



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

IN THE MATTER OF THE APPLICATION)
FOR CONSENT TO THE TRANSFER OF)
CONTROL OF NEW ROCHELLE)
TELEPHONE CORPORATION)

TELECOMMUNICATIONS

ORDER OF APPROVAL

DOCKET NO. TM07020077

(SERVICE LIST ATTACHED)

BY THE BOARD:

On February 2, 2007, eLEC Communications Corp. (eLEC) and its wholly-owned subsidiary, New Rochelle Telephone Corp. (New Rochelle) along with Cyber Digital, Inc. (CYD) and its wholly-owned subsidiary, CYBD Acquisition, Inc. (CYBDA) (collectively, Petitioners), pursuant to N.J.S.A. 48:2-51.1 and 48:3-7, filed a petition for the Board's approval for the transfer of control of the stock of New Rochelle from eLEC to CYBDA. Upon consummation of the transfer, New Rochelle will continue to offer services at the same terms, rates and conditions that it currently provides such services in the State. The proposed transaction will be transparent to customers.

BACKGROUND

New Rochelle is a New York corporation with its principal place of business located in White Plains, New York. According to the petition, New Rochelle is authorized to provide both local and intrastate telephone service in six (6) states. New Rochelle is a wholly-owned subsidiary of eLEC, a holding company whose business is located in White Plains, New York. Through its subsidiaries, eLEC provides local and long distance voice telephone services and integrated voice over internet protocol (VoIP) telephony services. In New Jersey, New Rochelle is authorized to provide local exchange and interexchange telecommunications services. See I/M/O the Petition For an Order Authorizing New Rochelle Telephone Corporation, For Authority to Provide Local Exchange and Inter-Exchange Telecommunications Services Throughout New Jersey, Docket No. TE030450276, dated October 10, 2003. Petitioners have indicated that New Rochelle has approximately 1200 customers and no employees in New Jersey.

CYD is a holding company whose business is located in Hauppauge, New York. CYD, which holds no certificates of authority, is the sole owner of CYBDA, which is also headquartered in Hauppauge, New York. According to the petition, CYBD, which has no certificates of authority, was formed to acquire and hold all of the shares of New Rochelle.

According to the petition, approval of the transaction will permit consummation of a transaction whereby CYBDA will acquire 100% of the stock of New Rochelle. Petitioners state that there will be no transfer of assets or customers as a result of the proposed transaction and that each customer of New Rochelle will continue to be served by New Rochelle pursuant to New Rochelle's current certifications and operating authorities. Petitioners also indicate that New Rochelle's rates and service offerings, as reflected in its tariff, will not change as a result of the proposed transaction and that there will be no interruption of service.

The Petitioners state that the approval of this petition for the proposed transaction will result in net benefits to New Rochelle's customer's by strengthening the financial status of New Rochelle. Further, the transaction will enhance New Rochelle's ability to offer broader range of services to its customers.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board concludes that, there will be no negative impact on service quality to New Jersey customers or the rates they pay. Nor will there be a negative impact on competition. Moreover, a positive benefit may be expected from the strengthening of New Rochelle's competitive posture in the telecommunications market.

Accordingly, after careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service, and has the potential to positively benefit competition. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transfer is in accordance with law and in the public interest. The Board HEREBY ORDERS that Petitioners shall notify the Board of the closing of the proposed transaction promptly upon consummation of the transfer. The Board FURTHER ORDERS that the approval in this Order shall become null and void and of no effect to the extent it has not been exercised prior to September 30, 2007.

DATED: 4/13/07

BOARD OF PUBLIC UTILITIES
BY:

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ATTEST:

Kristi Izzo
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

Kristi Izzo

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