

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

**In the Matter of  
Selectel, Inc.**

**Application for Authorization Pursuant to  
Section 214 of the Communications Act of 1934,  
as Amended, for Assignment of Assets  
and/or Transfer of Control**

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) **WC Docket No. 14-\_\_\_\_\_**  
) **File No. ITC-T/C-2014 \_\_\_\_\_**  
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**APPLICATION**

Selectel, Inc. (“Selectel” or “Applicant”), hereby requests approval from the Federal Communications Commission (“FCC” or “Commission”) pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission’s rules, 47 C.F.R. §§ 63.04 and 63.24, to transfer of control of Selectel, from Matthew S. O’Flaherty, Teri L. O’Flaherty and Stacy Hergenrader (collectively “Transferors”) to Compass Capital Inc. and Compass Atlantic Inc. (collectively “Compass” or “Transferees”). For the reasons stated herein, Applicant respectfully submits that this application is subject to the Commission’s “streamlined” processing rules found in Section 63.03(b)(2) and thus prompt approval can be accomplished in a manner that raises no competitive concerns that could delay Commission approval of the transaction.

**I. REQUEST FOR STREAMLINED TREATMENT OF APPLICATION**

Under Section 63.04(b) of the Commission’s rules, the Applicant is filing a combined domestic and international application, and the Applicant respectfully requests streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission’s rules.

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 Applicant having a market share in the interstate interexchange market of less than ten percent (10%); (2) Applicant will provide competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) neither the Applicant nor any of its affiliates are regulated as dominant with respect to any service. This Application also qualifies for streamlined treatment under Section 63.12 of the Commission's rules because: (1) Applicant is not affiliated with a dominant foreign carrier; (2) as a result of the transaction, Applicant will not be affiliated with any foreign carrier as defined in the Commission's rules; and (3) none of the other scenarios outlined in Section 63.12(c) of the Commission's rules apply.

## **II. APPLICANT**

### **Selectel, Inc. (FRN: 0018498352)**

Applicant is a corporation organized under the laws of the State of Nevada. Its principal offices are located at 1825 N Bell St, Fremont, NE 68025. Applicant provides competitive local exchange services on a retail basis in the following states: Massachusetts, Minnesota, New Jersey, New York, Oregon, Pennsylvania, and Washington. Applicant also provides wireless telecommunications service as an MVNO in all fifty states.<sup>1</sup>

Transferee, Compass Atlantic Inc. ("Compass Atlantic"), is a holding company organized under the laws of the state of Delaware. It is a wholly owned subsidiary of Compass Capital Inc., which in turn is organized under the laws of the province of Ontario, Canada.

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<sup>1</sup> In addition, Applicant has received an International Section 214 Authorization to provide "Global or Limited Global Facilities-Based Service Global or Limited Global Resale Service."

### III. DESCRIPTION OF THE TRANSACTION

The transaction will take place at the holding company level and will therefore have no impact on the day-to-day operations of Selectel. The purpose of the transaction is to provide the potential for a new source of investment capital for Selectel in order to continue and to expand its operations. As noted above, Compass Capital Inc. has formed a new Delaware corporation, Compass Atlantic Inc., that will acquire a majority of the stock of Selectel. Selectel currently has three shareholders—Teri O’Flaherty, Matthew O’Flaherty, and Stacy Hergenrader—each holding 33% of the stock of Selectel. Compass Atlantic will acquire all the stock of Teri O’Flaherty and Stacy Hergenrader, and 3.33% of the Company from Matthew O’Flaherty such that, after the transaction, Compass Atlantic will hold 70% of the stock and Matthew O’Flaherty will own 30% of the stock. Selectel will remain the certificated entity. A chart showing the current corporate structure and corporate structure post-Transaction is attached hereto as **Exhibit B**.

Although there will be a change in ownership, with Compass Atlantic now owning a majority of the stock of Selectel, there will be few changes to Selectel’s management team. Selectel will have the necessary managerial and technical expertise, with only minor changes to the management team running Selectel successfully today. Those changes are that Stacy Hergenrader will be replaced by Shannon Hembree as Customer Service Dealer Support Manager and Jim Hergenrader will be replaced by Patrick Hall as Dealer Manager. A copy of the Selectel Organizational Chart after the Transaction is attached hereto as **Exhibit C**. The principal post-Transaction managers will be Matthew S.O’Flaherty, who will continue as

President of Selectel; Teri L. O'Flaherty will continue as Treasurer and Director, Human Resources; and Patrick Hall will continue as Dealer Manager. The bios of these three key members of the current Selectel management team are attached hereto as **Exhibit D**. This management team has the managerial and technical expertise to run Selectel after the Transaction is closed.

#### **IV. PUBLIC INTEREST STATEMENT**

Applicant respectfully submits that the transaction and transfer of control described herein will serve the public interest. The proposed transaction will serve the public interest because the transfer of control to Compass will provide Selectel with new sources of investment that will allow Selectel to continue its track record of rapid growth. Selectel is a low-cost operator and additional financing will provide opportunities for the company to expand the reach of its current products. Compass and its affiliates will have the capability to provide additional resources to Selectel which might not otherwise be readily available to Selectel, including additional back office support, as well as support for long term business planning and growth. Selectel currently offers competitive telecommunications service that offers competitive pricing, high quality services, and responsive customer service. The transaction will permit Selectel to continue to offer these services to its existing consumers and will allow Selectel to expand these same competitive services to more customers over the next decade.

Selectel customers will not see any change to their services as a result of this change of control. The Selectel management team will not change and customers will receive the same reliable, low-cost service after the transaction closes. Because the transaction will expand competition and benefit consumers, Applicant submits that the transaction is in the public interest.

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

In support of this application, the Applicant submits the following information pursuant to Section 63.24(e) of the Commission's rules, which is the information requested in paragraphs (a)-(d) and (o)-(p) of Section 63.18 for both the Transferors and Transferees and the information requested in paragraphs (h)-(n) of Section 63.18 for Applicant.

**(a) Name, Address and Telephone Number**

**i. Transferors**

Name: Teri L. O'Flaherty  
Business Address: 1825 N. Bell Street, Fremont, NE 68025  
Telephone: (402) 719-4350

Name: Stacy Hergenrader  
Business Address: 1825 N. Bell Street, Fremont, NE 68025  
Telephone: (386) 846-3871

Name: Matthew S. O'Flaherty  
Business Address: 1825 N. Bell Street, Fremont, NE 68025  
Telephone: (402) 727-2502

**ii. Transferees**

Compass Capital Inc.  
536 Kipling Avenue  
Toronto, Ontario, Canada M8Z 5E3  
Telephone: (416) 318-1904  
Fax. (416) 252-2425

Compass Atlantic Inc.  
536 Kipling Avenue  
Toronto, Ontario, Canada M8Z 5E3  
Telephone: (416) 318-1904  
Fax. (416) 252-2425

**(b) State of Organization**

Selectel is a corporation organized under the laws of the state of Nevada, Compass Capital, Inc. is a corporation organized under the laws of Ontario, Canada, and Compass Atlantic Inc. is a corporation organized under the laws of the state of Delaware.

**(c) Contact Information**

All correspondence, notices and inquiries regarding this Application should be addressed to:

**i. Transferors**

Don Schneider, Esq.  
513 North D Street  
Fremont, NE 68025  
Telephone: (402) 721-0167  
Fax: (402) 721-9859  
Email: donsneiderlaw@gmail.com

**ii. Transferee**

James C. Falvey, Esq.  
Robert J. Gastner, Esq.  
Eckert Seamans Cherin & Mellott, LLC  
1717 Pennsylvania Ave., NW  
12th Floor  
Washington, D.C. 20006  
Telephone: (202) 659-6655  
Fax: (202) 659-6699  
Email: jfalvey@eckertseamans.com

**(d) International Section 214 Authorizations (Answer to IBFS Main Form**

**Question 10)**

Applicant provides domestic telecommunications services pursuant to the blanket Section 214 authority granted in Section 63.01 of the Commission's Rules, and it also has Section 214 authority to Provide Global Facilities-Based and Resale Telecommunications Services pursuant to FCC File No. ITC- 214-2009-0326-00133.

Transferee, Compass Atlantic, has not received authority from the FCC under Section 214 of the Act.

**(h) Ten Percent Greater Interest Holders/Interlocking Directorates (Answer to IBFS Main Form Question 11 and 12)**

**i. Transferor**

The parties that currently own Ten Percent (10%) or more of the issued and outstanding stock of Selectel are provided below.

<b>Name</b>	<b>Occupation</b>	<b>Citizenship</b>	<b>Ownership Percent</b>
Teri L. O'Flaherty	Telecommunications	USA	33.33%
Stacy Hergenrader	Telecommunications	USA	33.33%
Matthew S. O'Flaherty	Telecommunications	USA	33.33%

The business address for each of these individuals is 1825 N. Bell Street, Fremont, NE 68025.

**ii. Transferees**

As noted above, Compass Atlantic Inc. is a holding company organized under the laws of the state of Delaware. It is a wholly owned subsidiary of Compass Capital Inc., which in turn is organized under the laws of the province of Ontario, Canada and 100% owned by Grant Hood.

Thus, the parties that will, directly or indirectly, control ten percent (10%) or more of the issued and outstanding stock of Selectel after the consummation of this transaction are provided below:

<b>Name</b>	<b>Occupation</b>	<b>Citizenship</b>	<b>Ownership Percent</b>
Grant Hood	Investor	Canada	70% (Indirect)
Compass Capital Inc.	N/A	Canada	70% (Indirect)
Compass Atlantic Inc.	N/A	USA	70% (Direct)

Matthew S. O'Flaherty      Telecommunications USA      30% (Direct)

Both Compass and Mr. Hood's business address is 536 Kipling Avenue Toronto, Ontario, Canada M8Z 5E3. Mr. O'Flaherty's business address is 1825 N. Bell Street, Fremont, NE 68025.

Transferees do not have any interlocking directorates with a foreign carrier,<sup>2</sup> nor will Applicant have any such directorates or managers after consummation of this transaction.

**(i) Foreign Carrier Affiliation Certification (Answer to IBFS Main Form**

**Questions 14- 17)**

Applicant certifies that it is not a foreign carrier, that it is not affiliated with a foreign carrier as defined under the Commission's rules, and that it will not become affiliated with a foreign carrier as a result of this transaction.

**(j) Foreign Carrier and Destination Countries (Answer to IBFS Main Form**

**Questions 14- 17)**

As evidenced by the signatures to this application, Applicant certifies that upon consummation of this transaction it will not provide telecommunications services to any country in which: (1) Applicant is a foreign carrier in the destination market; (2) Applicant controls a foreign carrier in the destination market; (3) any entity that owns more than twenty-five (25%) of Applicant, or that controls Applicant, controls a foreign carrier in the destination market; and (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than twenty-five (25%) of the Applicant and are parties to, or the beneficiaries of, a contractual relationship affecting the provision or marketing of international basic telecommunications service in the United States.

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<sup>2</sup> As defined by 47 C.F.R. § 63.09(d).



**(k) WTO Membership of Destination Countries (Answer to IBFS Main Form Questions 14-17)**

Not applicable.

**(l) International Telecommunications Services (Answer to IBFS Main Form Questions 14-17)**

Applicant will not resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country where it is a foreign carrier or is affiliated with a foreign carrier.

**(m) Non-dominant Regulatory Classification (Answer to IBFS Main Form Questions 14-17)**

Not applicable.

**(n) Special Concessions Certification (Answer to IBFS Main Form Question 21)**

As evidenced by the signatures to this Application, Applicant 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 sufficient market power on the foreign end of the route to adversely affect competition in the U.S. market, and will not enter into such agreements in the future.

**(o) Federal Benefits/Anti-Drug Act of 1988 Certification (Answer to IBFS Main Form Question 25)**

As evidenced by the signatures to this application, the parties certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that they are not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. 21 U.S.C. § 862.

(p) **Eligibility for Streamlined Processing (Answer to IBFS Main Form Question 20)**

Applicant requests streamlined processing of this Application pursuant to Section 63.12 of the Commission's rules, 47 C.F.R. § 63.12, for the reasons set forth above.

**VI. 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 by Section 63.04(b) of the Commission's rules for transfer of control of assets is provided in **Exhibit A**.

**CONCLUSION**

For the foregoing reasons, Applicant respectfully requests that the Commission promptly grant this Application.

Respectfully Submitted,

**Compass Atlantic Inc. and  
Compass Capital Inc.**

By:   
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Email: jfalvey@eckertseamans.com  
*Their Attorney*

Matthew S. O'Flaherty, Teri L. O'Flaherty and  
Stacy Hergenrader

By: 

Don Schneider, Esq. #16369  
513 North D Street  
Fremont, NE 68025  
Telephone: (402) 721-0167  
Fax: (402) 721-9859  
Email: donsneiderlaw@gmail.com  
*Their Attorney*

December 12, 2014

## EXHIBIT A

### DOMESTIC SECTION 214 TRANSFER OF CONTROL INFORMATION

Pursuant to Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04, Applicant requests authority to transfer control of SelecTel, Inc., a holder of domestic Section 214 authority. Applicant is filing a combined Application for this transfer of control pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b). Applicant provides the following information in support of its request.

#### **63.04(a)(6): Description of the Transaction**

Section III of the Application contains a full description of the proposed transaction.

#### **63.04(a)(7): Description of Geographic Service Area and Services in Each Area**

Applicant provides competitive local exchange services on a retail basis in the following states: Massachusetts, Minnesota, New Jersey, New York, Oregon, Pennsylvania, and Washington. Applicant also provides wireless telecommunications service as an MVNO in all fifty states.

#### **63.04(a)(8): Presumption of Non-Dominance and Qualification for Streamlining**

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i), because as a result of the proposed Transaction, Applicant will have market share in the interstate, interexchange market of substantially less than 10 percent and will provide competitive telephone exchange services exclusively in geographic areas serviced by a dominant local exchange carrier that is not a party to the proposed transaction, and the Applicant will not be dominant with respect to any domestic service.

#### **63.04(a)(9): Other Pending Commission Applications Concerning the Proposed Transaction**

This Application is the only Application currently pending before the Commission in connection with the proposed transaction.

#### **63.04(a)(10): Special Consideration**

None.

#### **63.04(a)(11): Waiver Requests (If Any)**

None.

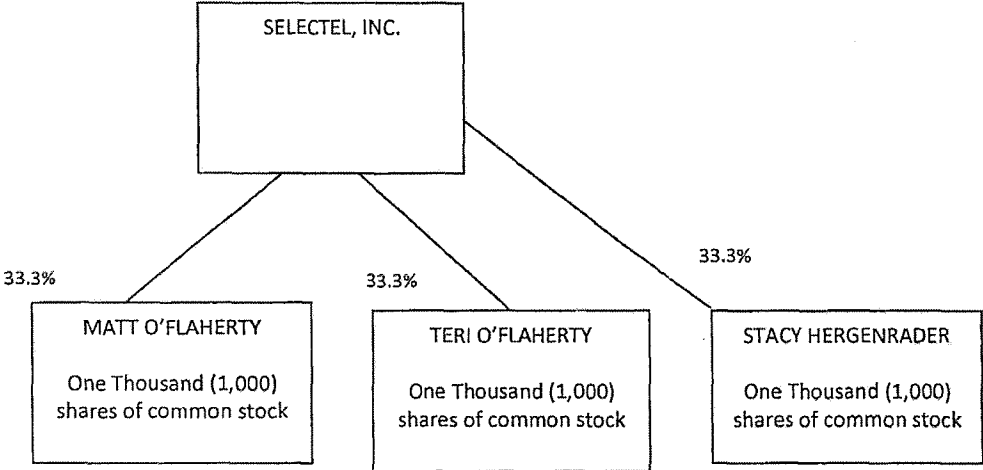
#### **63.04(a)(12): Public Interest Statement**

Section IV of the Application contains the required public interest statement.

**EXHIBIT B**

**SELECTEL, INC.  
CORPORATE STRUCTURE PRE AND POST TRANSACTION**

**PRE TRANSACTION**



**POST TRANSACTION**

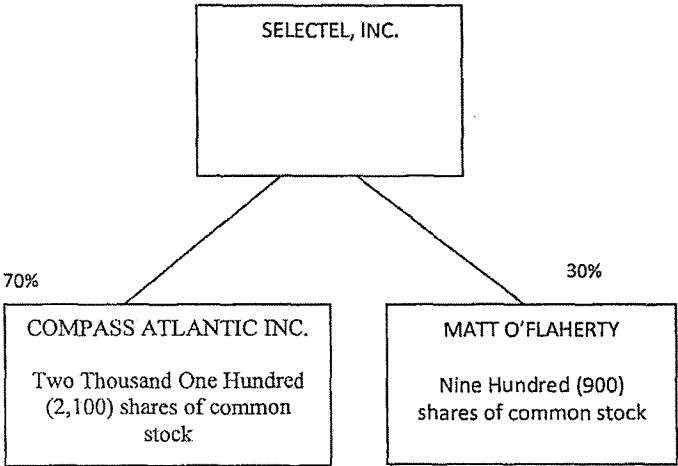
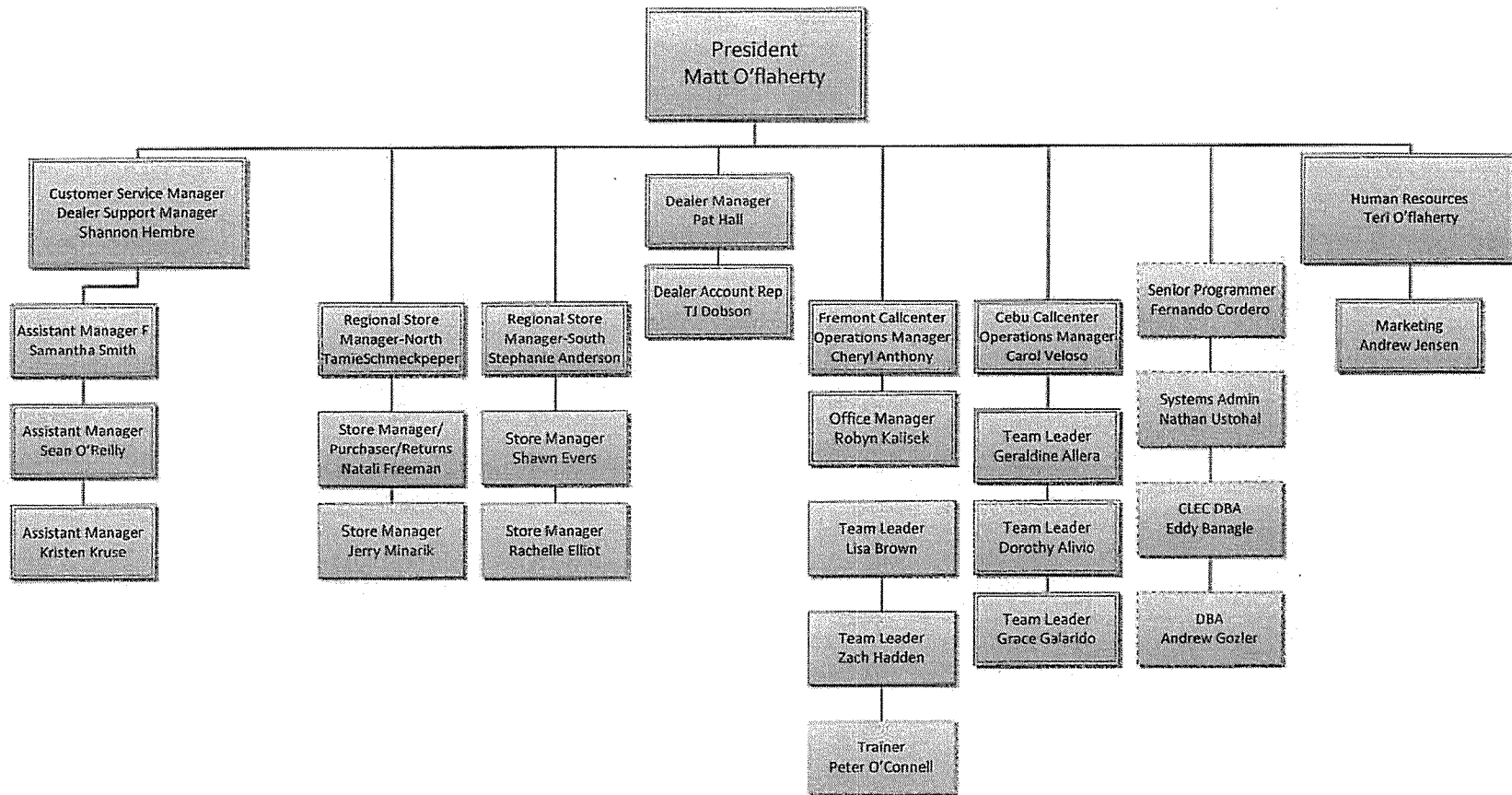


EXHIBIT C

Selectel Inc.

12/10/2014



## EXHIBIT D

**Matthew S O'Flaherty**, President of SelectTel, Inc has over 20 years experience in the telecom industry. Mr. O'Flaherty oversees the corporate direction and strategy for Selecttel's operations. He focuses on leadership, strategy, innovation, and customers.

Mr. O'Flaherty performed similar duties and responsibilities at NorthStar Telecom and Midwest Marketing Group, Inc.

Previous Employment History:

Cordia Communications, October 2007-May 2010, National Sales Marketing Executive

NorthStar Telecom, May 2003-October 2007, Co-owner/Manager-Sales, IT, Regulatory

Midwest Marketing Group, Inc, July 1997-October 2007, Co-owner/Manager

Furst Group, 1993-July 1997, Sales Manager

**Teri L. O'Flaherty**, Treasurer and Director of Human Resources of Selecttel, manages the business finances, accounts receivable/payable and payroll. Ms. O'Flaherty oversees the operation of the wireless product and manages retail stores located in Nebraska. Ms. O'Flaherty performed similar duties and responsibilities at Northstar Telecom and Midwest Marketing Group, Inc.

Previous Employment History:

Cordia Communications, October 2007-May 2010, Office Manager

NorthStar Telecom, May 2003-October 2007, Co-owner/Manager-Finances/Office/Accts

receivable/payable Midwest Marketing Group, Inc July 1997-October 2007, Co-owner/Manager

Furst Group, 1994-July 1997, Sales Manager

**Patrick Hall** brings more than 17 years of experience in business development, client relations and consultative sales approach to his role as a National Dealer Accounts Manager. He brings vitality, professionalism and warmth, and a mindset of service and advocacy to his work with Selecttel Dealers and Selecttel staff.

Patrick's primary focus is to build a National Dealer program promoting awareness about Selecttel Wireless products and services among prospective clients, and develop and maintain relationships with current and future clients. As an advocate of the company's vision, Mr. Hall strives to provide a premium cellular product with outstanding customer service and support.

Prior to joining Selecttel Wireless, Patrick spent five years with Dataflo Consulting building the medical re-seller program from inception to well over a million dollars in annual revenue. During his tenure at Dataflo, he was awarded the President's award for four straight years.