

OuterLink Corporation

Application for Transfer of Control

Narrative Exhibit - FCC Form 312, Schedule A and Response to Question 42

Description of Prior Restructuring and Waiver Request

Description of Transaction

The OuterLink Corporation (“OuterLink”) holds an FCC license to operate a network of mobile satellite earth stations in the domestic Mobile Satellite Service (“MSS”). OuterLink’s authorization permits it to operate up to 20,000 mobile earth terminals (“METs”), on a noninterference basis, to provide MSS in the United States via the satellites AMSC-1, at 101° W.L. (U.S.-licensed), SkyTerra 1 at 101.3° W.L., and MSAT-1 at 106.5° W.L. in portions of the L-band spectrum.¹ OuterLink’s MSS operations consist primarily of vehicular asset tracking services for trucks and aircraft.

OuterLink is a wholly owned subsidiary of Newcomb Communications, Inc. (“Newcomb”). S & H Communications, LLC (“S & H”), a Louisiana limited liability company, seeks to purchase 100% of the equity of Newcomb. This application seeks approval for the transfer of control of OuterLink from Newcomb to S & H.

Question 42 - Satellite Points of Communication

MSAT-1 and SkyTerra 1 are Canadian-licensed satellites and are not on the Commission’s Permitted Space Station List. The information normally required under Section 25.137, 47 C.F.R. § 25.137, and in response to Question 42 for foreign-licensed satellites, however, has already been provided to, and approved by, the Commission in prior applications regarding the provision of mobile satellite service from these satellites under this call sign. To the extent necessary, OuterLink incorporates that information by reference.²

Exhibit E - Ownership Information

Entities that hold ten percent or more of the interests in S & H are: Thomas M. Stanberry, an individual (55%), and Stephen Robert Herbel (40%), an individual. Both are U.S. citizens. The contact information for Stanberry is:

Thomas M. Stanberry
1214 Hawn Avenue
Shreveport, LA 71107

The contact information for Herbel is:

¹ Specifically the 1530-1559 MHz and 1638-1642 MHz bands.

² See e.g. Call Sign E980203, File No. SES-MOD-20110610.

Stephen Robert Herbel
2620 Kelliwood Circle
Shreveport, LA 71106

Exhibit F - Public Interest Showing

The proposed transaction will benefit the public interest by providing a new source of funding to OuterLink in order to expand its service offerings. OuterLink's satellite-based asset tracking services support public safety, emergency response, and other critically-important services. OuterLink's technology has been used to monitor and protect important public safety equipment, such as U.S. border patrol aircraft, ambulance helicopters, and utility trucks involved in emergency power restoration. Commission approval to transfer control of OuterLink will therefore promote the public interest by enabling OuterLink to make its services available to additional commercial and government customers in the United States.

Description of Prior Restructuring and Waiver Request

During the due diligence process in connection with the instant transaction, it was determined that corporate restructuring undertaken between 2007 and the present may have resulted in ownership changes producing an inadvertent transfer of control for which authorization was not sought from the Commission. OuterLink explains the nature of the restructuring below and, to the extent necessary, seeks waiver of the Commission's transfer of control rules. As detailed below, the inadvertent transfer did not place any new individual or entity in control of OuterLink, but instead eliminated the *de facto* control held by one entity over OuterLink, resulting in a situation in which no single party or entity controlled OuterLink.

As background, in 2007, OuterLink sought and received Commission approval for a *de facto* transfer of control of OuterLink's parent company, Newcomb Communications, Inc., from Paul Newcomb (Chairman of the Board of Newcomb) to MB Growth Partner's II, LP ("MB Growth"). As explained in the narrative filed with that application, the 2007 transaction did not change the then existing ownership structure of OuterLink, it merely elevated MB Growth from a shareholder in Newcomb to the *de facto* controlling party by empowering MB Growth to appoint three of the five members of the Board of Directors of Newcomb. Upon consummation of the 2007 transfer of control, the OuterLink ownership structure was as illustrated in Ownership Chart A, which was included as part of OuterLink's 2007 transfer application.

In 2008, MB Growth was split into two entities, MB Growth and a new entity, Eastern Growth Capital I, LP ("Eastern Growth I"). Eastern Growth I was managed by NGC Management LLC ("NGC"), which was owned 100% by Frank Pinto. As indicated in the attached charts, Pinto was a pre-existing significant shareholder in OuterLink. As a result of the split, MB Growth was reduced from *de facto* control back to having a minority position—controlling only one board seat—albeit retaining some supermajority rights.

In 2011, a new entity, Eastern Growth Capital II LP ("Eastern Growth II")—also managed by NGC—acquired a minority stake of 5.53% in Newcomb. Control of Newcomb

remained distributed among multiple parties and no one party held either *de jure* or *de facto* control of the company.

In 2013, MB Growth's interests in Newcomb were cancelled or otherwise redeemed by Newcomb through the payment of its outstanding convertible promissory note and a reverse stock split. This resulted in MB Growth ceasing to hold any interest in Newcomb or, indirectly, in OuterLink. The ownership structure at this point is illustrated by Chart B, which provides the current structure immediately prior to the proposed transfer. Control of Newcomb remained distributed among multiple parties and no one party held either *de jure* or *de facto* control of the company.

As a result of the restructuring described above, OuterLink requests a waiver of Section 25.119(d) of the Commission's rules, which otherwise require the filing of a transfer of control application prior to the actual transfer of control.³ The Commission may waive its rules for good cause shown.⁴ The Commission also may waive its rules where strict application would serve no purpose and would be contrary to the public interest, or where the "applicant has no reasonable alternative."⁵ Each of these standards is satisfied here.

The late filing in this instance resulted from an inadvertent administrative oversight as opposed to any effort to conceal the introduction of new parties in ultimate control of OuterLink. These shifts in ownership involved only persons who already owned interests in OuterLink and did not place any new entity in control of OuterLink. OuterLink has promptly disclosed its findings to the Commission and has thereby ensured that the Commission has accurate and current information on which to evaluate the proposed transaction. The proposed transaction will serve the public interest by providing a new source of funding to OuterLink in order to expand its public safety service offerings to U.S. government and emergency response clients. Accordingly, grant of this application and waiver request is warranted and will serve the public interest, convenience and necessity.

³ 47 CFR § 25.119.

⁴ See 47 CFR § 1.3.

⁵ See 47 CFR § 1.925(b)(3).