

Verscom, LLC
International Section 214 Authorization
Notification of *Pro Forma* Transfer of Control

Attachment 1

Answer to Question 10

Question 10 requests the provision of the information listed in 47 C.F.R. § 63.18(c) and (d) for the transferor and transferee.

Information requested by 47 C.F.R. § 63.18(c):

Contact information for the transferor Eren Nil:

Eren Nil
Investor
Verscom, LLC
501 Silverside Road
Suite 105
Wilmington, DE 19809
866-238-9189 (telephone)

Contact information for the transferee Gokce Bilyay:

Gokce Bilyay
Chief Executive Officer
Verscom, LLC
501 Silverside Road
Suite 105
Wilmington, DE 19809
866-238-9189 (telephone)

Contact information for legal counsel for both the transferor and transferee:

Kemal Hawa
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
701 Pennsylvania Avenue N.W.
Suite 900
Washington, DC 20004
202-434-7300

Information requested by 47 C.F.R. § 63.18(d):

While neither Eren Nil (transferor) nor Gokce Bilyay (transferee) has previously directly received authority under Section 214 of the Act, the transferor and transferee are investors in

Verscom, LLC, which possesses a Section 214 authorization to provide global facilities-based and global resale services between the U.S. and international points (ITC-214-20050223-00074) and, to the extent its services include a domestic component, a blanket domestic Section 214 authorization under 47 C.F.R. § 63.01.^{1/}

Answer to Question 11

Question 11 requests disclosure of the name, address, citizenship, principal businesses, and percentage ownership of each person or entity that directly or indirectly owns at least ten (10) percent of the equity of the transferee, if any entity owns at least ten (10) percent of the equity of the transferee.

While Gokce Bilyay, an individual, is the transferee, and therefore no entity owns equity in the transferee, Verscom as the applicant hereby discloses ownership information in order to update the information on file with the Commission even though disclosure of this information may not be required.

<u>Verscom, LLC Ownership Information</u>	<u>% Held</u>
Gokce Bilyay, Investor 501 Silverside Road Suite 105 Wilmington, DE 19809 Citizenship: Turkey Principal Business: Chief Executive Officer of Verscom, LLC	70%
Emir Nil, Investor 501 Silverside Road Suite 105 Wilmington, DE 19809 Citizenship: Turkey Principal Business: Regulatory Contact for Verscom, LLC	20%
Eren Nil, Investor 501 Silverside Road Suite 105 Wilmington, DE 19809 Citizenship: Turkey Principal Business: Investor in Verscom, LLC	10%

^{1/} To the extent that Verscom's services include a domestic component, no notification of the transfer of control of the domestic 214 authorization is required under Section 63.03(d) of the FCC's rules because the transfer is *pro forma* as further discussed herein. See 47 C.F.R. § 63.03(d). In the event that any notification may be required, Verscom respectfully requests that Commission treat the attached notification and accompanying documentation as applicable to both the international 214 authorization and any domestic 214 authorization.

Answer to Question 13

Question 13 requests a narrative of the means by which the proposed transfer of control will take place.

Pursuant to Section 63.24 of the FCC's rules,^{2/} Verscom, LLC seeks the FCC's acceptance *nunc pro tunc* of the attached application, which notifies the FCC of the *pro forma* transfer of control, which occurred on April 13, 2011, of Verscom's Section 214 authority under Section 63.18(e)(1) and (e)(2) of the FCC's rules to provide global facilities-based and resale services between the U.S. and international points.^{3/}

Prior to the transfer of ownership interests, Eren Nil held a majority 70% ownership interest in Verscom, and Gokce Bilyay was one of four minority interest holders, each of which held a 7.5% ownership interest in Verscom.^{4/} Even though Eren Nil held the majority ownership interest in Verscom as its angel investor, there existed an agreement among the interest holders that Gokce Bilyay as Chief Executive Officer would run the company and manage all of its affairs, including performing such duties as overseeing day-to-day operations, making all management and personnel decisions, dictating the company's strategy, and controlling the operation and use of all facilities and equipment. It was further agreed that once Gokce Bilyay carried Verscom to profitability, the interest holders would realign their ownership interests to make Gokce Bilyay the majority interest holder. Consequently, while Eren Nil retained *de jure* control of the company, Gokce Bilyay exercised *de facto* control.^{5/}

Verscom became profitable this year. As a result, on April 13, 2011, Verscom filed an amended charter with the Delaware Secretary of State, which effectuated the redistribution of Verscom's ownership interests in accordance with the internal agreement among the interest holders. In particular, Gokce Bilyay was provided with a 70% ownership interest, Emir Nil with a 20% ownership interest, and Eren Nil with a 10% ownership interest. There has been no change in the management or operations of Verscom in connection with this redistribution, and Gokce Bilyay remains the controlling party and continues to exercise control over the company's

^{2/} 47 C.F.R. § 63.24.

^{3/} 47 C.F.R. § 63.18(e)(1)-(e)(2).

^{4/} See International Section 214 Application, IBFS No. ITC-214-20050223-00074 at Attachment 2 (filed Feb. 23, 2005).

^{5/} See, e.g., *McCaw Cellular Communications Inc., et al.*, Memorandum Opinion and Order, 4 FCC Rcd 3784, ¶ 33 (1989) ("*McCaw Cellular*") (stating that control "is not limited to . . . *de jure* control (ownership of over 50% of the corporation's stock), but can include situations of control "in fact" (*de facto* control), regardless of the amount of stock owned"); *id.* ¶ 34 ("The question of whether a minority investor may be in actual control of the company is governed chiefly by the demonstration of the power of the minority investor to dominate the management of corporate affairs."); *News International, PLC Petitions for Relief*, Memorandum Opinion and Order, 97 FCC 2d 349, ¶ 16 (1984) (stating that a minority shareholder would control the licensee if it determines the licensee's policies and operations and dominates its corporate affairs).

affairs, including performance of the duties listed above.^{6/} As a result, the transfer of Verscom's ownership interests is considered non-substantial or *pro forma* under the Commission's rules.^{7/} The only effect of the transfer was to give Gokce Bilyay – who already had *de facto* control of Verscom – *de jure* control as well. As the Commission has held, a transfer of control that results in a *de facto* controlling party gaining *de jure* control is considered *pro forma* under the Commission's rules.^{8/}

Due to the fact that the transfer of control did not effectuate any change in the organization's management or operations, Verscom inadvertently did not notify the FCC regarding the *pro forma* transfer of control within thirty (30) days.^{9/} Consequently, Verscom seeks the FCC's acceptance of this notification *nunc pro tunc*. Because acceptance of this *pro forma* transfer of control will allow Verscom to continue to serve its customers by providing global facilities-based services and reselling international services between the United States and international points, grant of this request will serve the public interest, convenience, and necessity.

^{6/} See, e.g., *McCaw Cellular* ¶ 34 (finding that control means “the right to determine the manner or means of operating the licensee and determining the policy that the licensee will pursue”).

^{7/} See 47 C.F.R. § 63.24(d) (stating that transfers of control “that do not result in a change in the actual controlling party are considered non-substantial or *pro forma*”).

^{8/} See *Applications of Metromedia, Inc. for Consent to the Transfer of Corporate Control from John W. Kluge (De Facto Control) to John W. Kluge (De Jure Control)*, Memorandum Opinion and Order, 98 FCC 2d 300 (1984) (holding that there is no substantial change in ownership or control when an individual who already has *de facto* control gains *de jure* control, and therefore such transaction constitutes a non-substantial or *pro forma* transfer of control).

^{9/} See 47 C.F.R. § 63.24(f)(2).