# ATTACHMENT 1 INTERNATIONAL AND DOMESTIC SECTION 214 TRANSFER OF CONTROL APPLICATION

Pursuant to Section 214 of the Communications Act of 1934, as amended,<sup>1</sup> and Sections 63.04 and 63.24 of the Federal Communications Commission's ("Commission" or "FCC") rules,<sup>2</sup> 89Degree Networks, LLC ("89Degree Networks") requests Commission consent to the transfer of control of domestic and international Section 214 authority held by 89Degree Networks. On December 31, 2015, Robert Crinks, who formerly held a minority interest in 89Degree Networks, obtained a controlling interest in the company from his spouse.

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

The name, title, address, and telephone number for 89Degree Networks:

Robert Crinks
President
89Degree Networks, LLC
14900 Conference Center Drive
Suite 280A
Chantilly, VA 20151
Tel. 703, 055, 7770

Tel: 703-955-7770 Fax: 888-248-4032

Correspondence regarding this application should be addressed to the following counsel for 89Degree Networks:

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# Place of Formation:

89Degree Networks is a Virginia limited liability company.

47 C.F.R. §§ 63.04 and 63.24.

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<sup>47</sup> U.S.C. § 214.

#### International Section 214 Authority:

89Degree Networks holds the international Section 214 authorization that is the subject of this transfer of control application, File No. ITC-214-20120514-00127 (authorization to provide resale service in accordance with section 63.18(e)(2) of the Commission's rules).

#### **Answer to Question 11:**

The following individuals and entity own a ten percent or greater equity and voting interest in 89Degree Networks:

Robert A. Crinks 11801 Foxclove Road Reston, VA 20191

Citizenship: United States

Principal Business: President of 89Degree Networks Ownership: 55% direct interest in 89Degree Networks

Valley Technologies Trust ("VTT") 12353 Sunrise Valley Dr. Reston, VA 20191

Citizenship: Wyoming

Principal Business: Telecommunications Consulting Ownership: 45% direct interest in 89Degree Networks

Mohamed Elagazy 1620 Admirals Hill Ct. Vienna, VA 22181 Citizenship: United States

Principal Business: Sole trustee and beneficiary of VTT

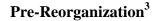
Ownership: 100% direct interest in VTT; 45% indirect interest in 89Degree Networks.

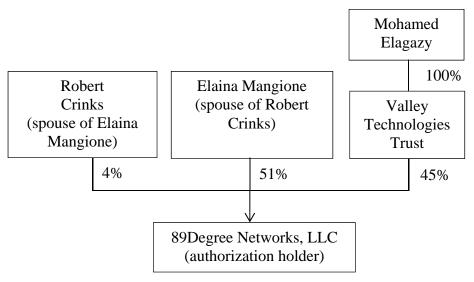
No other entities or individuals own a ten percent or greater direct or indirect interest in 89Degree Networks.

#### **Answer to Question 13:**

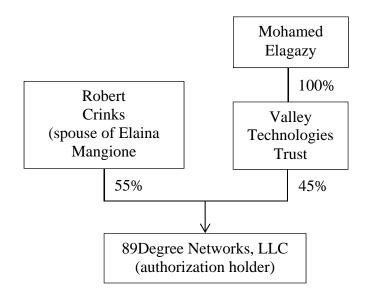
This filing seeks Commission consent to the transfer of control of the international Section 214 authorization held by 89Degree Networks. On December 31, 2015, Robert Crinks, who previously held a 4 percent interest in 89Degree Networks, acquired a 51 percent interest in the company from his spouse, Elaina Mangione, to bring his total ownership interest to 55 percent.

The below charts provide the pre- and post-transaction structure of 89Degree Networks.





**Post-Reorganization** 



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<sup>89</sup>Degree Networks notes that when the company notified the FCC of the *pro forma* transfer of its international Section 214 authorization in 2014, Elaina Mangione held a 51% interest, Robert Crinks held a 24% interest, John Sherrard held a 10% interest and Wesley Kaplow held a 15% interest. *See* File No. ITC-T/C-20140731-00230. Subsequently, VTT acquired a 45% interest in 89Degree Networks. Because this change was a change in minority ownership that did not result in a change of control, 89Degree Networks did not notify the FCC of this change. *See* 47 C.F.R. § 63.24.

Grant of the instant application serves the public interest and will cause no offsetting public interest harms. Therefore, the Commission should approve the transfer of control. Ms. Mangione transferred her shares in 89Degree Networks to her husband in order to focus her energies on her consulting business, rather than on 89Degree Networks. Ms. Mangione no longer has a management role in the company. Mr. Crinks has been the President of 89Degree Networks since it was founded in 2012, and will continue to run the business in addition to holding a majority of the outstanding shares of the company.

To the extent necessary, 89Degree Networks respectfully requests a waiver of Section 63.24(e) of the Commission's rules, which requires prior FCC approval for a transfer of control.<sup>4</sup> Prior approval for the instant transaction was not sought because neither Ms. Mangione nor Mr. Crinks understood that control had been transferred by virtue of their being married and Mr. Crinks continuing to exercise control in his capacity as President of the company.<sup>5</sup> 89Degree Networks regrets any misunderstanding, and submits that grant of a waiver is in the public interest because it is necessary to ensure the accuracy of the Commission's records.

# **Answer to Question 20:**

This application qualifies for streamlined processing pursuant to Section 63.12(c) of the Commission's rules.<sup>6</sup> 89Degree Networks is not a foreign carrier and is not affiliated with any foreign carriers.

<sup>&</sup>lt;sup>4</sup> 47 C.F.R. § 63.24(e).

Compare 47 C.F.R. § 63.24(d), note 2 (identifying as a type of transaction that is "presumptively pro forma" a "[c]orporate reorganization that involves no substantial change in the beneficial ownership of the corporation …"), with 47 C.F.R. § 1.2110(c)(5)(iii)(A) ("Both spouses are deemed to own or control or have the power to control interests owned or controlled by either of them").

<sup>&</sup>lt;sup>6</sup> 47 C.F.R. § 63.12.

# INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO DOMESTIC 214 AUTHORIZATIONS

In support of the request for transfer of control of 89Degree Networks' domestic blanket Section 214 authority, the following information is submitted pursuant to Section 63.04 of the Commission's rules. <sup>7</sup> Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 transfer of control application should submit as an attachment to the international Section 214 application responses to the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

# **RESPONSES TO SECTION 63.04(a)(6)-(12)**

## **Section 63.04(a)(6):**

See Answer to Question 13.

#### Section 63.04(a)(7):

89Degree Networks provides a T1 circuit in Tulsa, Oklahoma. 89Degree Networks does not have any affiliates that provide domestic telecommunications.

# **Section 63.04(a)(8):**

This application for transfer of control of domestic Section 214 authority presumptively qualifies for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction: (1) 89Degree Networks will hold less than a ten percent share of the interstate, interexchange market; (2) to the extent that 89Degree Networks provides U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to this transaction; and (3) 89Degree Networks is not dominant with respect to any U.S. domestic service. 47 C.F.R. § 63.03(b)(2)(i).

#### Section 63.04(a)(9):

Applicants are filing an application to transfer control of 89Degree Networks' international Section 214 authorization, File No. ITC-214-20120514-00127.

#### **Section 63.04(a)(10):**

89Degree Networks is not requesting special consideration because it is not facing imminent business failure.

<sup>&</sup>lt;sup>7</sup> 47 C.F.R. § 63.04.

## Section 63.04 (a)(11):

To the extent necessary, 89Degree Networks seeks a waiver of Section 63.03 of the Commission's rules, which requires prior FCC approval for a transfer of control. Prior approval for the instant transaction was not sought because neither Ms. Mangione nor Mr. Crinks understood that control had been transferred by virtue of their being married and Mr. Crinks continuing to exercise control in his capacity as President of the company.

# Section 63.04 (a)(12):

See Answer to Question 13.

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<sup>&</sup>lt;sup>8</sup> 47 C.F.R. § 63.03. 89Degree Networks has also sought waiver of Section 63.24(e) of the Commission's rules, 47 C.F.R. § 63.24(e).

Compare 47 C.F.R. § 63.24(d), note 2 (identifying as a type of transaction that is "presumptively pro forma" a "[c]orporate reorganization that involves no substantial change in the beneficial ownership of the corporation ..."), with 47 C.F.R. § 1.2110(c)(5)(iii)(A) ("Both spouses are deemed to own or control or have the power to control interests owned or controlled by either of them").