



PUBLIC NOTICE

Federal Communications Commission
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DA 18-579

June 4, 2018

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL
OF MITEL CLOUD SERVICES, INC. TO
MLN TOPCO LTD.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 18-162

Comments Due: June 18, 2018

Reply Comments Due: June 25, 2018

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Mitel Networks Corporation (Mitel), Mitel Cloud Services, Inc. (MCSI), and MLN TopCo Ltd. (TopCo) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent to transfer indirect control of MCSI to TopCo.¹

Mitel, a Canadian corporation, is a global provider of communications services for business customers. Mitel wholly owns MCSI, a Texas corporation, that resells domestic local, intrastate, and interstate telecommunications services throughout the United States.

TopCo, a Cayman Islands entity, does not provide telecommunications services but was formed for the purposes of the proposed transaction. TopCo is a wholly owned subsidiary of Searchlight II MLN, L.P. (Master Aggregator LP), a Cayman Islands entity, that serves as an aggregator of an investor group led by funds affiliated with Searchlight Capital Partners, L.P. (Searchlight), a private equity investment group. Applicants state that, following the consummation of the proposed transaction, the following Cayman Islands entities will hold a 10 percent or greater interest in Master Aggregator LP and, thus, will hold an equity and/or voting interest in MCSI: Searchlight Capital II, L.P. (100 percent indirect voting; 24.49 percent indirect equity of MCSI); Searchlight Capital II PV, L.P. (100 percent indirect voting; 15.87 percent indirect equity of MCSI); Searchlight II MLN (CD), L.P. (Aggregator LP) (100 percent indirect equity in MCSI as a 53 percent limited partner of Master Aggregator LP); Searchlight Capital II PV MLN AIV, L.P. (26 percent indirect equity in MCSI as a 26 percent limited partner of Aggregator LP); and Searchlight Capital II MLN Co-invest Partners, L.P. (100 percent indirect equity interest in MCSI as a 74

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed applications for the transfer of authorizations associated with international services. Any action on the domestic section 214 applications is without prejudice to Commission action on other related, pending applications.

percent limited partner of Aggregator LP). Applicants state that the general partner of Master Aggregator LP is Searchlight Capital Partners II GP, L.P., also a Cayman Islands entity, which, in turn, is controlled by Searchlight Capital Partners II GP, LLC (Searchlight GP, LLC), a Delaware limited liability company.² Applicants further state that the following entities will have a 10 percent or greater indirect equity interest in TopCo by virtue of their limited partnership interests in the Searchlight entities: PSP Investments, a Canadian public pension plan (26 percent indirect interest in MCSI); Canadian Pension Plan Investment Board, a Canadian public pension plan (50 percent indirect interest in MCSI), and British Columbia Investment Management Corporation, a Canadian public pension plan (36 percent indirect interest in MCSI). TopCo is not affiliated with any domestic telecommunications providers.

Pursuant to the terms of the proposed transaction, MLN AcquisitionCo ULC (MLN), a Canadian entity formed for this transaction, will acquire all of the shares of Mitel in an all-cash transaction, including Mitel's net debt. Mitel and MLN will subsequently amalgamate under Canadian law to form a new combined entity, Mitel Networks ULC (New Mitel), a British Columbia entity. The shares in Mitel's U.S. subsidiaries will be transferred from New Mitel to MLN US HoldCo LLC (US HoldCo), a Delaware limited liability company, through a series of steps. As a result, MCSI will become a wholly owned indirect subsidiary of TopCo through a number of intermediate holding companies.

Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.³

Domestic Section 214 Application Filed for the Transfer of Control of
Mitel Cloud Services, Inc. to MLN Topco Ltd., WC Docket No. 18-162
(filed May. 17, 2018).

GENERAL INFORMATION

The transfer of control 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 June 18, 2018**, and reply comments **on or before June 25, 2018**. Pursuant to section 63.52 of the Commission's rules, 47 CFR § 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 using the Commission's Electronic Comment Filing System (ECFS): <http://apps.fcc.gov/ecfs/>.

² Applicants provide, as Exhibit A to their application, charts depicting the pre- and post-consummation ownership structure of the proposed transaction. Applicants state that Eric Zinterhofer, a U.S. citizen, Erol Uzumeri, a Canadian citizen, and Oliver Haarmann, a German citizen, each hold a 33 percent indirect interest in MCSI as a result of their 33 percent membership interest in Searchlight GP, LLC.

³ 47 CFR § 63.03(b)(2)(i).

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

- 1) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 3) David Krech, International Bureau; david.krech@fcc.gov;
- 4) Sumita Mukhoty, International Bureau; sumita.mukhoty@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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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 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

For further information, please contact Myrva Charles at (202) 418-1506 or Gregory Kwan at (202) 418-1191.

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