

## **Attachment 1**

### **To the International and Domestic Section 214 Transfer of Control Application of Appia Communications, Inc.**

#### **ANSWER TO QUESTION 10**

Appia Communications, Inc. (“Appia”), including its subsidiary, BroadRiver Communication Corporation (“BroadRiver” and together with Appia, the “Transferors”), and CallTower, Inc. (“CallTower” or “Transferee,” and, collectively with the Transferors, “Applicants”) provide the following information as required by paragraphs (c) and (d) of Section 63.18 of the Commission’s Rules. The Applicants are filing contemporaneously a separate application to transfer control of the international and domestic 214 authorizations held by BroadRiver to CallTower.

#### **Section 63.18(c) Information for the Applicants**

Correspondence concerning this application is to be addressed to:

Walt Saprionov  
Saprionov & Associates, P.C.  
1200 Abernathy Road, Suite 1700  
Atlanta, GA 30328  
Tel: (770) 399-9100  
(FCC Counsel for the Applicants)

CallTower, Inc.  
1701 S. River Parkway, Suite 450  
South Jordan, Utah 84095  
Attention: Bret England  
Telephone: 801-934-3736

Appia Communications, Inc. (including its subsidiary BroadRiver Communication Corporation)  
1030 Hasting Street, Suite 100  
Traverse City, MI 49686  
Attention: Kathy Rohder  
Telephone: 248.309.6196

With copies to

John Salmanowitz,  
Scott & Salmanowitz LLP  
50 Fremont St.  
San Francisco, CA 94105  
(Counsel for CallTower)

Cynthia A. Anderson  
Stephen & Anderson, PLC  
812 S. Garfield Ave. Suite 3  
Traverse City, MI 49686  
(Counsel for the Transferors)

**Section 63.18(d) Information for the Applicants**

**A. Appia**

Appia is a privately held Michigan corporation that holds blanket authority to provide domestic interstate telecommunications service and an authorization to provide resold international telecommunications services on a global basis pursuant to Section 214 of the Act and the Commission's rules. See File No. ITC-214-20110506-00124. Appia is a communications and networking services provider that, directly through its various operating divisions or subsidiaries and indirectly through wholesalers, provides local and long-distance voice services in the State of Michigan, as well as Voice over Internet Protocol ("VOIP"), video, computing, networking, cloud, and related services to approximately 3,000 business customers in more than thirty states from data centers in Ashburn, Virginia; Atlanta, Georgia; Chicago, Illinois; Dallas, Texas; and St. Louis, Missouri. It also provides dedicated colocation and hosting services at a data center that it leases and operates in St. Louis, Missouri.

As of the effective date of the transfer of control, Appia will own 100% of the outstanding stock of BroadRiver. BroadRiver is a Delaware corporation that holds blanket authority to provide domestic interstate telecommunications service and a separate authorization to provide facilities-based and resold international telecommunications services pursuant to Section 214 of the Act and the Commission's rules. See File No. ITC-214-20000504-00275. BroadRiver offers local and long distance services in the States of Georgia and Alabama, and provides network infrastructure services

focusing on VOIP, data, cloud, and other managed infrastructure solutions for enterprise, wholesale and carrier customers (located primarily in Georgia) from its data center in Atlanta.

**B. CallTower, Inc.**

CallTower is a privately held Delaware corporation. It does not hold any licenses or authorizations issued by the Commission. CallTower's principal business is providing hosted unified communications services. It provides those services to customers in all states other than Alaska. CallTower has no foreign ownership, is not a foreign carrier, and is not affiliated with a foreign carrier in any market.

**ANSWER TO QUESTION 11**

Post-closing, the following individual will hold a ten percent (10%) or greater interest in CallTower and indirectly in Appia. No other person or entity will hold a ten percent (10%) or more ownership interest in either CallTower or Appia post-closing.

Kenneth Olivier  
9810 East Madera Dr.  
Scottsdale, AZ 85262  
Citizenship: U.S.  
Retired Business Executive  
Direct owner of 68% of the shares of CallTower, and thus indirect owner of 68% of Appia

**ANSWER TO QUESTION 13**

Appia and CallTower have entered into a Stock Purchase Agreement dated December 6, 2017, pursuant to which CallTower will purchase 100% of the outstanding stock of Appia (the "Transaction"). This will result in CallTower holding a direct controlling interest in Appia and an indirect controlling interest in BroadRiver.

The Transaction will be transparent to Appia's and BroadRiver's customers. Appia and BroadRiver will continue to provide telecommunications services to their customers where they

currently offer such services, all pursuant to their respective, existing blanket domestic and international Section 214 authorizations.

### ***PUBLIC INTEREST STATEMENT***

Transfer of control of Appia to CallTower will further the public interest, convenience, and necessity, and will not cause any public interest harms. Therefore, the Commission should approve the Transaction expeditiously.

Appia is a well-established unified communications and networking service provider that currently provides voice, video, networking and related services to approximately 3,000 customers, focusing largely on small and midsize companies and organizations. Appia has an extensive domestic network managed by highly qualified employees who are skilled in marketing and providing VOIP and other services.

The Transaction will serve the public interest by adding CallTower's financial, technical, and managerial resources to those already available to Appia. CallTower will provide the financial resources and stability needed for Appia to become more competitive in the emerging unified communications marketplace. It will also provide invaluable management and strategic business skills not presently available to Appia. These resources will strengthen Appia's ability to provide high-quality unified communications services throughout the United States.

The increased resources that will be available to Appia as a result of this Transaction will permit it to roll out innovative and cost effective unified communications services more quickly to existing and new customers. As a result of the Transaction, Appia will be able to provide a more complete and robust variety of services to its customers. In addition, the increased size and depth of expertise of the combined companies will provide the resources needed to reduce the time to introduce new service offerings through Appia and BroadRiver. Furthermore, the solid financial platform provided by CallTower will enhance Appia's ability to expand these service offerings to additional areas of the United States.

Appia is and will remain committed to providing new, advanced services to all of its customers wherever technologically feasible and economically reasonable. CallTower will assist Appia in anticipating technology changes, building facilities for an evolving marketplace, and avoiding unproductive investment.

There are no identifiable adverse consequences of the Transaction. Appia has a miniscule market share in all its markets, so the Transaction will not remove a significant market participant.

As an added benefit, the proposed Transaction will be transparent to, and thus will have no adverse impact on, Appia's existing customers. A significant portion of Appia's management team will remain in place after the closing, and will continue its day-to-day operations. Appia customers will continue to receive their existing services at the same rates, terms, and conditions currently in effect. Moreover, Appia's customer support efforts will be enhanced by the addition of CallTower's management team and staff, including its state of the art IP-based call center capabilities.

## **ANSWER TO QUESTION 20**

The Applicants request streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission's rules, 47 C.F.R. §§ 63.03 and 63.12. This Application qualifies for streamlined processing pursuant to Section 63.03(b)(2) (47 C.F.R. § 63.03(b)(2)) because: (1) post-close, Applicants will have a market share of less than five percent (5%) in the interstate, interexchange, telecommunications market; (2) Applicants will provide competitive services exclusively in areas served by a dominant local carrier not a party to this Transaction; and (3) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service. This Application qualifies for streamlined processing pursuant to Section 63.12 (a) - (c) (47 C.F.R. § 63.12 (a) - (c)) because the Transferee is not a foreign carrier and, post-closing will not have any affiliation with any foreign carrier or any dominant U.S. carrier. The parties will not consummate the Transaction until the necessary Commission approvals have been obtained.

**ADDITIONAL INFORMATION REQUIRED BY SECTION 63.24(e), 47 C.F.R. § 63.24(e)**

Prior to submitting this application, Appia discovered and voluntarily self-reported to the Enforcement Bureau certain possible violations of the Communications Act involving the Transferors' universal service fund (USF) payment obligations. These USF payment issues were promptly cured and the Commission's USF administrator, the Universal Service Administrative Company (USAC), has confirmed in writing that both Appia and BroadRiver are now in good standing with respect to their USF obligations. The Transferors are not listed in the Commission's "Red Light" status database. Further, if so required by the Enforcement Bureau, Transferee hereby agrees that the provisions of any consent decree or other enforcement action taken by the Commission with respect to Appia, BroadRiver, or both shall be binding on both the Transferors and on Transferee and that grant of the Section 214 application will not affect the responsibility of either the Transferors or the Transferee (as their successor in interest) with respect to any such decree or other action.

Neither of the Transferors is facing imminent business failure.

The Applicants do not seek any waivers of the Commission's rules at this time.