



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9th Floor  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT PETITION )  
OF LINGO COMMUNICATIONS, LLC, TRANSFEROR, )  
LINGO COMMUNICATIONS OF THE NORTHEAST, )  
LLC, LICENSEE, MATRIX TELECOM, LLC, LICENSEE )  
AND GARRISON LM LLC, TRANSFEREE, FOR )  
APPROVAL OF THE PROPOSED CHANGES IN )  
CONTROL OF LINGO COMMUNICATIONS OF THE )  
NORTHEAST, LLC AND MATRIX TELECOM, LLC TO )  
GARRISON LM LLC ) DOCKET NO. TM19121536

**Parties of Record:**

**Dennis C. Linken, Esq., Scarinci and Hollenbeck, LLC**, on behalf of Petitioners  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On December 20, 2019, Lingo Communications, LLC ("Transferor" or "Lingo"), Lingo Communications of the Northeast, LLC ("Lingo Northeast"), Matrix Telecom, LLC ("Matrix") (Lingo Northeast and Matrix, collectively, the "Licensees"), and Garrison LM LLC (or "Transferee") (collectively, the "Petitioners"), submitted a Verified Petition to the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:2-51.1, and N.J.S.A. 48:3-10 requesting Board approval, to the extent required, for proposed changes in control of Licensees, including the transfer of indirect control of Licensees, including the transfer of indirect control of Licensees to Transferee upon the occurrence or non-occurrence of certain events relating to the repayment of debt (the "Transaction"). Following closing of the transaction, the same services will continue to be offered in New Jersey at the same rates, terms, and conditions to customers.

**BACKGROUND**

Lingo, is a Georgia limited liability company, with a principal office located in Atlanta, Georgia. 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%). Lingo is a holding company and does not provide telecommunications services or hold any Board authorizations. Lingo controls the Licensees through Lingo

Management, LLC (“Lingo Management”), in which Lingo holds all of the voting interests. Lingo Management is a Georgia limited liability company with a principal office located in Atlanta Georgia. Lingo Management is a holding company and does not provide any telecommunications services or hold any Board regulatory authorizations.

Lingo Northeast (f/k/a Birch Communications of the Northeast, LLC) a Delaware limited liability company, is an indirect wholly owned subsidiary of Lingo and a direct subsidiary of Lingo Management. Lingo Northeast is authorized in New Jersey to provide facilities-based local exchange and intrastate interexchange telecommunications services.<sup>1</sup>

Matrix, a Texas limited liability company, is a direct subsidiary of Impact Telecom LLC and an indirect wholly owned subsidiary of Lingo and Lingo Management. In New Jersey, Matrix is authorized to provide facilities-based competitive local exchange telecommunications service.<sup>2</sup> Matrix also holds authority from the Federal Communications Commission (“FCC”) to provide domestic interstate and international telecommunications services. According to the Petition, Lingo Northeast and Matrix have a total of four employees located in New Jersey.

Garrison LM LLC is a Delaware limited liability company with a principal office located in New York, New York. Transferee is a holding company owned by funds managed by the Garrison Investment Group, a leading middle market credit and asset based investor. Transferee provides no telecommunications services and does not own any other telecommunications companies. Transferee is an affiliate of Garrison TNCl, LLC, which previously owned Matrix before its sale to Lingo in 2018.<sup>3</sup> Transferee has no employees located in New Jersey.

## **DISCUSSION**

On December 9, 2019, an Amended and Restated Operating Agreement (“A&R Operating Agreement”) was entered whereby, under a series of steps, Lingo will relinquish sole control of the operating board and Transferee will obtain control of Lingo Management through the ability to appoint all members of the operating board and/or holding the sole voting interest in Lingo Management. Accordingly, Petitioners seek Board approval for the potential Change in Board Composition, the Board Reset and the Change in Voting Interest that may be triggered to effectuate the proposed transfer.

Petitioners submit that the Transaction is in the public interest. The petition states that the proposed Transaction will have no adverse impact on customers and will not alter the manner of service delivery or billing. The Transaction will not result in any immediate change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Following consummation of the Transaction, Licensees will continue to provide services to their customers without interruption and without immediate change in rates, terms, or conditions. Further, Petitioners state that

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<sup>1</sup> In the Matter of Birch Communications of the Northeast, LLC Petition for Authority Provide Local Exchange and Interexchange Telecommunications Services within the State of New Jersey Docket No. TE17121242, (May 22, 2018).

<sup>2</sup> I/M/O the Petition of Matrix Telecom, Inc. d/b/a Matrix Business Technologies for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services Within the State of New Jersey, Docket No. TE06120898, (April 13, 2007).

<sup>3</sup> In the Matter of the Verified Joint Petition of Lingo Communications, LLC, Birch Communications of the Northeast, LLC, TNCl Impact LLC, and Matrix Telecom, LLC for Approval of the Proposed Transfer of Indirect Control of Matrix Telecom, LLC to Lingo Communications, LLC, Docket No. TM18070796, (September 17, 2018).

customers of the combined company will benefit from the extensive telecommunications experience and expertise of Transferee, which previously has invested in the telecommunications market. The financial, technical, and managerial resources that Transferee will bring to Licensees are expected to enhance their ability to compete in the telecommunications marketplace. Further, the proposed Transaction will not adversely affect competition because it will not result in a reduction of competitors, and customers will continue to have access to the same competitive alternatives they have today. Petitioners also state that the Licensees do not have an employee pension plan; however, any employees' existing rights in any other retirement benefit plan offered by Licensees will be retained following completion of the Transaction.

The New Jersey Division of Rate Counsel submitted comments by letter dated January 16, 2020, stating it does not oppose approval of the proposed transfer provided conditions are imposed to ensure continued service quality in connection with potential future employment attrition in New Jersey. Specifically, as a condition of approval, Rate Counsel urges that the Board require Petitioners to notify the Board and Rate Counsel, providing an appropriate explanation in writing within a minimum of thirty days prior to effectuating a reduction in New Jersey jobs that is greater than fifteen percent (15%), throughout a three (3) year period following approval.

By letter dated January 24, 2020, Petitioners objected to the proposal by Rate Counsel stating that such a condition requiring prior notice is not consistent with the Board's prior decisions in other transfer of control transactions in substantially identical circumstances involving other competitive providers serving the New Jersey market. Petitioners stated that Rate Counsel's proposal for advance notice, if adopted would be significantly more burdensome on Petitioners than a requirement to notify the Board after the fact. Imposing an advance notice requirement would place Petitioners at a competitive disadvantage compared to other authorized providers operating in the same market but not subject to such a requirement. Further, Petitioners noted that Rate Counsel's proposal is not consistent with what the Board has ordered in similar dockets where the Board has required companies to report after the fact, for three years following closing, headcount reductions in New Jersey greater than 15%

### **FINDINGS AND CONCLUSIONS**

Pursuant to N.J.S.A. 48:2-51.1(a), the Board shall evaluate the impact of an acquisition of control of a public utility 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. 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 as set forth above. 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 is satisfied that positive benefits will flow to customers based upon the record, and that the combined enterprise would not be able to exercise market power to raise prices above competitive levels or exclude competitors from the marketplace. The Board therefore **FINDS** that the proposed Transaction will have little impact on competition. The Board additionally **FINDS** that there will be no negative impact on rates or the present provision of safe, adequate and proper service since Petitioners' New Jersey customers will continue to receive the same services at the same rates and under the same terms and conditions and the provision of service quality on competitive offerings is in the public interest.

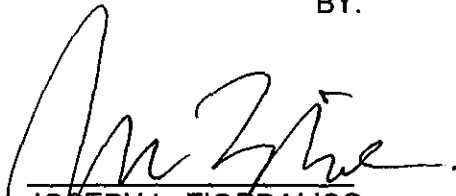
The Board shares the concern of Rate Counsel to avoid the potential for diminished service, service quality and customer service capability based on post-transaction employment attrition. The Petitioners stated that Lingo Northeast and Matrix have a total of four (4) employees located in New Jersey. While Rate Counsel seeks notice prior to any reduction, Board precedent requires companies to provide notice and explanation to the Board following any headcount reductions in New Jersey greater than 15% for a 3-year period after the date of closing.<sup>4</sup> There is no reason to disturb Board precedent requiring subsequent notice of employee reductions based on these facts. The Board, therefore, **FINDS** that Petitioners must notify the Board, providing a written explanation following a net loss of New Jersey employees of Petitioners that is greater than fifteen percent (15%) of its total employee headcount for a 3-year period after the date of closing.

Accordingly, 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 transaction 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.

This Order shall be effective February 29, 2020.

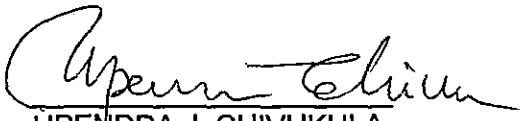
DATED: 2/19/20

BOARD OF PUBLIC UTILITIES  
BY:

  
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ATTEST:   
AIDA CAMACHO-WELCH  
SECRETARY

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

<sup>4</sup> In the Matter of the Verified Joint Petition of Broadview Network Holdings, Inc. et al., Docket No. TM17040433 (June 30, 2017)

**IN THE MATTER OF THE VERIFIED JOINT PETITION OF LINGO COMMUNICATIONS, LLC,  
BIRCH COMMUNICATIONS OF THE NORTHEAST, LLC, TNCI IMPACT LLC, AND MATRIX  
TELECOM, LLC FOR APPROVAL OF THE PROPOSED TRANSFER OF INDIRECT  
CONTROL - DOCKET NO. TM19121536**

**SERVICE LIST**

Dennis C. Linken, Esq.  
Laura M. Miller  
Scarinci and Hollenbeck, LLC  
1100 Valley Brook Avenue  
Lyndhurst, NJ 07071-0790  
[dlinken@sh-law.com](mailto:dlinken@sh-law.com)  
[lmiller@sh-law.com](mailto:lmiller@sh-law.com)

Catherine Wang  
Brett P. Ferenchak  
Morgan, Lewis and Bockius LLP  
1111 Pennsylvania Ave., N.W.  
Washington, DC 20004  
[catherine.wang@morganlewis.com](mailto:catherine.wang@morganlewis.com)  
[brett.ferenchak@morganlewis.com](mailto:brett.ferenchak@morganlewis.com)

Cherie R. Kiser  
Angela Collins  
Cahill Gordon and Reindel LLP  
1990 K Street, NW, Suite 950  
Washington, DC 20006  
[ckiser@cahill.com](mailto:ckiser@cahill.com)  
[acollins@cahill.com](mailto:acollins@cahill.com)

Alex Valencia, Vice President  
Government Affairs and Compliance  
Lingo Communications, LLC  
400 East Las Colinas Blvd., Suite 500  
Irving, TX 75039  
[Alex.valencia@lingo.com](mailto:Alex.valencia@lingo.com)

Allison Adornato  
Garrison Investment Group  
1290 Avenue of the Americas, Suite 914  
New York, NY 10104  
[aadornato@garrisonv.com](mailto:aadornato@garrisonv.com)

Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Maria Novas-Ruiz, Esq.  
[mnovas-ruiz@rpa.state.nj.us](mailto:mnovas-ruiz@rpa.state.nj.us)

Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, NJ 08625-0350

Lawanda R. Gilbert, Director  
Office of Cable Television and  
Telecommunications  
[Lawanda.gilbert@bpu.nj.gov](mailto:Lawanda.gilbert@bpu.nj.gov)

Rocco Della Serra  
Office of Cable Television and  
Telecommunications  
[rocco.della-serra@bpu.nj.gov](mailto:rocco.della-serra@bpu.nj.gov)

Carol Artale, Esq.  
Deputy Chief Counsel  
[carol.artale@bpu.nj.gov](mailto:carol.artale@bpu.nj.gov)

Meliha Arnautovic, Esq.  
Deputy Attorney General  
NJ Department of Law and Public Safety  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625  
[Meliha.Arnautovic@law.njoag.gov](mailto:Meliha.Arnautovic@law.njoag.gov)