



Agenda Date: 09/12/08
Agenda Item: IVC

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION)
FOR TRANSFER OF CONTROL OF)
4CONNECTIONS, LLC)

ORDER OF APPROVAL

DOCKET NO. TM08070510

(SERVICE LIST ATTACHED)

BY THE BOARD:

On July 22, 2008, 4Connections, LLC ("4Connections") and Cablevision Lightpath - NJ, Inc. ("Lightpath") (together "Petitioners") filed a joint petition with the Board of Public Utilities ("Board") requesting approval of the transfer of control of 4Connections from its present owners to Lightpath, pursuant to N.J.S.A. 48:2-51. Upon consummation of the proposed transaction, 4Connections will continue to operate in New Jersey, and its customers will continue to receive services in New Jersey from 4Connections under the same general terms, rates and conditions as they currently do. Petitioners are also seeking a determination that the Board's mass migration rules contained in N.J.S.A. 14:10-12.1 et seq. do not apply to this transaction.

BACKGROUND

4Connections is a limited liability company organized under the laws of the State of New Jersey, with its principal place of business in Parsippany, New Jersey. 4Connections was authorized by the Board to provide facilities-based local exchange and interexchange telecommunications services in New Jersey pursuant to authority granted by the Board See, I/M/O the Petition of For an Order Authorizing 4Connections, LLC to Provide Local Exchange and Inter-Exchange Telecommunications Services throughout New Jersey, Docket No. TE02010035, dated March 22, 2002. All of the issued and outstanding limited liability company interests of 4Connections (collectively the "Interests") are owned by Gilberto Santaliz, Steve Gelles, James Martini, Fred Rossi, Estate of Joseph Suliga, Clotilde Garcia, John Wohirab, Sage Investors L.P., Brian Waldon, Fred Rossi, Jr., Metropolitan Communications Group Inc., William McNamara, Larry Leonard, Nilsa McNamara, J. Fletcher Creamer & Sons, Inc., Jeffrey Kaufman, Victoria Kaufman, Thomas S. Brown, and Kate Santaliz, (collectively, the "Sellers"). As of July 2008, 4Connections had approximately 40 customers and 11 employees in New Jersey.

DISCUSSION

According to the petition, the Petitioners propose to consummate a transaction (the "Transaction") whereby all of the Interests will be sold by the Sellers to Lightpath. Following completion of the Transaction, Lightpath will be the sole owner of all of the Interests in 4Connections, and 4Connections will be an indirect, wholly owned subsidiary of Cablevision. The control, management and operations of 4Connections will be transferred from the Sellers to Lightpath. Petitioners state that Lightpath is not undertaking any financing activity in order to consummate the Transaction. Lightpath will not issue any stocks, or bonds, notes or other evidence of indebtedness, and none of Lightpath's interests will be encumbered. Furthermore, Petitioners state that upon consummation of the Transaction, 4Connections will continue to operate in New Jersey, and that all customers and operations will continue as currently in place.

Petitioners assert that the proposed Transaction is in the public interest and will result in net benefits to 4Connections' customers because the financial stability of 4Connections will be strengthened when it becomes an indirect wholly owned subsidiary of Cablevision. As a result, 4Connections' ability to offer a broader range of services to its customer will be enhanced. Petitioners also state that they intend to maintain current employees at the current location following the closing of the Transaction, and do not expect to change day-to-day operations.

Petitioners also request a determination that the provisions of N.J.A.C. 14:10-12.1 et seq. (Mass Migration Rules) do not apply to the proposed Transaction, because 4Connections does not propose to depart from New Jersey and does not seek approval to discontinue serving customers. Petitioners do not propose to complete any physical "migration" of customers as envisioned by the Board's regulations. Customers of 4Connections will continue to be served by 4Connections, will continue to receive the same services over the same facilities, and will not be switched or transferred to another carrier as a result of the Transaction. Petitioners state that adherence to the requirements of the mass migration rules would cause substantial confusion to 4Connections' customers and could lead them to believe that their services are being interrupted which would be contrary to the public interest.

By letter dated August 4, 2008, the Division of Rate Counsel advised the Board that it recommends approval of the petition.

FINDINGS AND CONCLUSIONS

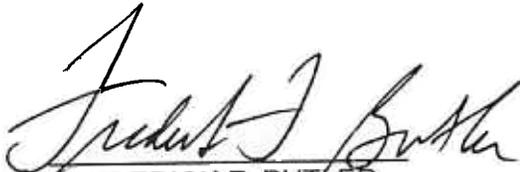
After a thorough review of the record and exhibits, the Board concludes that there will be no negative impact on rates or service quality since 4Connection's New Jersey customers will continue to receive the same services from the same entity at the same rates and under the same terms and conditions as they currently do. The operations of 4Connections will not be affected by this transaction and it will have no impact on employees. Moreover, a positive benefit may be expected from the strengthening of the Petitioner's financial stability and its ability to compete in the telecommunications market because the proposed transaction will enable the investing entities to implement an improved business, financial, and management structure.

Accordingly, after careful review of this matter, the Board FINDS that the change of control will have no material impact on the rates of current customers, or on employees. The Board also FINDS that the provisions of N.J.A.C. 14:10-12.1 et. seq. (Mass Migration Rules) do not apply to the proposed Transaction as customers will continue to be served by the same entity under current terms and conditions. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service, and may positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board FINDS that the proposed transfer is in accordance with the law and is in the public interest. The Board HEREBY ORDERS that the Petitioners shall notify the Board of the closing of the proposed transactions within 7 days of the consummation of the Transaction. The Board FURTHER ORDERS that this approval will expire if the Transaction is not fully consummated on or before September 30, 2009.

DATED: 9/15/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

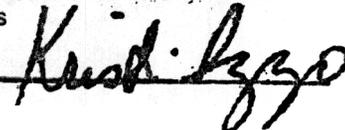

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



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Docket No. TM08070510

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