



STATE OF NEW JERSEY
Board of Public Utilities
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www.nj.gov/bpu/

CABLE TELEVISION AND
TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF) ORDER
GRASSHOPPER GROUP, LLC FOR APPROVAL TO)
PARTICIPATE IN CERTAIN FINANCING)
ARRANGEMENTS) DOCKET NO. TF20020137

Parties of Record:

Amy J. Blumenthal, Kutakrock Rock LLP
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On February 10, 2020, Grasshopper Group, LLC (“Grasshopper” or the “Petitioner”), filed a petition pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9, requesting approval from the New Jersey Board of Public Utilities (“Board”), to the extent necessary, to participate in a financing arrangement (“Financing Arrangement”) whereby Petitioner would guarantee debt in an initial amount of up to approximately \$3,300 million.

BACKGROUND:

Grasshopper is a Massachusetts limited liability company whose principal business is telecommunications. Grasshopper is a wholly owned subsidiary of LogMeIn, Inc. (“LogMeIn”). Grasshopper’s principal office is located at 320 Summer Street, Boston, Massachusetts 02210. Grasshopper registered to provide intrastate interexchange telecommunications services in New Jersey on October 21, 2009.

Grasshopper is authorized to provide competitive resold interexchange long distance telecommunications services pursuant to registration or public service commission order in the states of Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Texas, and Washington. Grasshopper also holds blanket domestic and international operating authorities granted by the Federal Communications Commission under 47 U.S.C. § 214.

Pursuant to Grasshopper’s request, the Board takes notice of information contained in Grasshopper’s registration to provide intrastate interexchange telecommunications services in

New Jersey, including details on Petitioner's legal, technical, financial and managerial qualifications to provide telecommunications service to consumers in New Jersey.

DISCUSSION:

Petitioner requests Board approval to participate in the financing arrangements described below, in connection with the transfer of control of Grasshopper from LogMeIn to Logan Parent, LLC ("Logan Parent") (the "Acquisition").

On December 17, 2019, LogMeIn, Logan Parent, and Logan Merger Sub, Inc. ("Merger Sub"), which is a special-purpose subsidiary of Logan Parent, entered into an agreement pursuant to which Logan Parent will acquire LogMeIn. The Acquisition will occur through a merger of Merger Sub with and into LogMeIn, with LogMeIn as the surviving entity. In addition, through the Financing Arrangements, the Logan Parent and LogMeIn will secure additional financing secured by LogMeIn's subsidiaries, including Grasshopper. As a result of the Acquisition, LogMeIn will be a wholly owned, direct subsidiary of Logan Parent and Logan Parent will hold indirect control of LogMeIn's subsidiaries. As noted above, one of LogMeIn's subsidiaries, Grasshopper, operates as a telephone corporation and thus a public utility in New Jersey.

The Acquisition is expected to occur mid-2020, contingent upon LogMeIn shareholder approval and the satisfaction or waiver of other customary closing conditions.

In connection with the Acquisition of LogMeIn described above, Logan Parent and its subsidiaries, including Grasshopper, will become guarantors of, and will pledge their assets to secure, the indebtedness incurred to finance the Acquisition, refinance existing indebtedness of LogMeIn, and to pay related fees and expenses (the Acquisition, the refinancing of existing indebtedness, and the payment of fees and expenses shall collectively be referred to as the "Financing Arrangements").

Petitioner asserts that its financing commitments under the Financing Arrangements are carefully tailored to help ensure that the financing is accomplished in an efficient and cost-effective manner as well as to provide LogMeIn with flexible access to cost-effective capital to meet its future needs. Financing the Acquisition in a cost-effective manner, in turn, is critical to LogMeIn's ability to provide the above-discussed benefits to customers in New Jersey. As such, the commitments are necessary for the improvement or maintenance of service by Grasshopper.

Petitioner further assures that the transaction will not pose any threat of anticompetitive effects or other public interest harms, and that the transaction will be entirely transparent to consumers. Therefore, according to the Petitioner, approval of the Financing Arrangement will serve the public interest.

In a letter dated March 25, 2020, Rate Counsel stated it does not oppose a Board grant of the Petitioner's request in the Verified Petition.

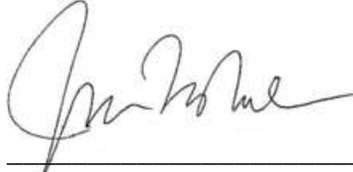
FINDINGS AND CONCLUSIONS:

After careful review of this matter, the Board **FINDS** that the Financing Arrangement will have no negative impact on competition or the rates of current customers. Therefore, the Board after investigation, having considered the record submitted in this proceeding, **FINDS** that the transaction is in accordance with law and in the public interest, and **HEREBY AUTHORIZES** Grasshopper Group, LLC to participate in the transaction described herein.

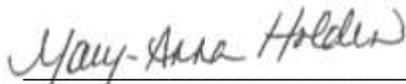
This Order shall become effective on April 16, 2020.

DATED: April 6, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

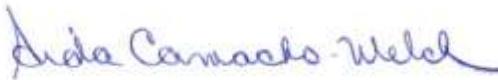


DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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APPROVAL TO PARTICIPATE IN CERTAIN FINANCING ARRANGEMENTS
DOCKET NO. TF20020137

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