

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

In the Matter of)
)
Magellan Hill Technologies, LLC)
Licensee)
)
Magellan Technologies, Inc.)
Transferor) **WC Docket No. _____**
)
and) **IB File No. _____**
)
Line Systems, Inc.)
Transferee)
)
Application for Consent to Transfer Control)
of a Company Holding International Section)
214 Authority and Blanket Domestic Section)
214 Authority Pursuant to Section 214 of the)
Communications Act of 1934, as Amended)

JOINT DOMESTIC AND INTERNATIONAL APPLICATION

Magellan Hill Technologies, LLC (“Magellan”), Magellan Technologies, Inc. (“Magellan Parent”), and Line Systems, Inc. (“Line Systems” and collectively with Magellan and Magellan Parent, “Applicants”) hereby respectfully request authority pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. §214, and Sections 63.04, 63.18 and 63.24(e) of the Commission’s Rules, 47 CFR §§ 63.04, 63.18 and 63.24(e), to transfer control of Magellan to Line Systems. Magellan provides local and long distance telecommunications services and information services to business customers primarily in New Jersey and Pennsylvania. Magellan holds international and blanket domestic Section 214 authority, and is a wholly-owned direct subsidiary of Magellan Parent. Line Systems also provides local and long distance

telecommunications services and information services to business customers primarily in New Jersey and Pennsylvania, and holds international and blanket domestic Section 214 authority. Neither Magellan nor Line Systems are foreign carriers or are affiliated with foreign carriers in any market.

As discussed below, Line Systems and Magellan Parent have entered into an agreement pursuant to which Line Systems will purchase all of the membership interest in Magellan. Magellan will become a wholly-owned direct subsidiary of Line Systems as a result of this transaction. The transaction will not result in any loss or impairment of service for any customers.

Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), the Applicants are filing a combined international and domestic Section 214 application for the proposed transfer of control of Magellan. The Applicants provide below the information required by Section 63.24(e)(2) of the Commission's Rules, 47 C.F.R. § 63.24(e)(2). **Exhibit A** provides the additional information requested by Section 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 C.F.R. § 63.04(a)(6)-(12).

The Applicants request streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 and 63.12. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2) of the Commission's Rules because (i) the proposed transaction will result in the Applicants (including their affiliates, as that term is defined in Section 3(1) of the Act) having a market share in the interstate, interexchange market of less than 10 percent; (ii) the Applicants (including their affiliates) will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a

dominant local exchange carrier that is not a party to the transaction; and (iii) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service. This Application qualifies for streamlined treatment under Section 63.12(c) of the Commission's Rules because (i) Line Systems is not affiliated with a foreign carrier and will not become affiliated with any foreign carrier as a result of the proposed transaction; (ii) Line Systems is not affiliated with any dominant U.S. carrier whose international switched or private line services Line Systems or Magellan seeks authority to resell, nor will Line Systems or Magellan be so affiliated post-close; and (iii) none of the other scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12, apply.

I. DESCRIPTION OF THE APPLICANTS

A. Magellan and Magellan Parent

Magellan is a limited liability company organized under the laws of the State of New Jersey. Its principal place of business is 1020 Laurel Oak Road, Suite 201, Voorhees, NJ 08043. Magellan provides wireline local and long distance telecommunications as well as dedicated Internet access data services to predominately small- and medium-sized business customers. Magellan's service offerings include local and long distance telephone service, high-speed Internet access, conferencing, toll-free services, and calling features such as call forwarding and call waiting. All services are provided on a resale basis. Magellan's primary markets are southern New Jersey and southeastern Pennsylvania.

Magellan holds blanket domestic Section 214 authority as well as international Section 214 authority, granted in FCC File No. ITC-214-20060228-00127, to operate as a global or limited global facilities-based and resale carrier. In addition, Magellan holds

certificates to provide local and intrastate toll services on a competitive basis in New Jersey, Pennsylvania, New York, Delaware, Maryland, Massachusetts, Rhode Island, Ohio, and the District of Columbia. At this time, Magellan has no affiliates that offer domestic or international telecommunications services. Magellan is not a foreign carrier and is not affiliated with any foreign carriers.

At present, Magellan is a wholly-owned subsidiary of Magellan Parent, a Delaware corporation and a holding company. Bradford M. Bono, a U.S. citizen and the Chief Executive Officer of Magellan Parent, holds approximately ninety five percent (95%) of the interest in Magellan Parent. The address of Magellan Parent and Mr. Bono is 1020 Laurel Oak Road, Suite 201, Voorhees, NJ 08043.

Diagrams showing the current corporate structure of Magellan, including all entities and individuals that hold a 10 percent or greater equity or voting interest in Magellan at present, are provided in **Exhibit B**.

B. Line Systems

Line Systems is a corporation organized under the laws of the Commonwealth of Pennsylvania. Its principal place of business is 1645 West Chester Pike, Suite 200, West Chester, PA 19382. Line Systems is a full-service integrated communications provider to business customers. Its products and services include hosted phone applications, traditional local and long distance telephone services, and data/Internet solutions. Services are provided to small- and medium-sized business customers, primarily in southern New Jersey and southeastern Pennsylvania. All services are provided on a resale basis.

Line Systems holds blanket domestic Section 214 authority as well as international Section 214 authority, granted in FCC File No. ITC-214-20000301-00170,

to operate as a global or limited global facilities-based and resale carrier. In addition, Line Systems holds certificates to provide local and intrastate toll services on a competitive basis in New Jersey, Pennsylvania, New York, Delaware, and Maryland, as well as certificates to provide intrastate toll services on a competitive basis in Virginia, Florida, Illinois, Texas, California, Utah, Ohio, and the District of Columbia. Line Systems is not a foreign carrier and is not affiliated with any foreign carriers.

Kevin McGeary, Mike Miller, Ray Fireman, and Barry Fireman each own 25 percent of Line Systems. Mr. McGeary, Mr. Miller, Mr. R. Fireman, and Mr. B. Fireman are all U.S. citizens. Mr. Miller is the President of Line Systems; Mr. McGeary, its Vice President; Mr. R. Fireman, its Secretary; and Mr. B. Fireman, its Treasurer. The address of Mr. McGeary, Mr. Miller, Mr. R. Fireman, and Mr. B. Fireman is 1645 West Chester Pike, Suite 200, West Chester, PA 19382. Mr. McGeary, Mr. Miller, Mr. R. Fireman, and Mr. B. Fireman each own 25 percent of Infinite Communication, LLC (“Infinite”), a Pennsylvania limited liability company. Infinite is a private carrier that provides wholesale telecommunications and terminating access services primarily to Line Systems using leased fiber and its own switches and routers. Infinite holds certificates to provide local and intrastate toll services on a competitive basis in New Jersey, Pennsylvania, and Delaware. Line Systems is not affiliated with any domestic service provider other than Infinite.

Diagrams showing the current corporate structure of Line Systems are provided in

Exhibit C.

II. DESCRIPTION OF THE TRANSACTION

Pursuant to the terms of a Purchase Agreement (“Agreement”) dated November 4, 2011, by and among Line Systems, Mr. Bono, and Magellan Parent, Line Systems will

acquire all of the outstanding limited liability company interests of Magellan from Magellan Parent. As a result, Magellan will become a wholly-owned direct subsidiary of Line Systems following consummation of the transaction. Once the proposed transaction is closed, Mr. Bono will have no ongoing equity interests in either Magellan or Line Systems.

The transaction will be transparent to Magellan's customers at closing. In particular, the proposed transaction will not affect the rates, terms and conditions under which Magellan's current customers receive service and the proposed transaction will not result in the discontinuance of service to any Magellan customers. Furthermore, immediately following the transaction, Magellan will continue to operate pursuant to its existing international and domestic Section 214 authorizations and applicable state authorizations. The operations of Line Systems will not be affected by the proposed transaction.

A diagram of the corporate structure of Line Systems after its acquisition of Magellan is provided in **Exhibit D**.

III. PUBLIC INTEREST STATEMENT

The transaction described herein will serve the public interest. The financial, technical, and managerial resources that Line Systems will bring to Magellan will further enhance Magellan's ability to compete in the telecommunications and information services marketplace. Line Systems is an established provider of telecommunications and information services to small- and medium-sized business customers. Line Systems' history of providing quality service to its customers demonstrates that Line Systems is legally, technically, and financially qualified to own and operate Magellan as proposed in the Agreement.

At the same time, the proposed transaction will have no adverse impact on Magellan's customers. Immediately following the transaction, those customers will continue to receive their existing services at the same rates, terms and conditions as at present. Any future changes to the rates, terms and conditions of service will be made consistent with Commission requirements. The only significant change following the closing of the transaction from the customers' perspective will be that Line Systems will be the new owner of Magellan.

Furthermore, the proposed transaction does not present any anti-competitive concerns. The acquisition of Magellan by Line Systems will not have an adverse effect on competition in the markets for local, intrastate toll, or domestic interstate telecommunications services. Magellan and Line Systems both offer telecommunications and information services to small- and medium-sized business customers primarily in southern New Jersey (LATAs 220 and 222) and southeastern Pennsylvania (LATA 228). However, in each of these markets post-close, Line Systems (including its affiliates) will have a market share well under 2 percent. Furthermore, Line Systems will face fierce competition from established service providers in these markets, including but not limited to Broadview, Cavalier/PAETEC, Comcast, MetTel, Verizon, and Xtel.

In addition, the proposed transaction poses no risk of anticompetitive impact on the U.S. international telecommunications marketplace. Magellan has a very small share of the international telecommunications market, and provides international services only on a resale basis. Magellan is not a foreign carrier, nor is it affiliated with a foreign carrier in any market. The same is true for Line Systems. As such, Line Systems'

acquisition of Magellan will not adversely affect competition in the international telecommunications market.

IV. INFORMATION REQUIRED BY SECTION 63.24(e) OF THE COMMISSION'S RULES

The Applicants submit the following information pursuant to Section 63.24(e) of the Commission's Rules, including the information requested in Section 63.18:

- (a) Name, address and telephone number of the Applicants:

Magellan Hill Technologies, LLC ("Magellan") -- Licensee
1020 Laurel Oak Road
Suite 201
Voorhees, NJ 08043
Tel: (856) 795-9500
FRN: 0014687982

Magellan Technologies, Inc. ("Magellan Parent") -- Transferor
1020 Laurel Oak Road
Suite 201
Voorhees, NJ 08043
Tel: (856) 795-9500
FRN: 0021278353

Line Systems, Inc. ("Line Systems") -- Transferee
1645 West Chester Pike
Suite 200
West Chester, PA 19382
Tel: (610) 355-9700
FRN: 0005083944

- (b) Magellan is a New Jersey limited liability company. Magellan Parent is a Delaware corporation. Line Systems is a Pennsylvania corporation.

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

For Magellan and Magellan Parent:

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Executive Vice President
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For Line Systems:

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- (d) Magellan holds blanket domestic Section 214 authority as well as international Section 214 authority, granted in FCC File No. ITC-214-20060228-00127, to operate as a global or limited global facilities-based and resale carrier. Line Systems holds blanket domestic Section 214 authority as well as international Section 214 authority, granted in FCC File No. ITC-214-20000301-00170, to operate as a global or limited global facilities-based and resale carrier.
- (h) Post-close, Magellan will be a wholly-owned subsidiary of Line Systems, a corporation organized under the laws of the Commonwealth of Pennsylvania. Line Systems is a full-service integrated communications provider to business customers. The address of Line Systems is 1645 West Chester Pike, Suite 200, West Chester, PA 19382. Kevin McGeary, Mike Miller, Ray Fireman, and Barry Fireman each own 25 percent of Line Systems. Mr. McGeary, Mr. Miller, Mr. R. Fireman, and Mr. B. Fireman are all U.S. citizens. Mr. Miller is the President of Line Systems; Mr. McGeary, its Vice President; Mr. R. Fireman, its Secretary; and Mr. B. Fireman, its Treasurer. The address of Mr. McGeary, Mr. Miller, Mr. R. Fireman, and Mr. B. Fireman is 1645 West Chester Pike, Suite 200, West Chester, PA 19382.

No other persons or entities will hold a 10 percent or greater ownership interest in Magellan or Line Systems post-close pursuant to the Commission's attribution rules. There will no interlocking directorates with any foreign carrier following consummation of the proposed transaction.

- (i) As evidenced by the signature of Line Systems' representative to this Application, Line Systems certifies that (a) Line Systems is not a foreign carrier and is not affiliated with a foreign carrier, and (b) Line Systems will not become a foreign carrier or become affiliated with a foreign carrier post-close.
- (j) As evidenced by the signature of Line Systems' representative to this Application, Line Systems certifies that it does not seek to provide international telecommunications services to any destination country where (i) Line Systems or Magellan is a foreign carrier; (ii) Line Systems or Magellan controls a foreign carrier; (iii) any entity that owns more than 25 percent of Line Systems or Magellan, or that controls Line Systems or Magellan, controls a foreign carrier; or (iv) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of Line Systems or Magellan and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.

- (n) As evidenced by the signature of Line Systems' representative to this Application, Line Systems certifies that it has 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 that it will not enter into such agreements in the future.
- (o) As evidenced by the signature of each Applicant to this Application, each Applicant certifies that, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Line Systems requests streamlined processing of this Application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12. This Application qualifies for streamlined treatment under Section 63.12(c) of the Commission's Rules because (i) Line Systems is not affiliated with a foreign carrier and will not become affiliated with any foreign carrier as a result of the proposed transaction; (ii) Line Systems is not affiliated with any dominant U.S. carrier whose international switched or private line services Line Systems or Magellan seeks authority to resell, nor will Line Systems or Magellan be so affiliated post-close; and (iii) none of the other scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12, apply.

V. INFORMATION REQUIRED BY SECTION 63.04(b) OF THE COMMISSION'S RULES

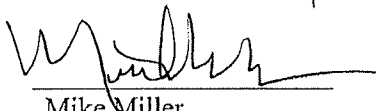
In accordance with the requirements of Section 63.04(b) of the Commission's Rules, the additional information required for the domestic Section 214 transfer of control application is provided in Exhibit A.

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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LIST OF EXHIBITS

EXHIBIT A – Information Required by 47 C.F.R. §63.04
EXHIBIT B -- Current Corporate Structure of Magellan
EXHIBIT C -- Current Corporate Structure of Line Systems
EXHIBIT D -- Corporate Structure of Line Systems and Magellan Post-Close

EXHIBIT A

INFORMATION REQUIRED BY 47 C.F.R. §63.04

In accordance with the requirements of Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04, the Applicants provide the following information in support of their request.

63.04(b)(6): Description of the Transactions

The proposed transaction is described in Section II of the Application.

63.04(b)(7): Description of Geographic Service Area and Services in Each Area

A description of the geographic service areas and services provided in each area is included in Section I of the Application.

63.04(b)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2) of the Commission's Rules because (1) the proposed transaction will result in the Applicants (including their affiliates, as that term is defined in Section 3(1) of the Act) having a market share in the interstate, interexchange market of less than 10 percent; (2) the Applicants (including their affiliates) will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service.

63.04(b)(9): Other Pending Commission Applications Concerning the Proposed Transaction

None.

63.04(b)(10): Special Considerations

None.

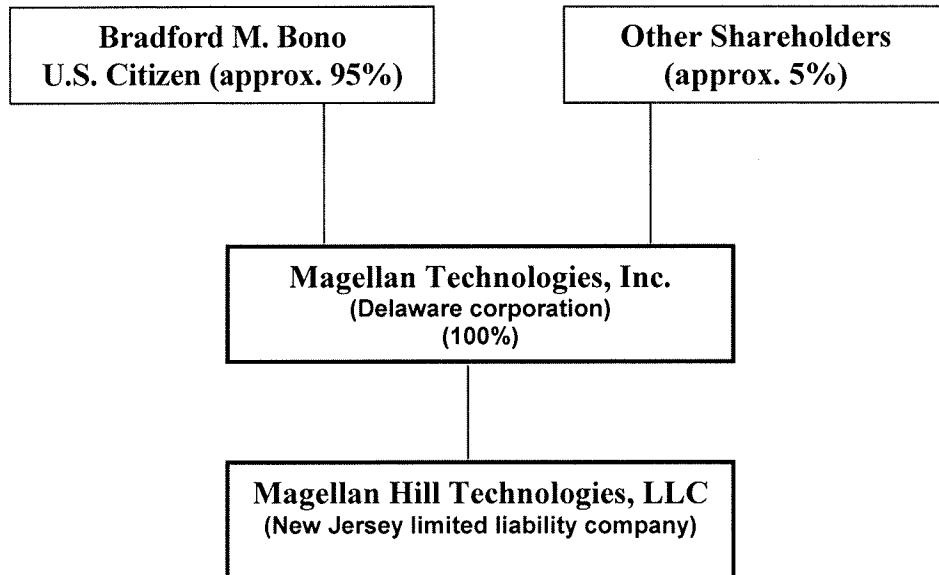
63.04(b)(11): Waiver Requests (If Any)

None.

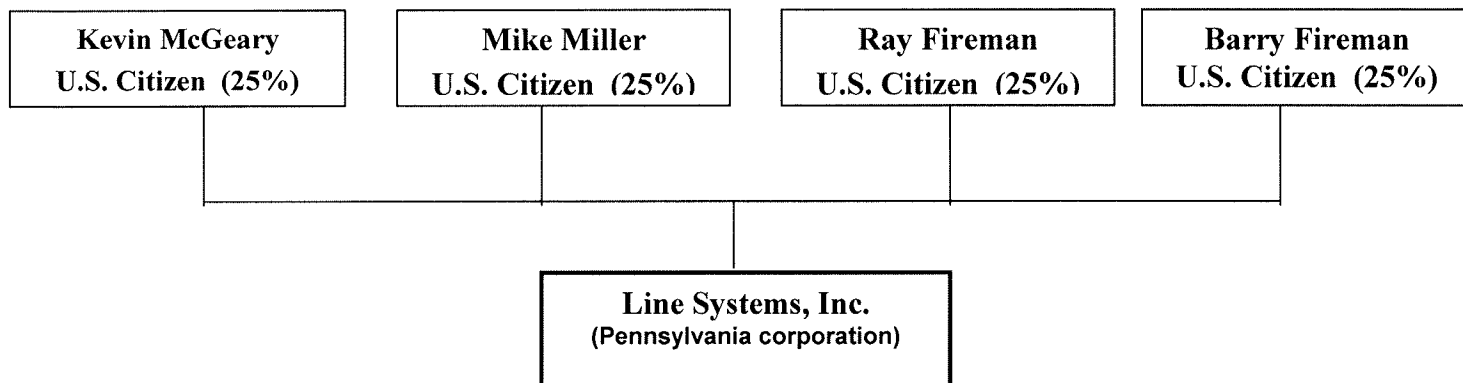
63.04(b)(12): Public Interest Statement

Consummation of the proposed transaction will serve the public interest for the reasons detailed in Section III of the Application.

Current Corporate Structure of
Magellan



Current Corporate Structure of
Line Systems



**Corporate Structure of Line Systems
And Magellan Post-Close**

