



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF) ORDER
11:11 SYSTEMS, INC. AND ENGINE)
COMMUNICATIONS INFRASTRUCTURE, INC. FOR)
GRANT OF THE AUTHORITY TO COMPLETE A)
SERIES OF TRANSACTIONS RESULTING IN THE)
TRANSFER OF CONTROL OF TWO AUTHORIZED)
CARRIERS) DOCKET NO. TM21010049

Parties of Record:

Andrew M. Klein, Esq., Klein Law Group, on behalf of Petitioners
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On January 15, 2021, 11:11 Systems, Inc. (“11:11”) and Engine Communications Infrastructure, Inc. (“ECI”)(the parties hereinafter collectively referred to as “Petitioners”) submitted a Verified Petition (“Petition”) with the New Jersey Board of Public Utilities (“Board”) pursuant to N.J.S.A. 48:2-51.1 and to the extent applicable, N.J.S.A. 48:3-10, requesting that the Board grant authority, to the extent it may be required, to enable the Petitioners to consummate a transaction whereby direct ownership and control over the Petitioners will be transferred (“Transaction”). More particularly, Petitioners are sister subsidiaries of the same corporate parent, and have agreed to complete a transaction whereby control over the Petitioners would be transferred. 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

11:11 is a privately-held corporation organized under the laws of the State of Delaware with its principal place of business located in Fairfield, New Jersey. 11:11 is a wholly owned subsidiary of JoeMax Telecom LLC (“JoeMax”). 11:11 is authorized to provide local exchange and interexchange telecommunications services in New Jersey.¹ The Petition states that 11:11 has entered into customer agreements, but has not yet initiated service in New Jersey.

¹ See In the Matter of the Petition of 11:11 Systems, Inc. for Approval to Provide Competitive Local Exchange and Intrastate Interexchange Telecommunications Services Throughout the State of New Jersey, Docket No. TE20070481 (September 23, 2020)

ECI is a privately-held corporation organized under the laws of the State of Delaware with its principal place of business located in Fairfield, New Jersey. ECI is a wholly owned subsidiary of JoeMax. ECI is authorized to provide local exchange and interexchange telecommunications services in New Jersey.² ECI does not currently have any customers.

DISCUSSION

According to the Petition, Petitioners have agreed to complete a series of transactions whereby the direct ownership in both 11:11 and ECI will change from being wholly owned subsidiaries of JoeMax to having a new majority owner. JoeMax would retain a minority interest in both, along with other minority investors. Also filed with the Petition was a Motion for Confidentiality and Affidavit requesting the Board accord confidential treatment to information concerning their corporate structure and ownership. In Support of the Motion, the President of 11:11, Larry Williams, executed an Affidavit attesting that as privately held corporations, Petitioners do not make the company's corporate structure and ownership information publicly available because public disclosure of this information could place Petitioners at a competitive disadvantage as it contains information that reflects financial investments made into each of the Petitioners. Further, the Affidavit states that the release of such information to those outside of the Board for its use in furthering its governmental duties serves no public policy interest and no legitimate purpose is served by publicly releasing the information.

Petitioners assert that although the proposed Transaction will result in a change in the ownership of Petitioners, the Transaction will not affect the assets Petitioners currently hold or adversely affect any of the customers who will receive service from Petitioners. Further, the Petition states given that 11:11 and ECI had not yet³ begun the provision of services in New Jersey, the proposed ownership change would have no adverse effect on the operations of Petitioners. Petitioners aver that 11:11's management team will be enhanced as the result of the Transaction and ECI's operation will continue to be supported by the same management and staff. The Petition also notes the proposed Transaction will not affect the ability of Petitioners to satisfy any pension obligations since neither 11:11 nor ECI has a pension plan.

The New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments by letter dated February 22, 2021, which states it would not oppose Board approval of the proposed transaction.

Regarding 11:11 and ECI's request that their information be treated confidentially, which was not addressed in Rate Counsel's comments, the Board makes no finding and directs that the information be considered in accordance with the Board's rules at N.J.A.C. 14:1-12 *et seq.*

FINDINGS AND CONCLUSIONS

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

² See Order, In the Matter of the Petition of Engine Communications Infrastructure, Inc. for an Order of Approval to Provide Competitive Local Exchange and Intrastate Interexchange Telecommunications Services Throughout the State of New Jersey, Docket No. TE20090626, (December 16, 2020)

³ 11:11 subsequently filed a letter on February 26, 2021 notifying the Board that it had begun providing services to New Jersey customers.

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 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.

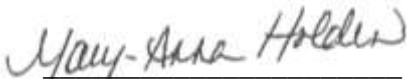
This Order shall be effective April 3, 2021.

DATED: March 24, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

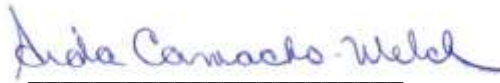


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE VERIFIED PETITION OF 11:11 SYSTEMS, INC. AND ENGINE COMMUNICATIONS INFRASTRUCTURE, INC. FOR GRANT OF THE AUTHORITY TO COMPLETE A SERIES OF TRANSACTIONS RESULTING IN THE TRANSFER OF CONTROL OF TWO AUTHORIZED CARRIERS

DOCKET NO. TM21010049

SERVICE LIST

<p>Andrew M. Klein Klein Law Group PLLC 1250 Connecticut Ave NW, Suite 700 Washington, DC 20036 aklein@kleinlawpllc.com</p> <p>Larry Williams, President 11:11 Systems, Inc. and Engine Communications Infrastructure, Inc. 695 Route 46, Suite 301 Fairfield, NJ 07004 lwilliams@1111systems.com</p> <p>Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Stefanie A. Brand, Esq. sbrand@rpa.state.nj.us</p> <p>Maria Novas-Ruiz, Esq mnovas-ruiz@rpa.state.nj.us</p> <p>NJ Department of Law and Public Safety Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, Post Office Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, Esq. Assistant Section Chief Pamela.owen@law.njoag.gov</p> <p>Terel Klein, Esq. Deputy Attorney General Terel.Klein@law.njoag.gov</p>	<p>Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350</p> <p>Lawanda R. Gilbert, Director Office of Cable Television and Telecommunications Lawanada.gilbert@bpu.nj.gov</p> <p>Rocco Della Serra Office of Cable Television and Telecommunications rocco.della-serra@bpu.nj.gov</p> <p>Lanhi Saldana, Esq., Legal Specialist Office of the General Counsel lanhi.saldana@bpu.nj.gov</p>
---	---