Joint Application for Consent to Transfer Control of International and Blanket Domestic Section 214 Authority

> Grasshopper Group, LLC, Transferor Citrix Systems, Inc., Transferee

#### <u>ATTACHMENT 1</u> (Streamlined Processing Requested)

Grasshopper Group, LLC ("Grasshopper" or "Transferor") and Citrix Systems, Inc. ("Citrix" or "Transferee") (collectively, the "Applicants"), pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"), and Sections 63.03, 63.04, 63.12, and 63.24 of the Federal Communications Commission's ("Commission") rules,<sup>1</sup> hereby request Commission consent to transfer control of the international section 214 and blanket domestic authorizations held by Grasshopper (FRN No. 0019077973) to Citrix (FRN No. 0022241905). Under Section 63.04(b) of the Commission's rules, the Applicants are filing a combined domestic and international application for consent to transfer control to Citrix the blanket domestic and international section 214 authorizations held by Grasshopper.

The Applicants seek to consummate the transaction as soon as practicable, provided that Commission consent has been granted. Accordingly, the Applicants respectfully request streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission's Rules.<sup>2</sup>

### I. <u>APPLICANTS</u>

#### A. Grasshopper

Grasshopper is a limited liability company organized under the laws of the Commonwealth of Massachusetts. Grasshopper's headquarters is located at 197 1<sup>st</sup> Avenue, Suite 200, Needham, Massachusetts 02494. Grasshopper offers integrated phone service solutions, voicemail processing, and other enhanced services to business end-users. Grasshopper is registered to provide interstate telecommunications services (FCC Filer ID No. 827977) and was granted international Section 214 authority in FCC File No. ITC-214-20090916-00417. Grasshopper is authorized to provide competitive resold interexchange long distance telecommunications services pursuant to registration, public service commission order, or on a deregulated basis in the States of Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Utah, Virginia, and Washington.

<sup>&</sup>lt;sup>1</sup> 47 C.F.R. §§ 63.03, 63.04, 63.12, and 63.24.

<sup>&</sup>lt;sup>2</sup> 47 C.F.R. §§ 63.03 and 63.12.

#### **B.** Citrix

Citrix is a publicly-traded Delaware corporation with its principal business address at 851 West Cypress Road, Fort Lauderdale, Florida 33309. Citrix is leading the transition to softwaredefining the workplace, uniting virtualization, mobility management, networking and SaaS solutions to enable new ways for businesses and people to work better. Citrix solutions power business mobility through secure, mobile workspaces that provide people with instant access to apps, desktops, data and communications on any device, over any network and cloud. With annual revenue in 2014 of \$3.14 billion, Citrix solutions are in use at more than 330,000 organizations and by over 100 million users globally. Citrix has two wholly-owned direct subsidiaries offering telecommunications services, Citrix Communications LLC ("Citrix Communications") and Citrix Online Audio LLC ("Citrix Online Audio"), and one wholly-owned indirect subsidiary, Citrix Communications Virginia LLC.

Citrix Communications is a Delaware limited liability company, with its principal business address at 10 Exchange Place, Suite 1710, Jersey City, NJ 07302. Citrix Communications holds blanket domestic Section 214 authority and international Section 214 authority granted in FCC file no. ITC-214-20130118-00015 to provide facilities-based service and resale service in accordance with sections 63.18(e)(1) and 63.18(e)(2) of the Commission's rules.<sup>3</sup> Citrix Communications also is a competitive local exchange and interexchange carrier authorized to provide intrastate local, intrastate interexchange, and switched access services in the states of California, Florida, Georgia, Illinois, Maryland, Massachusetts, New York, and Texas. Citrix Communications Virginia LLC, a Virginia limited liability company, is a wholly-owned subsidiary of Citrix Communications and is the certificated entity authorized to provide facilities-based and resold local exchange, interexchange, and access telecommunications services throughout the Commonwealth of Virginia. Citrix Communications Virginia's principal business address is 10 Exchange Place, Suite 1710, Jersey City, NJ 07302.

Citrix Online Audio is a Delaware limited liability company with its principal business address at 7414 Hollister Avenue, Goleta, California 93117. Citrix Online Audio's principal business is providing audio conferencing services throughout the United States.

#### II. <u>DESCRIPTION OF THE TRANSACTION</u>

On March 30, 2015 Citrix and Grasshopper entered into a Membership Interest Purchase Agreement (the "Agreement") wherein, subject to certain closing conditions, Citrix has agreed to acquire all of the membership units of the Transferor (the "Proposed Transaction"). Following the closing, Grasshopper will become a wholly-owned subsidiary of Citrix. Citrix plans to retain most of Grasshopper's current management responsible for the day-to-day operations of the business. Grasshopper will continue to provide service to its existing customers under its blanket Section 214 and international Section 214 Authorization.

<sup>&</sup>lt;sup>3</sup> 47 C.F.R. §§ 63.18(e)(1) and 63.18(e)(2).

#### III. <u>PUBLIC INTEREST STATEMENT</u>

Applicants submit that the Proposed Transaction described herein serves the public interest. The Proposed Transaction promotes competition among telecommunications carriers by providing Grasshopper with the opportunity to strengthen its competitive position through the additional experience, perspectives, and resources of Citrix in order to accelerate the growth of the business. The Proposed Transaction will help create a stronger competitor by bringing together each organization's respective strengths. Applicants anticipate that the Proposed Transaction will enable them to deliver greater value and variety of services to their customers.

Following the Proposed Transaction Citrix plans to retain most of Grasshopper's current management responsible for the day-to-day operations of the business. The Proposed Transaction is transparent to customers and will not result in the discontinuance, reduction, loss, or impairment of service to customers. Rather, as noted, it will enable the Applicants to make available a greater variety of high-quality, innovative services to their customers.

The public interest will also be served by expeditious consideration and approval of this Joint Application. In particular, the Proposed Transaction is aimed at strengthening the competitive position of the companies by enabling them to offer expanded product and service portfolios to customers. Prompt action on the Joint Application will ensure the public realizes these benefits as quickly as possible.

#### IV. SECTION 63.18 INFORMATION (INTERNATIONAL TRANSFER)

Information addressing the requirements in Section 63.18 of the Commission's rules<sup>4</sup> is set forth below:

(a) The name, address and telephone number of the transferor and transferee are:

#### Transferor

Grasshopper Group, LLC 197 1st Avenue Suite 200 Needham, Massachusetts 02494 Tel: 800-820-8210 x724 Fax: 866-466-1618

#### **Transferee**

Citrix Systems, Inc. 851 West Cypress Creek Road Fort Lauderdale, FL 33309 Tel: 954-267-3000 Fax: 954-267-3100

<sup>&</sup>lt;sup>4</sup> 47 C.F.R. § 63.18.

(b) Transferor is a limited liability company organized under the laws of the Commonwealth of Massachusetts. Transferee is a Delaware corporation.

#### Answer to Question 10 – Sections 63.18(c)-(d)

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

#### **Transferor Holder:**

Dominic Schiavone Chief Operating Officer Grasshopper Group, LLC 197 1st Avenue Suite 200 Needham, Massachusetts 02494 Tel: 800-820-8210 x724 Email: <u>dschiavone@grasshopper.com</u>

With a copy to:

Michael P. Donahue Marashlian & Donahue, LLC 1420 Spring Hill Road, Suite 401 McLean, Virginia 22102 Tel: 703-714-1319 Fax: 703-563-6222 Email: mpd@commlawgroup.com

#### Transferee:

Peter McElligott Senior Counsel Citrix Systems, Inc. 851 West Cypress Creek Road Fort Lauderdale, FL 33309 Tel: 805-690-3470 Fax: 866-466-1618 Email: peter.mcelligott@citrix.com

Brita D. Strandberg Harris, Wiltshire & Grannis LLP 1919 M Street N.W., 8th Floor Washington, D.C. 20036-3537 Tel: 202-730-1346 Fax: 202-730-1301 Email: bstrandberg@hwglaw.com

(d) Grasshopper holds blanket domestic Section 214 authority and holds international Section 214 authority granted in File No. ITC-214-20090916-00417 to provide resale service in accordance with section 63.18(e)(2) of the Commission's rules. Citrix's affiliate, Citrix Communications, LLC, holds blanket domestic Section 214 authority and holds international Section 214 authority granted in File No. ITC-214-20130118-00015 to provide facilities-based service and resale service in accordance with sections 63.18(e)(1) and 63.18(e)(2) of the Commission's rules.

#### Answer to Question 11 – Section 63.18(h)

(h) The following are the names, addresses, citizenship, and principal businesses of any person or entity that directly or indirectly owns at least ten percent of the equity of the Applicants.

#### Pre-Transaction Ownership of Transferor, Grasshopper

The following entities/individuals currently (i.e., pre-transaction) directly or indirectly own or control 10% or more of Grasshopper:

Name: DH Ventures, LLC Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 33.33% of Grasshopper Group LLC

Name: Hauser Family Trust Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 16.5% of DH Ventures, LLC

Name: DH 2015 GRAT Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage Ownership: 73.5% of DH Ventures, LLC

Name: David Hauser 2014 Irrevocable Trust Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 10% of DH Ventures, LLC

The sole Manager of DH Ventures, LLC is David Hauser, a U.S. Citizen, 7225 Bermuda Road Suite E, Las Vegas, NV 89119.

Name: Sia Ventures, LLC Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 33.33% of Grasshopper Group, LLC

Name: ST Family Trust I Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 16.50% of Sia Ventures, LLC

Name: ST 2015 GRAT Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 73.5% of Sia Ventures, LLC

Name: Siamak Taghaddos 2014 Irrevocable Trust Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 10% of Sia Ventures, LLC

The sole Manager of Sia Ventures, LLC is Siamak Taghaddos, a U.S. Citizen, 7225 Bermuda Road Suite E, Las Vegas, NV 89119.

Name: Sialiana Family Holdings, LLC Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 33.33% of Grasshopper Group, LLC

Name: LT Family Trust I Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 11.5% of Sialiana Family Holdings, LLC

Name: LT 2015 GRAT Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 12.5% of Sialiana Family Holdings, LLC

Name: HT Descendants Trust I Name: LT Family Trust I Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 11.5% of Sialiana Family Holdings, LLC

Name: MHT 2015 GRAT Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 12.5% of Sialiana Family Holdings, LLC

Name: MH Taghaddos 2014 Irrevocable Trust Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 20% of Sialiana Family Holdings, LLC

Name: MH Taghaddos 2014 Annuity Trust Address: 7225 Bermuda Road Suite E City, State, Zip: Las Vegas, NV 89119 Citizenship: USA Principal Business: Investment Percentage of Ownership: 32% of Sialiana Family Holdings, LLC

The sole Manager of Sialiana Family Holdings, LLC is Mohammad Hossein Taghaddos, a U.S. Citizen, 7225 Bermuda Road Suite E, Las Vegas, NV 89119

No other person or entity currently (i.e., pre-transaction) holds a 10% or greater interest in Grasshopper.

#### Post-Transaction Ownership of Grasshopper by Transferee, Citrix

Upon completion of the Proposed Transaction, the following entities/individuals will own or control 10% or more Grasshopper:

Name: Citrix Systems, Inc. ("Citrix") Address: 851 West Cypress Creek Road City, State, Zip: Fort Lauderdale, FL 33309 Citizenship: USA Principal Business: Operating Company Percentage of Ownership: 100%

Citrix is a publicly-traded company. As of February 15, 2015 Citrix had 159,825,741 shares of Common Stock outstanding. Citrix's common shares trade on the NASDAQ under the symbol CTXS and are widely held. Based on a review of Schedule 13G filed with the Securities and Exchange Commission, there is no owner of more than 10% of

the outstanding shares of Citrix.

For the Commission's convenience, ownership chart depicting Citrix's ownership structure before and after the transaction are attached hereto as Exhibit A.

#### Answer to Question 12

Applicants certify that they do not have any interlocking directorates with a foreign carrier.

## <u>Answer to Question 13 – Means by which the proposed transfer of control will take</u> place

See Section II above.

#### Answer to Question 14 – Section 63.18(i)

(i) Transferee certifies that it is not a foreign carrier and is not affiliated with any foreign carrier.

#### Answer to Question 15 – Section 63.18(j)

(j) Transferee certifies that it does not seek to provide international telecommunications services to any destination country where: (i) Transferee is a foreign carrier; (ii) Transferee controls a foreign carrier; (iii) any entity that owns more than 25 percent of Transferee, or that controls Transferee, controls a foreign carrier in that country; or (iv) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of Transferee 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.

#### Sections 63.18(k)-(o)

- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.

(n) Transferee 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 will not enter into any such agreements in the future.

(o) 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.

## **Question 20 - Request for Streamlined Treatment**

(p) The Applicants seek streamlined processing of this request for consent to transfer control of Grasshopper's international Section 214 authorization pursuant to 47 C.F.R. § 63.12 because (1) the Applicants are not affiliated with any foreign carrier in any destination market;
(2) the Applicants are not affiliated with any dominant U.S. carriers whose international switched or private line services the Applicants seek authority to resell; and (3) the Applicants do not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines.

## V. <u>SECTION 63.04 INFORMATION (DOMESTIC TRANSFER)</u>

Information addressing the requirements in Section 63.04(a) of the Commission's rules<sup>5</sup> is set forth below.

(a)(1) See Section IV.(a) above for the Applicants' names, addresses and telephone numbers.

(a)(2) See Section IV.(b) above for the Applicants' places of organization or incorporation.

(a)(3) Contact information for the Applicants and Grasshopper is provided above in Section IV.(c) above.

(a)(4) See Section IV.(h) above for information regarding the ownership information of the Applicants.

(a)(5) As evidenced by the signatures to this Application, 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.

(a)(6) A complete description of the Proposed Transaction is provided above in Section II.

(a)(7) Transferor, Grasshopper provides integrated phone service solutions, voicemail processing and other enhanced services to business end-users in all 50 states and the District of Columbia.

Transferee, Citrix is leading the transition to software-defining the workplace, uniting virtualization, mobility management, networking and SaaS solutions to

<sup>&</sup>lt;sup>5</sup> 47 C.F.R. § 63.04.

enable new ways for businesses and people to work better. Citrix solutions power business mobility through secure, mobile workspaces that provide people with instant access to apps, desktops, data and communications on any device, over any network and cloud. With annual revenue in 2014 of \$3.14 billion, Citrix solutions are in use at more than 330,000 organizations and by over 100 million users globally. Citrix has two wholly-owned direct subsidiaries offering telecommunications services, Citrix Communications LLC ("Citrix Communications") and Citrix Online Audio LLC ("Citrix Online Audio"), and one wholly-owned indirect subsidiary, Citrix Communications Virginia LLC.

Citrix Communications is a Delaware limited liability company, with its principal business address at 10 Exchange Place, Suite 1710, Jersey City, NJ 07302. Citrix Communications holds blanket domestic Section 214 authority and international Section 214 authority granted in FCC file No. ITC-214-20130118-00015 to provide facilities-based service and resale service in accordance with sections 63.18(e)(1) and 63.18(e)(2) of the Commission's rules. Citrix Communications also is a competitive local exchange and interexchange carrier authorized to provide intrastate local, intrastate interexchange, and switched access services in the states of California, Florida, Georgia, Illinois, Maryland, Massachusetts, New York, and Texas. Citrix Communications virginia LLC, a Virginia limited liability company, is a wholly-owned subsidiary of Citrix Communications and is the certificated entity authorized to provide facilities-based and resold local exchange, interexchange, and access telecommunications services throughout the Commonwealth of Virginia. Citrix Communications Virginia's principal business office is 10 Exchange Place, Suite 1710, Jersey City, NJ 07302.

Citrix Online Audio is a Delaware limited liability company with its principal place of business at 7414 Hollister Avenue, Goleta, California 93117. Citrix Online Audio provides audio conferencing services throughout the United States.

(a)(8) This Application is eligible for streamlined treatment under Section 63.03(b)(2)(i) because (1) both before and after completion of the proposed transaction, Transferee and its Affiliates will have a market share in the interstate, interexchange market of substantially less than 10%; (2) Transferee will acquire direct control of Grasshopper's facilities and operations that provide interexchange services exclusively in geographic areas served by dominant local exchange carriers that are not parties to the transaction; and (3) neither of the Applicants or their affiliates is dominant with respect to any service.

(a)(9) Concurrent with the filing of this Application, Applicants have filed an application for approval of the transfer of control of Grasshopper's international Section 214 authorization to Citrix.

(a)(10) Not applicable.

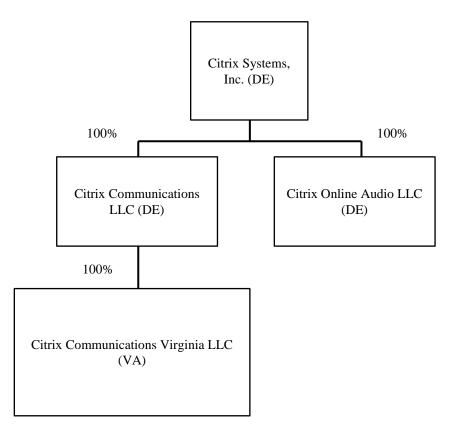
(a)(11) The Applicants have not requested any waivers in connection with this Application.

(a)(12) A description of the public interest benefits of the Proposed Transaction are set forth above in Section III.

## Attachment A

## **Pre-Consummation Ownership Structure of Citrix**

(Non-telecommunications-related-regulated Citrix entities omitted)



# **Post-Consummation Ownership Structure of Grasshopper, by Citrix** (Non-telecommunications-related-regulated Citrix entities omitted)

