

**WC 08-229**

**Remittance ID:1503723 Authorization Number:245634**

**Successful Authorization -- Date Paid: 11/14/08**

**FILE COPY ONLY!!**

FILED/ACCEPTED

NOV 19 2008

**DOCKET FILE COPY ORIGINAL**

READ INSTRUCTIONS CAREFULLY BEFORE PROCEEDING  (1) LOCKBOX #979093	FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE</b> FORM 159 PAGE NO 1 OF 1	Federal Communications Commission Office of the Secretary APPROVED BY OMB 3060-059
		SPECIAL USE
		FCC USE ONLY

**SECTION A - Payer Information**

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) <b>Harris, Wiltshire &amp; Grannis LLP</b>		(3) TOTAL AMOUNT PAID (dollars and cents) <b>\$965.00</b>
(4) STREET ADDRESS LINE NO. 1 <b>1200 Eighteenth Street, NW</b>		
(5) STREET ADDRESS LINE NO. 2		
(6) CITY <b>Washington</b>	(7) STATE <b>DC</b>	(8) ZIP CODE <b>20036</b>
(9) DAYTIME TELEPHONE NUMBER (INCLUDING AREA CODE) <b>202-7301330</b>		(10) COUNTRY CODE (IF NOT IN U.S.A.) <b>US</b>

**FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED**

(11) PAYER (FRN) <b>0004362307</b>	(12) FCC USE ONLY
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**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B  
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)**

(13) APPLICANT NAME <b>Capital Growth Acquisition, Inc.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>500 W Madison ST STE 2060</b>		
(15) STREET ADDRESS LINE NO. 2		
(16) CITY <b>Chicago</b>	(17) STATE <b>IL</b>	(18) ZIP CODE <b>60661-</b>
(19) DAYTIME TELEPHONE NUMBER (INCLUDING AREA CODE) <b>312-568-7005</b>		(20) COUNTRY CODE (IF NOT IN U.S.A.) <b>US</b>

**FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED**

(21) APPLICANT (FRN) <b>0018071134</b>	(22) FCC USE ONLY
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**COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET**

(23A) FCC Call Sign/Other ID	(24A) Payment Type Code(PTC) <b>CUT</b>	(25A) Quantity <b>1</b>
(26A) Fee Due for (PTC) <b>\$965.00</b>	(27A) Total Fee <b>\$965.00</b>	FCC Use Only
(28A) FCC CODE 1	(29A) FCC CODE 2 <b>IB2008002709</b>	
(23B) FCC Call Sign/Other ID	(24B) Payment Type Code(PTC)	(25B) Quantity

(26B) Fee Due for (PTC)	(27B) Total Fee	FCC Use Only
(28B) FCC CODE 1	(29B) FCC CODE 2	

NOV-17-2008 00:13 From:



No 100006

LE: 09:47 PM ST MON 00.  
Government Lockbox SL-MO-C2GL  
1005 Convention Plaza  
St. Louis, MO 63101

Federal Communications Commission Lockbox Delivery Receipt

Time/Date Stamp:

Pl-703-662-2215

'08 NOV 15 PM 4:52:38

Ref# 979091

Last courier

Driver or courier

Muhammad Salahin

Received from:

Official Receiving Package:

1

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

In the Matter of the Joint Application of	)	
	)	
<b>Vanco plc (in administration) and Vanco</b>	)	WC Docket No. 08-_____
<b>Direct USA, LLC, Transferors, and</b>	)	ITC-T/C-2008 _____
<b>Capital Growth Acquisition, Inc., Transferee</b>	)	
	)	
For Grant of Authority Pursuant to	)	
Section 214 of the Communications Act of 1934,	)	
as amended, and Sections 63.04 and 63.24 of the	)	
Commission's Rules to Complete a	)	
Transfer of Control of an Authorized Domestic and	)	
International Section 214 Carrier	)	
	)	

**JOINT APPLICATION**

**I. INTRODUCTION**

Vanco plc (in administration) (FRN 0017794124) ("Vanco plc"), Vanco Direct USA, LLC (FRN 0013207790) ("Vanco USA" or "Licensee" and, together with Vanco plc, "Transferors"), Capital Growth Acquisition, Inc. (FRN 0018071134) ("Capital Growth" or "Transferee" and, together with Transferors, the "Applicants"), pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission's Rules, 47 C.F.R. §§ 63.04, 63.24, respectfully request Federal Communications Commission approval for the transfer of control of Licensee, a non-dominant carrier holding authority from the Commission to provide international telecommunications services and authorized to provide domestic interstate common carrier service pursuant to Section 63.01 of the Commission's Rules, 47 C.F.R. § 63.01. Applicants request streamlined processing pursuant to 47 C.F.R. §§ 63.03(b)(2)(i), 63.12(a)-(b).

Although the proposed transaction will result in a change in the ultimate ownership and control of Licensee, no transfer of certificates, assets or customers will occur as an immediate consequence of the proposed transaction. Licensee will continue to provide service to its existing customers pursuant to its authorizations under the same rates, terms and conditions. Accordingly, this transaction will be virtually transparent to the customers of Licensee.

In support of this Application, Applicants provide the following information:

## **II. DESCRIPTION OF THE APPLICANTS**

### **A. Capital Growth Acquisition, Inc. (Transferee)**

Capital Growth is a Delaware corporation with principal offices located at 500 W. Madison Street, Suite 2060, Chicago, Illinois 60661. Capital Growth was formed to enter into the proposed acquisition and it has no other current business or operations. Capital Growth is not a foreign carrier or affiliated with a foreign carrier. Capital Growth is 100% owned by Capital Growth Systems, Inc., a Florida corporation with principal offices located at 500 W. Madison Street, Suite 2060, Chicago, Illinois 60661. Capital Growth Systems, Inc. is publicly traded. Capital Growth Systems, Inc., doing business through its subsidiary Global Capacity Group, Inc. (FRN 0010294528), delivers telecom logistics solutions to a global client set consisting of systems integrators, telecommunications companies, and enterprise customers.

### **B. Vanco plc and Vanco Direct USA, LLC**

Vanco USA is a Delaware limited liability company with principal offices located at 200 S. Wacker Drive, Suite 1600, Chicago, Illinois 60606. Vanco USA is authorized to provide global facilities-based and resale services pursuant to authority granted in File No. ITC-214-20050331-00136 and ITC-214-19990811-00546. Vanco USA also holds authority to provide communications services in 32 states.

Vanco USA is 100% owned by Vanco plc, a company incorporated under the laws of England and Wales that functions as a holding company, and which is located at Units 1 & 2, Great West Plaza, Riverbank Way, Brentford, Middlesex, TW8 9RE, United Kingdom. Edward Allen Timpany (“Timpany”), a citizen of the United Kingdom, along with various trusts controlled by Timpany, currently holds a majority of the shares of Vanco plc, and no other individual or entity owns ten percent or more of such entity’s shares. Mr. Timpany resides at Hazeley House, Hazeley Heath, Hartley Wintney, Basinstoke, Hampshire, RG27 8LT, United Kingdom. Vanco Group is currently in administration in the United Kingdom. “Administration” is the United Kingdom equivalent of an insolvency proceeding, similar to a bankruptcy filing in the United States.

**III. DESCRIPTION OF THE TRANSACTION**

By this Application, the Applicants request approval for the transfer of control of Vanco USA from Vanco plc to Capital Growth. Vanco plc is in administration in the United Kingdom. Pursuant to an Interest and Loan Purchase Agreement (the “Agreement”), Capital Growth has agreed, subject to applicable closing conditions, to acquire all the limited liability company interests of Vanco USA from Vanco plc and also to acquire all loans to Vanco USA from Vanco plc. Capital Growth will become the new corporate parent of Vanco USA. The post-close ownership of Vanco USA is described in Section IV below and illustrated on the corporate organizational charts attached hereto as Exhibit A.

**IV. PUBLIC INTEREST STATEMENT**

Capital Growth’s acquisition of Vanco USA will serve the public interest by bringing in a strong, publicly traded company to take over an extremely ailing carrier. Vanco USA provides important telecommunications services to many other carriers. Vanco USA is in a similar predicament as its sister companies, Vanco Solutions, Inc. and Vanco US, LLC, for which the FCC

recently granted special temporary authority for a transfer of control to FLAG Telecom Group Services Limited (“FLAG Transaction”).<sup>1</sup> Though not part of the FLAG Transaction, Vanco USA is in the same position – its parent Vanco plc is in administration which, as previously stated, is a type of insolvency proceeding in the United Kingdom (similar to a bankruptcy filing in the United States). Vanco plc is in default of its credit arrangements, cannot draw any further on its bank credit facility, and is in jeopardy of liquidation by its lenders. The Administrator recently sold Vanco’s sister companies to FLAG, and now has found a buyer, Capital Growth, for Vanco USA. With the acquisition of Vanco USA by Capital Growth, Vanco USA will be able to continue to provide high-quality, uninterrupted services to its carrier customers. Vanco USA will solidify its financial condition and be able to continue to serve its customers.

Further, the proposed transaction does not present any anti-competitive issues. The transaction will be conducted in a manner that will be virtually transparent to Vanco USA’s customers. The transfer of control of Vanco USA will not result in a change of carrier for customers or any assignment of authorizations. The markets in which Vanco USA provides service are highly competitive, with numerous facilities-based and non-facilities-based competitors. Following consummation of the proposed transaction, Vanco USA will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms or conditions. Furthermore, the proposed transaction will not have a negative impact on competition. No existing or potential competitors will be eliminated as a result of the proposed transaction. Instead, Vanco USA will be able to continue to provide service to its customers, thereby preventing one competitor from exiting the U.S. market and furthering the Commission’s policies favoring increased competition and greater diversity and quality of services.

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<sup>1</sup> See ITC-STA-20080527-00240, granted May 27, 2008.

V. **INFORMATION REQUIRED BY SECTION 63.24(e)**

Pursuant to Section 63.24(e)(2) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18(a)-(d) and (h)-(p) in support of this Application:

**(a) Name, address and telephone number of each Applicant:**

Parent Transferor:

Vanco plc  
Units 1 & 2  
Great West Plaza  
Riverbank Way  
Brentford, Middlesex  
TW8 9RE  
United Kingdom  
Phone: +44 208 636 1700

Licensee Transferor:

Vanco Direct USA, LLC  
200 S. Wacker Drive, Suite 1600  
Chicago, IL 60606  
Phone: +1 312 660-5000

Transferee:

Capital Growth Acquisition, Inc.  
500 West Madison Street  
Suite 2060  
Chicago, IL 60661  
Phone: +1 312 673 2400  
Fax: +1 312 673 2422

**(b) Jurisdiction of Organizations:**

Parent Transferor: Vanco plc is a company organized under the laws of England and Wales.

Licensee Transferor: Vanco Direct USA, LLC is a Delaware limited liability company.

Transferee: Capital Growth Acquisition, Inc. is a Delaware corporation.

**(c) (Answer to Question 10) Correspondence concerning this Application should be sent to:**

**For Transferee:**

John T. Nakahata  
Jonathan B. Mirsky  
Harris, Wiltshire & Grannis LLP  
1200 Eighteenth Street, NW  
Washington, DC 20036  
Phone: +1 202 730 1300  
Fax: +1 202 730 1301  
jnakahata@harriswiltshire.com  
jmirsky@harriswiltshire.com

**For Transferors:**

Jean L. Kiddoo  
Troy F. Tanner  
Bingham McCutchen LLP  
2020 K Street, NW  
Washington, DC 20006  
Phone: +1 202 373 6000  
Fax: +1 202 373 6001  
Jean.Kiddoo@bingham.com  
Troy.Tanner@bingham.com

(d) **Section 214 Authorizations**

Vanco holds international Section 214 authority to provide global facilities-based and resold services granted by the Commission in FCC File No. ITC-214-20050331-00136 and ITC-214-19990811-00546. In addition, Vanco holds blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

- (h) **(Answer to Questions 11 & 12)** The following entities and persons hold, directly or indirectly, a ten percent or greater interest in Applicants as calculated pursuant to the Commission ownership attribution rules for wireline and international telecommunications carriers:<sup>2</sup>

**Information concerning the ten percent (10%) or greater shareholders of Transferors:**

Vanco Direct USA, LLC is a wholly owned direct subsidiary of Vanco plc. The ownership of Vanco plc is as follows:

The following individual is the only shareholder holding a ten percent (10%) or greater interest in Vanco plc:

Name:	Edward Allen Timpany
Address:	Hazeley House Hazeley Heath Hartley Wintney Basinstoke, Hampshire RG27 8LT, United Kingdom
Ownership:	Timpany and trusts controlled by Timpany own more than 50% of Vanco plc
Citizenship:	United Kingdom
Principal Business:	Investor

Vanco plc does not have any interlocking directorates with a foreign telecommunications carrier.

**Information concerning the ten percent (10%) or greater shareholders of Transferee:**

Capital Growth Acquisition, Inc. is a wholly owned direct subsidiary of Capital Growth Systems, Inc. Capital Growth Acquisition, Inc. was formed for the

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<sup>2</sup> While the Commission's rules for combined domestic and international applications require this information only for the assignee/transferee, *see* 47 C.F.R. §§ 63.04(b), 63.24(e)(2), Applicants are providing ownership information for both parties.

purpose of acquiring Vanco USA and currently has no other business or operations. The ownership of Capital Growth Systems, Inc. is as follows:

The following individual is the only shareholder holding a ten percent (10%) or greater interest in Capital Growth Systems, Inc.:

Name: David J. Lies  
Address: 1701 East Lake Avenue  
Suite 260  
Glenview, Illinois 60025-2089  
Ownership: 12.7%  
Citizenship: United States  
Principal Business: Realtor

Capital Growth Acquisition, Inc. and Capital Growth Systems, Inc. do not have any interlocking directorates with a foreign telecommunications carrier.

For the Commission's convenience, attached as Exhibit A is a chart showing the Pre- and Post-Transaction corporate structure of Vanco Direct USA, LLC.

- (i) (Answer to Question 14) Transferee certifies that it is not a foreign carrier or affiliated with a foreign carrier.
- (j) (Answer to Question 15) Transferee certifies that it does not seek to provide international telecommunications services to any destination country where:
  - (1) Transferee or Licensee is a foreign carrier in that country; or
  - (2) Transferee or Licensee controls a foreign carrier in that country; or
  - (3) Any entity that owns more than 25 percent of Transferee or Licensee, or that controls Transferee or Licensee, controls a foreign carrier in that country; or
  - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of Transferee or Licensee and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) Transferee certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route

where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

- (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.
- (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. § 63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants are or are affiliated with any foreign carriers and Section 63.12(c)(2) is inapplicable because none of the Applicants are affiliated with a dominant U.S. carrier.

## **VI. INFORMATION REQUIRED BY SECTION 63.04**

Pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

- (a)(6) A description of the proposed Transaction is set forth in **Section III** above.
- (a)(7) Vanco USA is authorized to provide telecommunications services in Alabama, Arizona, Arkansas, California, Connecticut, Delaware, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Mississippi, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington, and Wisconsin.

Capital Growth does not itself provide telecommunications services. However, Capital Growth's wholly owned subsidiary Global Capacity Group, Inc., is authorized to provide resold and facilities-based local exchange and interexchange service in Alabama, Arkansas, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington, West Virginia, Wisconsin and Wyoming.

- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, Transferee (and its affiliates) will have a market share in the interstate, interexchange market of less than 10 percent, and the Transferee (and its affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier

that is not a party to the transaction, and none of the Applicants (or their affiliates) are dominant with respect to any service.

(a)(9) By this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). The Applicants are concurrently herewith filing a request for special temporary authority for the Commission's consent to the transfer of control of Vanco USA to Capital Growth.

(a)(10) Prompt completion of the proposed transaction is critical to ensure that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transaction as soon as possible. Vanco plc is in administration (like a U.S. bankruptcy proceeding) and is running out of money, so Licensee is facing imminent business failure.

(a)(11) Not applicable.

(a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV** above.

## **VII. REQUEST FOR ACCEPTANCE OF LATE-FILED NOTICE OF AN INVOLUNTARY TRANSFER OF CONTROL AND OF A PRO FORMA TRANSFER OF CONTROL**

Vanco plc entered administration on May 25, 2008. Simon John Granger and Chad Griffin, each an insolvency practitioner of FTI Consulting Limited, a company incorporated under the laws of England and Wales, were appointed as the Administrator of Vanco plc on the same day. Vanco plc did not recognize that the appointment of an Administrator for Vanco plc constituted an involuntary transfer of control of Vanco USA requiring, pursuant to Section 63.24(g) of the Commission's Rules, 47 C.F.R. § 63.24(g), application to the Commission within 30 days after the event causing the involuntary transfer of control. In addition, in connection with the consummation of the FLAG Transaction, Vanco USA became, on or about May 24, 2008, a wholly owned direct subsidiary of Vanco plc. Vanco USA was previously a wholly

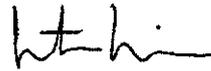
owned indirect subsidiary of Vanco plc. Vanco plc did not recognize that this corporate reorganization constituted a *pro forma* transfer of control of Vanco requiring, pursuant to Section 63.24(f) of the Commission's Rules, 47 C.F.R. § 63.24(f), notice to the Commission within 30 days after the *pro forma* transfer is completed.

Vanco plc and Vanco USA regret the failure to file the required notices on a timely basis and respectfully request that the Commission accept this notice for filing *nunc pro tunc*. Following the completion of the contemplated acquisition, Vanco plc will no longer own Vanco USA. Capital Growth, which proposes to acquire Vanco USA, will comply in all respects with the Commission's rules governing assignments and transfers of control.

**VIII. CONCLUSION**

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application for the transfer of control of Vanco USA from Vanco plc to Capital Growth.

Respectfully submitted,



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John T. Nakahata  
Jonathan B. Mirsky  
Harris, Wiltshire & Grannis LLP  
1200 Eighteenth Street, N.W.  
Washington, DC 20036  
Tel: (202) 730-1300  
Fax: (202) 730-1301

COUNSEL FOR CAPITAL GROWTH  
ACQUISITION, INC.



---

Jean L. Kiddoo, Esq.  
Troy F. Tanner, Esq.  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, DC 20006  
Tel: (202) 323-6000  
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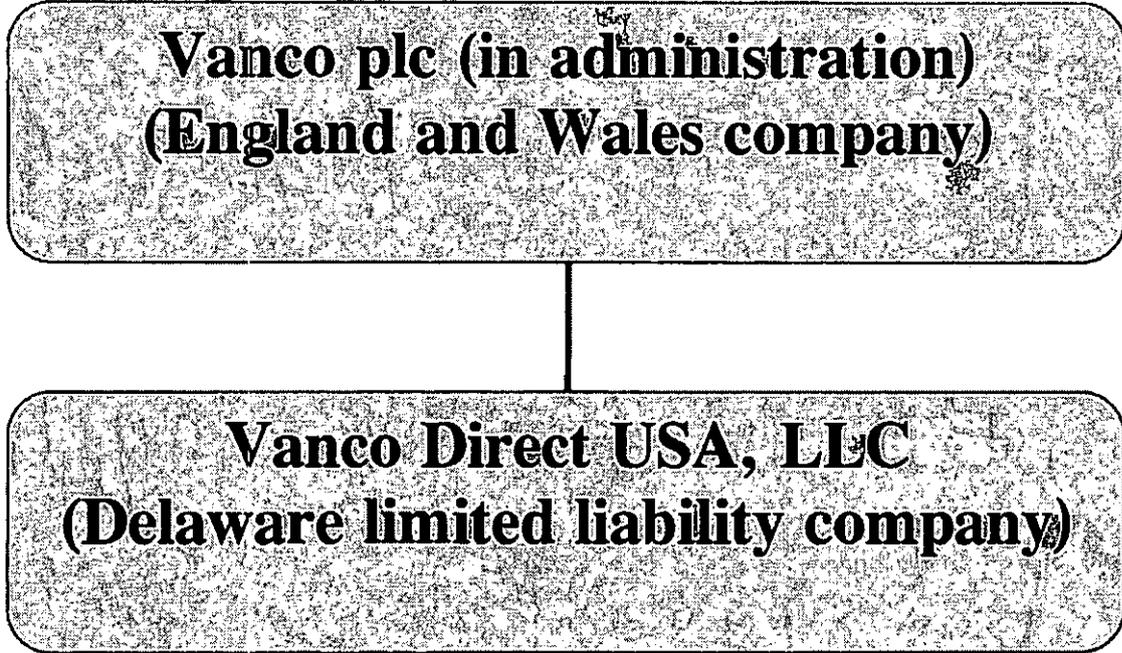
COUNSEL FOR VANCO PLC AND  
VANCO DIRECT USA, LLC

Dated: November 14, 2008

**EXHIBIT A**

**Pre- and Post-Transaction Corporate Structure of Vanco Direct USA, LLC**

**PRE-TRANSACTION OWNERSHIP EXHIBIT**



POST-TRANSACTION OWNERSHIP EXHIBIT

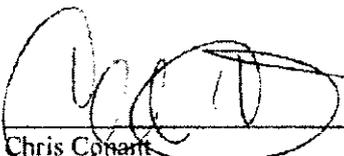
**Capital Growth Systems, Inc.**  
**(Florida corporation)**

**Capital Growth Acquisition, Inc.**  
**(Delaware corporation)**

**Vanco Direct USA, LLC**  
**(Delaware limited liability company)**

## CERTIFICATION

I, Chris Conant, Chief Operating Officer of Vanco Direct USA, LLC, hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of the Transferors in the foregoing application. I further certify that the information in the foregoing application as it pertains to the Transferors is true and accurate to the best of my knowledge, and that the Transferors are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.



Chris Conant  
Chief Operating Officer  
Vanco Direct USA, LLC

Date: November 14, 2008

## CERTIFICATION

I, Dan Kardatzke, Vice President and Assistant Secretary of Capital Growth Acquisition, Inc., hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of Capital Growth Acquisition, Inc., the Transferee in the foregoing application. I further certify that the information in the foregoing application as it pertains to the Transferee is true and accurate to the best of my knowledge, and that the Transferee is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.

A handwritten signature in black ink, appearing to read 'Dan Kardatzke', is written over a horizontal line.

Dan Kardatzke  
Vice President and Assistant Secretary  
Capital Growth Acquisition, Inc.

Date: November 14, 2008