Application for Authority Pursuant to Section 214 of the Communications Act  
of 1934, as Amended, To Transfer Control of Coast to Coast Telecommunications,  
Inc. an Authorized International Carrier. to Cl@rity USA, LLC

Dear Sir or Madam:

On behalf of Cl@rity USA, LLC and Coast to Coast Telecommunications, Inc. (together, "Applicants"), enclosed for filing are an original and six (6) copies of the above-referenced joint application. Applicants respectfully request expedited treatment of this joint application to permit them to consummate the transfer of control described in this application as soon as possible, but no later than April 30, 2000.

As required by the Commission's Rules, a check in the amount of \$780.00 is enclosed to cover the filing fee. Please date-stamp the enclosed extra copy of this application and return it in the self-addressed, postage paid envelope provided. Should you have any questions concerning this application, please do not hesitate to contact the undersigned.

Respectfully submitted,

  
Harry Malone

Counsel for Cl@rity USA, LLC

Enclosures

cc: J. Breck Blalock (FCC)  
Lisa Kaufman

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

\_\_\_\_\_) )  
In the Matter of ) )  
 ) )  
 ) )  
**Cl@rity USA, LLC** ) )  
**and** ) )  
**Coast to Coast Telecommunications, Inc.** ) )  
 ) )  
 ) )  
Application for Authority pursuant to Section ) )  
214 of the Communications Act of 1934, ) )  
as amended, to Transfer Control of Section 214 ) )  
Authority Granted Pursuant to ) )  
FCC File No. ITC-95-309 ) )  
\_\_\_\_\_ ) )

File No. \_\_\_\_\_

**APPLICATION**

Cl@rity USA, LLC (“Cl@rity” or “Applicant”), by its undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the Commission’s Rules, 47 C.F.R. § 63.18, hereby requests approval for a transfer of control of the international authorization held by Coast to Coast Telecommunications, Inc. (“Coast”), a U.S. common carrier, from Coast to Cl@rity. Neither Coast nor Cl@rity have any foreign affiliations within the meaning of Section 63.09(e) of the Commission’s Rule, 47 C.F.R. § 63.09(e). As described below, Cl@rity is acquiring ultimate control of Coast through a transaction in which Coast will be merged into a wholly-owned subsidiary of Cl@rity.

Upon consummation of the transaction, services to Coast’s existing customers will continue under existing service arrangements, pursuant to its authority granted by the Commission. The proposed transaction will therefore be virtually transparent to Coast’s current customers.

Applicant respectfully requests expedited treatment of this Application in order to permit them to consummate the proposed transfer of control transaction as soon as possible, but no later than April 30, 2000. In support of this request, Applicant notes that this Application is eligible for streamlined processing pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12, for the reasons stated below.

## **I. DESCRIPTION OF THE TRANSACTION**

On April 12, 2000, Cl@rity and Coast entered an agreement and plan of merger ("the Merger Agreement"). Under the Merger Agreement, Cl@rity will acquire ultimate control of Coast through a transaction in which Coast will be merged into a wholly-owned subsidiary of Cl@rity ("the Merger"). The new operating company will be named Coast to Coast Telecommunications, Inc. Upon consummation of the Merger, services to Coast's existing customers will continue under existing service arrangements, pursuant to the authority granted to Coast by the Commission. The Merger will therefore be virtually transparent to Coast's current customers. An organizational chart of Applicants' corporate structure following the Merger is attached hereto as Exhibit A.

## **II. PUBLIC INTEREST CONSIDERATIONS**

Grant of this Application is in the public interest, since the proposed transaction will enable Cl@rity and Coast to enhance the range of telecommunications services and choices available to their customers. Moreover, the synergies resulting from the transaction will promote operational and administrative efficiencies within each company. These enhancements and efficiencies will enable the companies to compete more effectively in the telecommunications market to the ultimate benefit of consumers. Finally, the proposed transaction will be consummated in a seamless manner, will

be transparent to consumers and will not in any way inconvenience or cause harm to any of Coast's customers.

### **III. INFORMATION REQUIRED BY SECTION 63.18**

As required by Section 63.18(e)(3) of the Commission's Rules, Applicant submits the following information:

(a) Names, addresses and phone numbers:

Transferor: Coast to Coast Telecommunications, Inc.  
5850 Dixie Highway  
Clarkston, MI 48346  
Tel: 248-623-6700

Transferee: Cl@rity USA, LLC  
4061 Powder Mill Road, Suite 700  
Calverton, MD 20705  
Tel: 301-595-4455

(b) Transferor: Coast is a corporation organized under the laws of the State of Michigan.

Transferee: Cl@rity is a limited liability company organized under the laws of the State of Delaware.

(c) Correspondence concerning this application should be sent to:

Harry Malone  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Tel: (202) 424-7500  
Fax: (202) 424-6745  
Counsel for Cl@rity

with copies to:

Lisa Kaufman  
Cl@rity Communications, Inc.  
200 S. Wacker Drive, 31<sup>st</sup> Floor  
Chicago, IL 60606  
Tel: (312) 440-0340  
Fax: (312) 674-4760

and to:

Bruce Yuille  
Coast to Coast Telecommunications, Inc.  
5850 Dixie Highway  
Clarkston, MI 48346  
Tel: 248-623-6700  
Fax: 248-623-1469

- (d) Previous Section 214 authorizations:
- Transferor: Coast holds authorization under Section 214 of the Act to provide international telecommunications services pursuant to FCC File No. ITC-95-309.
- Transferee: Cl@rity does not hold Section 214 authorization.
- (e)(3) By this Application, Applicant seeks authority to transfer control of Coast, a U.S. carrier holding international Section 214 authority, to Cl@rity, a U.S. carrier that does not hold Section 214 authority.
- (f) Not applicable. This application for transfer of control is eligible for streamlined processing under Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12.
- (g) Not applicable.
- (h) The following entities hold a ten percent (10%) or greater direct or indirect ownership or management interest in the Applicant/Transferee Cl@rity USA, LLC:

Name: Cl@rity Communications, Inc.  
Address: 4061 Powder Mill Road  
Suite 700  
Calverton, MD 20705  
Percentage Held: 100%  
Citizenship: USA

Principal Business: Communications

The following entities hold a ten percent (10%) or greater ownership or management interest in Cl@rity Communications, Inc.

Name: Cary Joshi  
Address: 8158 Amethyst Drive  
McLean, VA 22102

Percentage Held: 34% (29.17% after consummation of the Merger)

Citizenship: Canada

Principal Business: Communications

Name: Palomar Ventures L.L.P.  
Address: 100 Wiltshire Boulevard, Suite 400  
Santa Monica, CA 90401

Percentage Held: 21% (18.88% after consummation of the merger)

Citizenship: USA

Principal Business: Investment

There are no additional entities holding a 10% or greater direct or indirect beneficial interest in Applicant/Transferee.

Applicant has no interlocking directorates with a foreign carrier.

- (i) Applicant certifies that it is not a foreign carrier within the meaning of Section 63.09(d) of the Commission's Rules, 47 C.F.R. § 63.09(d), nor is it affiliated with a foreign carrier within the meaning of Section 63.09(e) of the Commission's Rules, 47 C.F.R. § 63.09(e).

- (j) Applicant certifies that it does not seek to provide international telecommunications services to any destination country for which any of the provisions of Section 63.18(j) are true.

- (k) Not applicable.

- (l) Not applicable.

- (m) Not applicable.

- (n) As required by Section 63.18 (n) of the Commission's Rules, 47 C.F.R. § 63.18(n), Applicant certifies that it has not agreed to accept nor shall it accept in the future any special concessions, as defined by the Commission's Rules, directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows on an U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market.
- (o) Applicant certifies, pursuant to Section 1.2002 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that no party to this application is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Applicant qualifies for streamlined processing pursuant to Section 63.12 of the Commission's Rules because Sections 63.12(c)(1)-(3) do not apply to the Applicant.



CONCLUSION

For the reasons stated above, Applicant respectfully submits that the public interest, convenience and necessity would be furthered by a grant of this application for consent to the transfer of control of Coast to Coast Telecommunications, Inc. to Cl@rity USA, LLC.

Respectfully submitted,

CL@RTY USA, LLC

By:



Harry Malone  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Phone: (202) 424-7705  
Facsimile: (202) 424-7645

Counsel for Cl@rity USA, LLC

And on Behalf of

Coast to Coast Telecommunications, Inc.

Dated: April 27, 2000

**CERTIFICATION OF APPLICANT**

On behalf of Cl@nty USA, LLC, I hereby certify that the statements in the foregoing Application for Authority to Transfer Control of an Authorized International Carrier are true, complete, and correct to the best of my knowledge and are made in good faith.

Cl@nty USA, LLC

By:



Name: Cary Joshi

Title: President and Chief Executive Officer

Date: April 27, 2000

EXHIBIT A

**Organizational Chart of  
Applicants' Proposed Post-Merger Corporate Structure**

**PROPOSED  
POST CLOSING CORPORATE STRUCTURE**  
[As of 4/28/00]

