



Agenda Date: 8/19/08  
Agenda Item: IVA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
*Two Gateway Center*  
*Newark, NJ 07102*  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF )  
SNIP LINK, L.L.C. FOR APPROVAL OF A CHANGE )  
IN OWNERSHIP

ORDER OF APPROVAL

DOCKET NO. TM08060403

(SERVICE LIST ATTACHED)

**BY THE BOARD:**

On June 12, 2008, SNIP LINK, L.L.C. ("SNIP" or "Petitioner"), filed a petition, pursuant to N.J.S.A. 48:2-51.1, 48:3-7, 48:3-9 and 48:3-10, seeking the Board's approval for the transfer of control of the Petitioner resulting from the Petitioner's redemption of membership interests held by certain existing members, an increased investment by an existing owner of the Petitioner, and for related financing transactions. Following the transfer, SNIP will continue to offer services at the same terms, rates and conditions on which it currently offers such services in the State.

BACKGROUND

SNIP is a New Jersey limited liability company with its principal office located in Pennsauken, New Jersey. SNIP provides data and Internet services to both residential and business customers. According to the petition, SNIP's services include ISP collection services, remote access server products, voice and data delivery via ATM, frame relay, DSL, and point-to-point services. SNIP's telephone services include local exchange service and long distance services such as basic 1+ voice service, WATS, calling card services, and toll free services. SNIP is authorized to operate as a facilities-based competitive local exchange carrier in Delaware, Pennsylvania, and New Jersey. In New Jersey, SNIP is authorized to provide local and interexchange telecommunications services. See I/M/O the Application of SNIP Link, LLC for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services within the State of New Jersey, Docket No. TE098111382, dated August 18, 1999. According to the petition, there are four (4) individuals, all of whom are U.S. citizens, who hold 10% or more of the outstanding membership interests of Petitioner: Ira D.

Riklas (Mr. Riklas) (30.63%), Peter M. Cava, Jr. (Mr. Cava) (22.05%), Philip D. Abate, Jr. (22.05%) and Anthony M. Abate (21.55%). The principal business of these individuals is telecommunications investment.

## DISCUSSION

SNIP is requesting the Board's approval for a transfer of control that will result from the acquisition by Mr. Riklis of a majority of the membership interests of SNIP. Pursuant to a Membership Interests Redemption Agreement dated May 29, 2008 ("the Agreement"), SNIP will liquidate, redeem, and retire the membership interests of all the existing owners of SNIP, including owners with a membership interest of less than 10 percent, except for Mr. Riklas and Mr. Cava. According to the petition, all of the existing owners of SNIP, except for Mr. Riklas and Mr. Cava, are defined as the "Redeemed Members." SNIP will pay the Redeemed Members the Redemption Price according to a schedule included in the Agreement. In addition, concurrent with or shortly after the Redemption, SNIP will convert certain debts owed to Mr. Riklas to equity, grant additional membership interests, and/or receive additional investments from Mr. Riklas. As a result of these transactions, SNIP will be majority owned and controlled by Mr. Riklis. The petition states that it is anticipated that Mr. Riklas will own 75% of SNIP, and no other person or entity will hold 10% or more of the membership interests of SNIP.

Petitioners point out that the transfer of control will be transparent to customers of SNIP. The transfer will not result in a change of carrier for any of SNIP's customers and SNIP will continue to offer the same services at the same rates, terms and conditions as at present, and any future changes will be made consistent with Board requirements. Petitioners further state that the day-to-day operations of SNIP will not change as a result of this transaction and that SNIP will continue to be backed by the same financial, managerial and technical qualifications that the Board has already examined in approving SNIP's authorization to provide service in New Jersey.

## 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 rates or service quality provided because SNIP'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. The operations of SNIP will not be affected by this transaction and it will have no impact on employees. Moreover, a positive benefit is likely as Petitioners expect the transaction to yield operational and financial benefits which will allow SNIP to better compete in the marketplace.

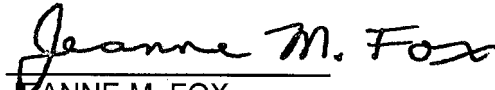
Accordingly, after careful review of this matter, the Board FINDS that the change of control will have no negative impact on the rates of current customers. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service, and will positively benefit competition because, as discussed above, the post-transaction combined entities will emerge as stronger competitors. 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 transfer. The Board FURTHER ORDERS that this approval will expire if the transaction is not fully consummated on or before July 31, 2009.

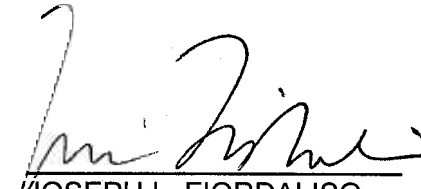
DATED:

8/20/08

BOARD OF PUBLIC UTILITIES  
BY:

  
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PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

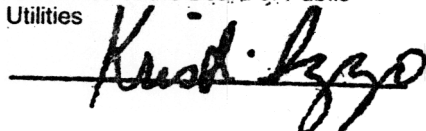
  
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COMMISSIONER

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  
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Docket No. TM08060403

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