

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Application of)
)
Stratus Networks, Inc.)
 Transferor,) WC Docket No. 21- ____
)
and)
Saturn Acquisition Company, Inc.)
 Transferee)
)
For Consent to Transfer Control)
Pursuant to Section 214 of the)
Communications Act of 1934, as amended.)

**APPLICATION FOR TRANSFER OF CONTROL OF
HOLDER OF DOMESTIC 214 AUTHORIZATION**

Stratus Networks, Inc. (“Stratus” or “Transferor”) and Saturn Acquisition Company, Inc. (“Transferee,” and with Transferor, the “Applicants”) hereby request Commission to consent to the transfer of control of Stratus to Transferee. Applicants submit that prompt grant of this Application will serve the public interest.

I. Background

Stratus is an Illinois corporation with its business headquarters at 4700 North Prospect Lane, Peoria Heights, IL 61616. Currently, Stratus is owned by John Petrakis and Kevin Morgan. Stratus Networks offers competitive long distance, VoIP, private line, data and/or Internet services in approximately 35 states.

As set forth in greater detail in Section IV, Transferee is a corporation formed under the laws of Delaware. Transferee is a wholly owned indirect subsidiary of Saturn Networks Holdings, Inc., which will be controlled by Novacap Saturn Holdings, L.P., a limited partnership formed under the laws of the State of Delaware (“Novacap Saturn”), while the current owners of

Transferor will take a minority, non-controlling interest in Transferee. Novacap Saturn is, as discussed below, ultimately controlled by certain principals of Novacap Management Inc. (“Novacap”). Novacap is a leading North American-based private equity group founded in 1981 and has extensive experience purchasing, owning and operating diverse businesses, including its current ownership interest in, and control of, Horizon Telecom, Inc. and its wholly-owned subsidiaries, Horizon Technology, Inc. and The Chillicothe Telephone Company.

II. Description of the Transaction

Pursuant to the Purchase Agreement by and among Transferor, certain of its affiliates, the current owners of Transferor, and Transferee, dated as of October 14, 2021 (the “Agreement”), the Applicants propose to transfer control of the domestic Section 214 authorization held by the Transferor through a transaction by which Transferee will acquire 100% of the outstanding shares and membership interests in Transferor (the “Transaction”). Transferor will become a direct, wholly-owned subsidiary of Transferee. Novacap Saturn and ultimately Novacap will control 58.4% of the equity of Transferee post-closing, while certain current owners of Transferor will take a 41.6% interest in Transferee. Pre- and Post-Transaction structure charts are provided as **Exhibit A** for the Commission’s convenience.

After the proposed Transaction, the Transferor will continue to operate in the same service territories, and will in the immediate future continue to provide services to its customers under the same rates and on the same terms and conditions following the Transaction as it currently does today. There are no plans in place to transfer any of the Transferor’s customers to a new carrier or to change any customer service or billing contact information as a result of the Transaction. Accordingly, the proposed Transaction will be transparent to consumers.

IV. Transfer of Control of Domestic Section 214 Authorizations

Pursuant to Section 63.04(a) of the Commission's Rules, Applicants submit information required pursuant to Sections 63.04(a)(1) through 63.04(a)(12) of the Commission's Rules:

63.04(a)(1) Name, address and telephone number of each applicant:

Transferor:

Stratus Networks, Inc.
4700 North Prospect Lane
Peoria Heights, IL 61616
Phone: (309) 688-3340

Transferee:

Saturn Acquisition Company, Inc.
3400, rue de l'Éclipse, Bur. 700
Brossard, Québec, J4Z 0P3, Canada
Phone: (450) 651-5000

63.04(a)(2) Government, state or territory under the laws of which each corporate or partnership applicant is organized

Transferor Stratus Networks, Inc. is a corporation organized under the laws of the state of Illinois.

Transferee Saturn Acquisition Company, Inc. is a corporation organized under the laws of the State of Delaware.

63.04(a)(3) Name, title, post office address, and telephone number of the officer or contact point to whom correspondence concerning the application is to be addressed:

For Transferor:

Kevin Morgan
Stratus Networks, Inc.
4700 North Prospect Lane
Peoria Heights, IL 61616
regulatory@stratusnet.com

With copies to:

Danielle Burt
Thomas J. Garrity, III
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, DC 20004-2541
Tel: 202-739-3000
Fax: 202-739-3001
danielle.burt@morganlewis.com
thomas.garrity@morganlewis.com

For Transferee:

Thadeus J. Mocarski
Josiane Turcotte
Saturn Acquisition Company, Inc.
3400, rue de l'Éclipse, Bur. 700
Brossard, Québec, J4Z 0P3, Canada
Phone: (450) 651-5000
Fax: (450) 651-7585

With copies to:

Sherrese M. Smith
John Gasparini
Paul Hastings LLP
2050 M Street, N.W.
Washington, DC 20036
Phone: (202) 551-1700
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sherresesmith@paulhastings.com
johngasparini@paulhastings.com

63.04(a)(4) Name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten percent of the equity of the applicant entities.

Transferor:

The current ten percent (10%) or greater owners of Stratus, each of which can be contacted at: c/o Stratus Networks, Inc., 4700 North Prospect Lane, Peoria Heights, IL 61616, are:

Name	Voting Interests	Equity Interests	Citizenship or Place of Formation	Principal Business
John Petrakis	30%	30%	U.S.	Individual
Kevin Morgan	30%	30%	U.S.	Individual
John D. Petrakis Dynasty Trust ¹	20%	20%	Wyoming	Trust
Kevin Morgan Generational Trust ²	20%	20%	Wyoming	Trust

Transferee:

The following entities currently hold, directly or indirectly, a ten percent (10%) or greater equity interest in Transferee:

1. Saturn Acquisition Company, Inc.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
Saturn Network Holdings 2, Inc. ³	100%	100%	Delaware	Investment

¹ The trustees of John D. Petrakis Dynasty Trust are: Gretchen Petrakis, Andy Paulson, and Bank of Jackson Hole. The individuals are U.S. citizens, and the Bank of Jackson Hole is formed in the U.S. Each of the trustees can be contacted at: c/o Stratus Networks, Inc., 4700 North Prospect Lane, Peoria Heights, IL 61616.

² The trustees of Kevin Morgan Generational Trust are: Ashley Morgan, John Petrakis and the Bank of Jackson Hole. The individuals are U.S. citizens, and the Bank of Jackson Hole is formed in the U.S. Each of the trustees can be contacted at: c/o Stratus Networks, Inc., 4700 North Prospect Lane, Peoria Heights, IL 61616

³ The address for Saturn Acquisition Company, Inc.; Saturn Network Holdings 2, Inc.; and Saturn Network Holdings, Inc. is: 3400, rue de l'Éclipse, Bur. 700, Brossard, Québec, J4Z 0P3, Canada.

2. Saturn Network Holdings 2, Inc.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
Saturn Network Holdings, Inc.	100%	100%	Delaware	Investment

3. Saturn Network Holdings, Inc.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
John D. Petrakis Dynasty Trust	20.8%	20.8%	Wyoming	Trust
Kevin Morgan Generational Trust	20.8%	20.8%	Wyoming	Trust
Novacap Saturn Holdings, L.P. ⁴	58.4%	58.4%	Delaware	Investment

4. Novacap Saturn Holdings, L.P.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
Novacap TMT V, L.P. ⁵	32.4%	22.8%	Québec	Investment
Novacap International TMT V, L.P.	23.5%	16.5%	Québec	Investment
PVM Co-Investments I, L.P. ⁶	0% ⁷	17.4%	Delaware	Investment
Other shareholders, each of whom holds less than a 10% interest	2.6%	1.8%	--	--

⁴ The address of all Novacap entities is 3400, rue de l'Éclipse, Bur. 700, Brossard, Québec, J4Z 0P3, Canada.

⁵ Due to the FCC's multiplier rules, the full amount of Novacap Saturn Holdings, L.P.'s equity and voting interest is technically attributable to this entity. For the sake of clarity in conveying ownership and control, however, the table herein reflects Novacap TMT V, L.P.'s actual interest.

⁶ The address of PVM Co-Investments I, L.P. is 767 Fifth Avenue, 14th Floor, New York, NY 10153.

⁷ PVM Co-Investments I, L.P. is participating in the transaction as a passive co-investor. Its voting interests will ultimately be controlled by Novacap. This is the reason for the disparity in the Novacap entities' equity and voting interests. No person or entity will, through PVM Co-Investments I, L.P., hold an indirect 10% or greater interest in Transferee post-closing.

5. Novacap TMT V, L.P.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
Novacap Management Inc.	32.4%	0%	Québec	Investment
Limited Partners ⁸	0%	22.8%	--	--

6. Novacap International TMT V, L.P.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
Novacap Management Inc.	23.5%	0%	Québec	Investment
Limited Partners ⁹	0%	16.5%	--	--

7. Novacap Management Inc.

Novacap Management Inc. is the general partner of Novacap TMT V, L.P. and Novacap International TMT V, L.P. For purposes of controlling Novacap TMT V, L.P. and Novacap International TMT V L.P.'s interest in Transferee, the Board of Directors of Novacap Management Inc. has delegated to the TMT Investment Committee all decision-making authority in connection with its role as the general partner of both Novacap TMT V, L.P. and Novacap International TMT V, L.P. None of the seven members of the TMT Investment Committee, each of whom has an equal vote in TMT Investment Committee matters, will control an indirect interest in excess of 10% in Transferee. No person or entity who holds equity in Novacap Management Inc. will hold an indirect interest of more than 10% in Transferee. The corporate parent of Novacap Management Inc., which holds 100% of the voting interests in Novacap Management Inc., is Novacap Fund Management Inc.

⁸ The limited partners of Novacap TMT V, L.P. are passive investors, none of which holds an indirect interest in more than 10% of the equity of Transferee.

⁹ The limited partners of Novacap International TMT V, L.P. are passive investors, none of which holds an indirect interest in more than 10% of the equity of Transferee.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation/ Citizenship	Principal Business / Position
Novacap Fund Management Inc.	58.4%	0%	Québec	Investment

8. Novacap Fund Management Inc.

Novacap Fund Management Inc. holds 100% of the voting interests in Novacap Management Inc., the general partner of Novacap TMT V, L.P. and Novacap International TMT V, L.P. No person or entity holds, through Novacap Fund Management Inc., an indirect interest in Transferee in excess of 10%.

63.04(a)(5) Certification pursuant to 47 C.F.R. §§ 1.2001-1.2003 that no party to the application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 583.

Applicants hereby certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to this Application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 583.

63.04(a)(6) Description of the transaction

Please see Section II, above.

63.04(a)(7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area

Transferor:

Stratus offers competitive long distance, VoIP, private line, data and/or Internet services in approximately 35 states. Stratus does not provide facilities-based telecommunications services in the areas of Ohio, West Virginia, Pennsylvania, or Indiana where Transferee affiliates Horizon

Telecom, Inc. (“Horizon”) and The Chillicothe Telephone Company (“CTC”) operate. Stratus also does not provide any telecommunications services in CTC’s ILEC exchanges in Ohio.

Transferee:

Transferee does not offer any domestic telecommunications services.

Transferee is an Affiliate, as defined in Section 3(1) of the Communications Act of 1934¹⁰ (“the Act”), with Horizon. Horizon’s wholly owned subsidiary, CTC, is a rural incumbent local exchange carrier authorized and certificated by the Public Utilities Commission of Ohio to provide local exchange telecommunications services and exchange access within ten local exchanges (the Chillicothe, Massieville, Frankfort, Londonderry, Bainbridge, Kingston, Bourneville, Hallsville, Richmondale and Clarksburg exchanges) that serve portions of the central Ohio counties of Ross, Pike, Pickaway, Jackson, Hocking, and Vinton. CTC provides interstate exchange access and resells domestic interstate long distance toll services within this central Ohio local exchange service area pursuant to a blanket Section 214 authorization from the Commission. It also provides custom calling services, Internet access services and video services to customers within this central Ohio service area.

CTC also has constructed, owns and operates an advanced fiber optic network that offers telecommunications and information services to businesses, institutions and wireless tower sites throughout southern and eastern Ohio and northwestern West Virginia. This fiber network consists of approximately 4,300 route miles, serves portions of 36 Ohio and West Virginia counties, and encompasses areas connecting the cities of Columbus, Cincinnati, Pittsburgh and

¹⁰ 47 U.S.C. §153(2).

Youngstown. CTC also leases some fiber optic facilities from third parties, and uses these facilities to extend its services into nearby areas of Pennsylvania, Michigan and Indiana.

63.04(a)(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in Section 63.03 of the Commission’s Rules or why it is otherwise appropriate for streamlined treatment

This Application satisfies the criteria set forth in Section 63.03(b)(2)(ii) and (iii) for presumptive streamlined processing. Specifically, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(ii) because immediately following the transaction (i) Transferee (and its Affiliates, as defined in the Act) will have a market share in the interstate, interexchange market of less than ten percent (10%). With respect to Section 63.03(b)(2)(ii), Transferor does not provide any facilities-based telecommunications services within the service area of Transferee Affiliates Horizon and CTC, and does not provide any telecommunications services in CTC’s ILEC exchanges in Ohio. Thus, the presumptive streamlining of the instant Application is proper under Section 63.03(b)(2)(ii) of the Commission’s Rules.

With respect to Section 63.03(b)(2)(iii), CTC provides access lines in portions of five (5) counties in central Ohio, which is fewer than two (2) percent of the nation’s subscriber lines installed in the aggregate nationwide, and the transaction will result in no new overlapping or adjacent service areas with another incumbent local exchange carrier.

Accordingly, this Application for the transfer of control of Transferor’s domestic Section 214 authorization should be processed on a streamlined basis.

63.04(a)(9) Identification of all other Commission applications related to the same transaction.

None

63.04(a)(10) Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.

Neither party to the Transaction is facing imminent business failure. Therefore, Applicants are not requesting special consideration for this reason.

63.04(a)(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction.

No separately filed waiver requests are being sought in conjunction with the Transaction.

63.04(a)(12) Statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets

Applicants submit that the proposed Transaction is consistent with the public interest. The proposed ownership structure and investment participation will enable the continued provision of high-quality communications services to the Transferor's customers. Consummation of the proposed Transaction should enhance the ability of the Transferor to innovate and provide advanced network services to its customers, which will in turn advance the telecommunications and information infrastructure of the states in which the Transferor operates and those states' economic health.

Moreover, the Transaction will be conducted in a manner that will be transparent to the Transferor's customers. The Transaction will not result in any immediate change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Following consummation of the Transaction, the Transferor will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms or conditions.

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VERIFICATION OF STRATUS NETWORKS, INC.

I, John Petrakis, state that I am Co-President and CEO of Stratus Networks, Inc. (“Transferor”); that I am authorized to make this Verification on behalf of Transferor; that the foregoing filing was prepared under my direction and supervision; and that the statements made in the foregoing filing with respect to Transferor are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 25 day of October 2021.



John Petrakis, Co-President and CEO
Stratus Networks, Inc.

VERIFICATION OF SATURN ACQUISITION COMPANY, INC.

I, Ted MocarSKI, state that I am President and Chairman of Saturn Acquisition Company, Inc.; that I am authorized to make this Verification on behalf of Transferee; that the foregoing filing was prepared under my direction and supervision; and that the statements made in the foregoing filing with respect to Transferee are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20 day of October 2021.

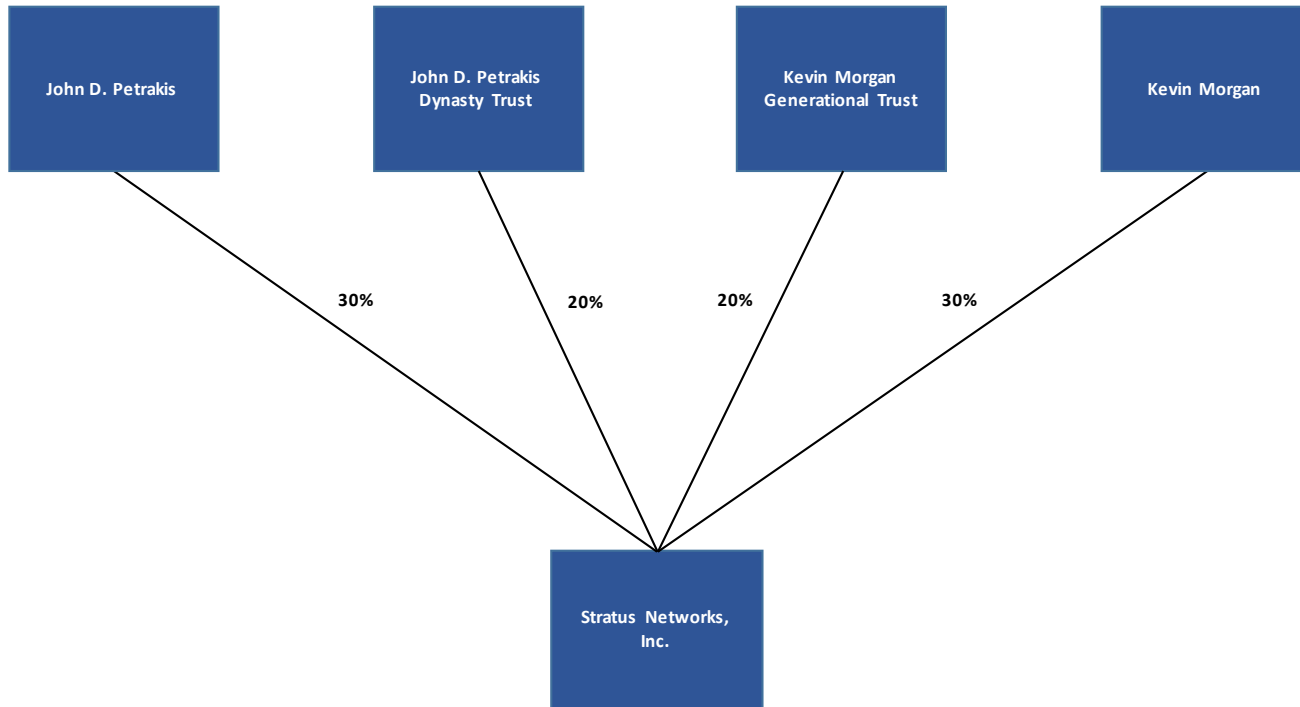


Ted MocarSKI, President and Chairman
Saturn Acquisition Company, Inc.

Exhibit A

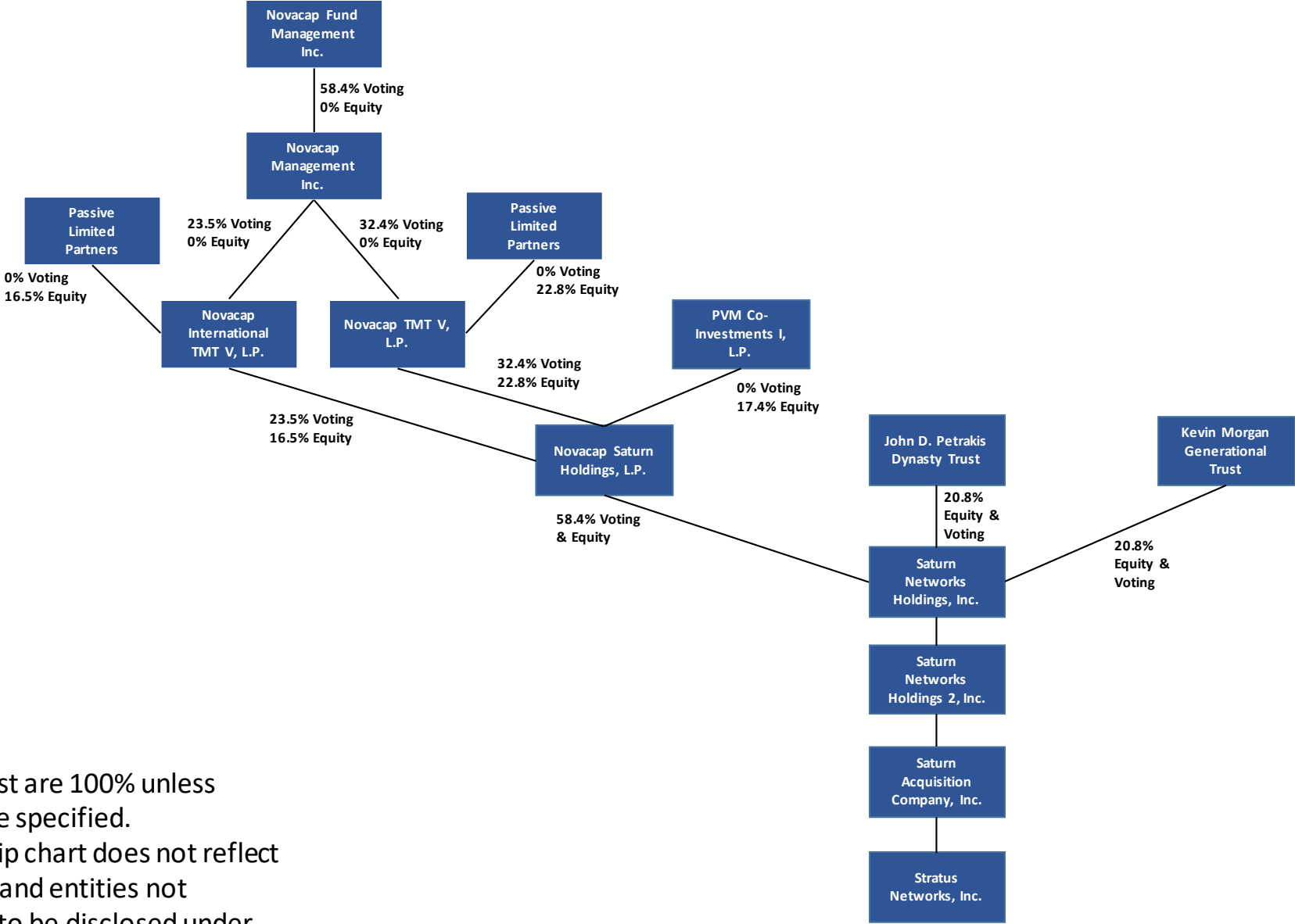
Pre- and Post-Transaction Ownership Charts

Pre-Closing Organizational Chart



All percentages reflect both voting and equity interests.

Post-Closing Organizational Chart



All interest are 100% unless otherwise specified.
 Ownership chart does not reflect interests and entities not required to be disclosed under applicable Commission rules.