



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

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DA 14-928
June 26, 2014

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF
CERTAIN ASSETS OF MEGAGATE BROADBAND, INC.
BY CELLULAR SOUTH, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 14-95

Comments Due: July 10, 2014

Reply Comments Due: July 17, 2014

On June 19, 2014, MegaGate Broadband, Inc. (MegaGate) and Cellular South, Inc. (CSI) (together, Applicants) filed an application, pursuant to section 63.03 of the Commission's rules,¹ to transfer certain assets from MegaGate to CSI.

MegaGate, a Mississippi corporation, is authorized by the Mississippi Public Service Commission to provide telecommunications service as a competitive local exchange carrier (competitive LEC) in the state of Mississippi. MegaGate also provides hosted VoIP communications services, hosted PBX, data, security, email and collaboration services.

CSI, a Mississippi corporation, provides a variety of services under the name "C Spire"² in Mississippi and in portions of Tennessee, Alabama and Florida. CSI is wholly owned by Telapex, Inc., a privately held company also organized under the laws of Mississippi. CSI, through its radio license holding subsidiary Cellular South Licenses, LLC, provides wireless service in areas in which MegaGate provides competitive LEC services. CSI also sells hosted IP telephony services in the same area. Telapex, Inc. controls two incumbent LECs in the state of Mississippi: Franklin Telephone Company, Inc. (Franklin) and Delta Telephone Company, Inc. (Delta). Applicants state that MegaGate does not provide competitive LEC service to any customers in the local exchange areas of Franklin or Delta. The following U.S. entity and individual hold a ten percent or greater attributable interest in Telapex, Inc.: Telapex, Inc. Employee Stock Ownership Plan (Telapex ESOP) (13.7972 percent); and James H. Creekmore, Sr. (11.9827 percent).

¹ 47 C.F.R. § 63.03; see 47 U.S.C. § 214. Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² The radio licenses utilized to provide C Spire wireless services are held by CSI's wholly owned subsidiary, Cellular South Licenses, LLC.

The Telapex ESOP is a defined contribution plan whose sole trustee is Trustmark National Bank Trust, a national bank organized under the laws of the United States. The plan is organized to benefit employees of Telapex, Inc. and its subsidiaries. Telapex ESOP has numerous beneficiaries, but has no ten percent or greater interest holders.³

MegaGate and CSI have entered into an Asset Purchase Agreement whereby CSI will acquire assets and licenses held by MegaGate. Applicants state that following the closing of the proposed transaction, CSI intends to continue most services currently provided by MegaGate; and CSI will operate as a provider of resold interstate interexchange services in the markets currently served. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(ii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁴

Domestic Section 214 Application Filed for the Assignment of Assets of MegaGate Broadband, Inc. to Cellular South, Inc., WC Docket No. 14-95 (filed June. 26, 2014).

GENERAL INFORMATION

The transfer of assets identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before July 10, 2014**, and reply comments **on or before July 17, 2014**. Pursuant to section 63.52 of the Commission's rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): <http://fjallfoss.fcc.gov/ecfs2/>.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;

³ Other stockholders of Telapex, Inc. own interests of less than 10% each, although there are familial relationships among the stockholders. The following U.S. stockholders are identified because of those familial relationships: Wade H. Creekmore, Jr. (6.2096%), Betsy S. Creekmore (5.2406%), Meredith W. Creekmore (5.7217%), Ashley C. Meena (7.9250%), Victor H. (Hu) Meena, The President, Chief Executive Officer and controlling individual of CSI (0.4751%), Elizabeth C. Byrd (8.400%), Sidney C. Crews (7.9250%), Holt J. Crews (0.475%), Dolly C. Goings (8.4705%), Wesley Goings (0.2547%), James H. Creekmore (9.8118%), Elizabeth Creekmore (0.0236%), Victor M. Meena (0.0103%). In addition, 11 minor children of various shareholders listed above are the beneficiaries, through trusts, of stock interests totaling approximately 1.8424%.

⁴ 47 C.F.R. § 63.03(b)(2)(ii).

- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s ex parte rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s ex parte rules.

For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

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