



Agenda Date: 6/8/22
Agenda Item: IVC

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

OFFICE OF CABLE
TELEVISION AND
TELECOMMUNICATION

IN THE MATTER OF THE VERIFIED JOINT)
PETITION OF LINGO MANAGEMENT, LLC,)
LINGO COMMUNICATIONS LLC, B. RILEY)
PRINCIPAL INVESTMENTS, LLC, MATRIX)
TELECOM, LLC, LICENSEE, AND BULLSEYE)
TELECOM INC., LICENSEE, FOR APPROVAL)
OF THE PROPOSED TRANSFER OF CONTROL)
OF BULLSEYE TELECOM, INC.) ORDER

DOCKET NO. TM22040244

Parties of Record:

Brian O. Lipman, Esq., Acting Director, New Jersey Division of Rate Counsel
Andrew M. Klein, Klein Law Group PLLC, on behalf of BullsEye Telecom, Inc.

BY THE BOARD:

On April 8, 2022 Lingo Management, LLC (“Lingo Management”), Lingo Communications, LLC (“Lingo”), and B. Riley Principal Investments, LLC (“BRPI”) (Lingo Management, Lingo, and BRPI collectively referred to as “Lingo Entities”), BullsEye Telecom, Inc. (“BullsEye”), and Matrix Telecom, LLC (“Matrix”) (BullsEye and Matrix collectively referred to as “Licensees”) (Lingo Entities and Licensees collectively referred to as “Petitioners”) submitted a Verified Petition (“Petition”), pursuant to N.J.S.A. 48:2-51.1 and N.J.S.A. 48:3-10, with the New Jersey Board of Public Utilities (“Board”) for approval of the transfer of control of BullsEye to the Lingo Entities (“Transaction”).

BACKGROUND

On March 28, 2022, Lingo Management, Lingo NewCo1 Inc. (“Merger Sub”), BullsEye, William H. Oberlin, as Trustee of the William H. Oberlin Revocable Trust, Shareholder Representative Services LLC, as Equity holder Representative, and for certain limited purposes only, William H. Oberlin, in his individual capacity, entered into an Agreement and Plan of Merger (“Agreement”). Pursuant to the agreement, Merger Sub will merge with and into BullsEye, with BullsEye continuing as the surviving entity. As a result, indirect ownership and control of BullsEye will be transferred to Lingo and BRPI.

BullsEye is majority owned by the William H. Oberlin Revocable Trust in which William H. Oberlin, a United States citizen, serves as the Trustee. In New Jersey, BullsEye is authorized by the Board to provide local exchange and interexchange telecommunications services.¹ In conjunction with and following consummation of the Transaction, BullsEye will convert from a corporation to a limited liability company. Matrix is a Texas limited liability company and is a subsidiary of Lingo Management. In New Jersey, Matrix is authorized by the Board to provide facilities-based competitive local exchange telecommunications service.²

BRPI is a Delaware limited liability holding company and currently holds 40% of Lingo Management. Lingo Management is a Delaware limited liability holding company and does not provide any telecommunications services or hold authorizations from any state authority for the provision of telecommunications services. Lingo is a Georgia limited liability holding company and currently holds 60% of Lingo Management. Lingo is a wholly owned direct subsidiary of GG Telecom Investors, LLC ("GG Telecom") a Georgia limited liability company. GG Telecom is owned by Holcombe T. Green, Jr. (62.5%) and R. Kirby Godsey (37.5%). By Order dated April 7, 2021, the Board approved a transaction to increase BRPI's ownership interest in Lingo Management to 80% (with Lingo holding the remaining 20%).³

According to the Petition, the proposed internal corporate reorganization, and the addition of such holding companies in the intermediate holding structure of the Licensees is pro forma. The proposed reorganization will not change or affect the ultimate post-Transaction ownership and control of the Licensees, nor their operations or services. Lingo and BRPI plan to hold their interests in BullsEye (as well as their interests in Lingo Management going forward) through various intermediate holding companies after completion of the Transaction. These intermediate holding companies will be formed and named at a later date, and are expected to be Delaware entities.

The Petitioners represented that the proposed Transaction is in the public interest, will have no adverse impact on customers, will not alter the manner of service delivery or billing, and the Licensees will continue to provide high-quality communications services to their customers in New Jersey without interruption and without immediate change in rates, terms or conditions.

According to the Petitioners, the Transaction will not result in any immediate change of carrier or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. The Petitioners do not anticipate the loss or potential loss of jobs in New Jersey resulting from the Transaction. The Licensees do not have an employee pension plan, and the existing rights of Licensees employees in any other retirement benefit plan offered by the Licensees will not be impacted by the Transaction.

¹ In re the Petition for an Order Authorizing BullsEye Telecom, Inc. To Provide Competitive Local Exchange and Exchange Access Telecommunications Services Within the State of New Jersey, Docket No. TE02070475, Order dated December 18, 2002.

² In re the Petition of Matrix Telecom, Inc. D/B/A Matrix Business Technologies for Certificate of Public Convenience and Necessity to Provide Local Exchanges Telecommunications Services with the State of New Jersey, Docket No. TE06120898, Order dated April 12, 2007.

³ In re the Verified Joint Petition of Lingo Communications, LLC, Transferor; Lingo Communications of the Northeast, LLC, Licensee; Matrix Telecom, LLC Licensee; and B. Riley Principal Investments, LLC, Transferee, for Approval to Transfer Indirect Control of Lingo Communications of the Northeast, LLC and Matrix Telecom, LLC to B. Riley Investment, LLC, Docket No. TM21020134, Order dated April 7, 2021.

By letter dated April 26, 2022, the New Jersey Division of Rate Counsel (“Rate Counsel”) submitted comments in support of the Petitioners’ contemplated continued provision of innovative, high quality telecommunications services to the public in the New Jersey telecommunications market for the benefit of both residential and business customers. Rate Counsel did not oppose a Board grant of Petitioners’ requests under the Petition.

DISCUSSION AND FINDINGS OF FACT AND CONCLUSIONS OF LAW

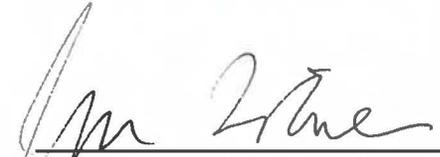
In considering a request for transfer of control, the Board shall evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates. N.J.S.A. 48:2-51.1(a). The Board must be satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1; N.J.A.C. 14:1-5.14(c). Also, pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-10, the Board must determine whether the public utility, or a wholly-owned subsidiary thereof, may be unable to fulfill its pension obligations to any of its employees.

After a careful review of this matter, the Board **FINDS** that the proposed Transaction is consistent with the applicable law, is not contrary to the public interest, and will have no material impact on the rates of current customers or on New Jersey employees. The Board also **FINDS** that the proposed transfer of control will have no impact on the provision of safe, adequate and proper service, and will positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board **HEREBY AUTHORIZES** Petitioners to complete the proposed Transaction described in the Petition.

This Order shall be effective June 15, 2022.

DATED: June 8, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



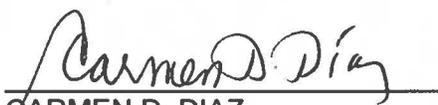
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

CARMEN D. DIAZ
ACTING SECRETARY

IN THE MATTER OF THE VERIFIED JOINT PETITION OF LINGO MANAGEMENT, LLC,
LINGO COMMUNICATIONS LLC, CB. RILEY PRINCIPAL INVESTMENTS, LLC, MATRIX
TELECOM, LLC, LICENSEE, AND BULLSEYE TELECOM INC., LICENSEE FOR APPROVAL
OF THE PROPOSED TRANSFER OF CONTROL OF BULLSEYE TELECOM, INC
DOCKET NO. TM22040244

SERVICE LIST

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