



**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/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT PETITION ) ORDER  
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 PRINCIPAL INVESTMENTS, LLC ) DOCKET NO. TM21020134

**Parties of Record:**

**James H. Laskey, Esq., Norris McLaughlin, P.A.**, on behalf of Petitioners  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On January 15, 2021, Lingo Communications, LLC ("Transferor" or "Lingo"); Lingo Communications of the Northeast, LLC ("Lingo Northeast") and Matrix Telecom, LLC ("Matrix") (Lingo Northeast and Matrix, hereinafter collectively referred to as "Licensees"); and B. Riley Principal Investments, LLC ("Transferee") (all of which are hereinafter collectively referred to as "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 ("Petition") requesting Board approval, to the extent required, for the transfer of indirect control of Licensees from Transferor to Transferee (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%), respectively. 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 a majority 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, formerly known as 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 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 five employees located in New Jersey.

B. Riley Principal Investments, LLC is a Delaware limited liability company with a principal office located in Westlake Village, California. Transferee is a holding company owned by B. Riley Financial, Inc. ("B. Riley"), a publicly traded financial services company. The Petition states that Transferee is well qualified managerially, technically, and financially to own Licensees. Transferee owns: (1) United Online, which offers Internet access services to consumers under the NetZero and Juno brands, as well as email, Internet security, web hosting services, and other communications-related services; and (2) YMax Communications Corp., which offers telecommunications services and, in conjunction with an affiliate, Voice over Internet Protocol services and related equipment. Transferee is managed by professionals with expertise in the financial, technology, research, and communications sectors.

On September 17, 2018, at Docket No. TF18070795<sup>3</sup>, the Board approved a request filed by Licensees to enter into or otherwise participate in certain financing arrangements. On February 19, 2020 at Docket No. TM19121536<sup>4</sup>, the Board approved proposed changes in control of Licensees, including the transfer of indirect control of Licensees to Garrison LM LLC ("Garrison") upon the occurrence or non-occurrence of certain events relating to the repayment of debt ("Garrison Transaction"). Petitioners state that the proposed indirect change in control of Licensees to Garrison was not consummated due to circumstances beyond the parties' control, and this Transaction before the Board is intended to replace the Garrison Transaction approved in Docket No. TM19121536. To effectuate this change, Transferor, Transferee, and Lingo Management have entered into the following agreements as described in the Petition:

---

<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 Verifies Petition of Lingo Communications, LLC Birch Communications of the Northeast, LLC and Matrix Telecom, LLC, for Approval of Birch Communications of the Northeast, LLC and Matrix Telecom, LLC to Participate in Certain Financing Arrangements, Docket No. TF18070795 (September 17, 2018)

<sup>4</sup> In the Matter of the Verified Joint Petition of Lingo Communications of the Northeast, 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 (February 19, 2020)

First, Transferee's affiliates have agreed to acquire the outstanding debt of Lingo Management and its subsidiaries from Garrison, and those financing arrangements are reflected in the Amended and Restated Credit and Guaranty Agreement with BRF Finance Co., LLC, an affiliate of Transferee, dated as of November 30, 2020 ("Credit Agreement"). The Credit Agreement will replace the financing arrangements approved by the Board in Docket No. TF18070795.

Second, Transferee has the right to appoint two (2) members of the operating board of Lingo Management pursuant to a Second Amended and Restated Operating Agreement of Lingo Management, LLC dated as of November 30, 2020 ("Second Operating Agreement"). As explained in Docket No. TM19121536, the previous operating board of Lingo Management consisted of five (5) members with Garrison designating two members, one of whom served as an independent manager, Lingo designating two members, one of whom served as an independent manager, and the Chief Executive Officer of Lingo Management serving as the fifth member. Under the Second Operating Agreement, the Transferee-designated members will replace the existing Garrison members, one of whom will serve as an independent manager, and the new operating board of Lingo Management will consist of four (4) members, with the remaining two (2) members to be designated by Lingo.

Third, pursuant to the terms of an Issuance Agreement between Transferee, Lingo Management, and Lingo dated as of November 13, 2020 ("Issuance Agreement"), Transferee acquired a forty percent (40%) interest in Lingo Management and an indirect interest in Licensees. In connection with this acquisition, Transferee has granted an irrevocable proxy to Lingo to vote or cause to be voted the shares held by Transferee in excess of nine point nine percent (9.9%) of the interests of Lingo Management. This irrevocable proxy will continue until receipt of certain regulatory approvals. Subsequently, Transferee's interest will increase to an eighty percent (80%) voting interest in Lingo Management upon the receipt of additional regulatory approvals, including the Board. Once all steps of the Transaction are consummated, Lingo will hold a twenty percent (20%) voting interest in Lingo Management and Transferee will hold an eighty percent (80%) interest in Lingo Management, with both holding corresponding indirect interests in Licensees. Petitioners seek Board approval for the proposed changes in control of Lingo Management and Licensees triggered by the Issuance Agreement.

Petitioners state that no assignment of licenses, certificates of public convenience, assets, or customers will occur as a consequence of the proposed Transaction. The proposed Transaction also will not trigger a change in the rates, terms, and conditions under which Licensees provide service to their existing customers. Further, the Transaction will be transparent to Licensees' customers.

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. Further, Petitioners state that 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 not be impacted by the Transaction.

By letter dated February 16, 2021, Petitioners filed a letter with the Board to amend the Petition ("February Letter"). The February Letter notes that in a January 15, 2021 notice (January Notice) to the Board, Petitioners completed an internal reorganization pursuant to a notice that was received by the Board on August 5, 2020. As part of that previous internal corporate reorganization, the customers of Lingo Northeast were transferred to Matrix. The January Notice stated that the transfer of customers was completed and Lingo Northeast was surrendering its authority to provide local exchange and interexchange telecommunications services in New Jersey. Accordingly, the February Letter stated that since Lingo Northeast no longer holds authority to provide telecommunications services in New Jersey, it should be removed as a party to the Petition.

The New Jersey Division of Rate Counsel submitted comments by letter dated March 10, 2021, stating it does not oppose the requested action by the Petitioners.

### **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.

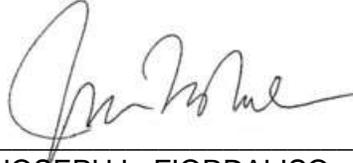
After a careful review of this matter, the Board is satisfied that positive benefits will flow to customers based upon the record, and that the combined enterprise will not result in the company being able to exercise market power to raise prices above competitive levels or exclude competitors from the marketplace. The Board, therefore, **FINDS** that the proposed Transaction will have a positive 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.

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. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board **HEREBY AUTHORIZES** Petitioners to complete the proposed transaction.

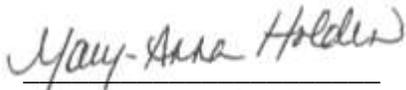
This Order shall be effective April 17, 2021.

DATED: April 7, 2021

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

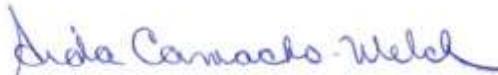


UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

**IN THE MATTER OF THE VERIFIED JOINT PETITION OF LINGO COMMUNICATIONS, LLC,  
TRANSFEROR, LINGO COMMUNICATIONS OF THE NORTHEAST, LLC, LICENSEE,  
MATRIX TELECOM, LLC, LICENSEE AND B. RILEY PRINCIPAL INVESTMENTS, LLC,  
TRANFEREE, FOR APPROVAL TO TRANSFER INDIRECT CONTROL OF LINGO  
COMMUNICATIONS OF THE NORTHEAST, LLC AND MATRIX TELECOM, LLC TO B.RILEY  
PRINCIPAL INVESTMENTS, LLC - DOCKET NO. TM21020134**

**SERVICE LIST**

<p>James Laskey, Esq. Laura M. Miller, Esq. Norris McLaughlin, P.A. 400 Crossing Boulevard, 8<sup>th</sup> Floor Bridgewater, New Jersey 08807-5933 <a href="mailto:jlasky@norris-law.com">jlasky@norris-law.com</a> <a href="mailto:lmiller@norris-law.com">lmiller@norris-law.com</a></p> <p>Cherie R. Kiser Angela Collins Cahill Gordon and Reindel LLP 1990 K Street, NW, Suite 950 Washington, DC 20006 <a href="mailto:ckiser@cahill.com">ckiser@cahill.com</a> <a href="mailto:acollins@cahill.com">acollins@cahill.com</a></p> <p>Vincent M. Oddo, Chief Executive Officer Lingo Management, LLC Prominence in Buckland 3475 Piedmont Road NE 12<sup>th</sup> Floor, Suite 1260 Atlanta, GA 30305</p> <p>Bennett L. Ross Daniel Brooks Wiley Rein LLP 1776 K Street, N.W. Washington, D.C. 20006 <a href="mailto:bross@wiley.law">bross@wiley.law</a> <a href="mailto:dbrooks@wiley.law">dbrooks@wiley.law</a></p> <p><b>Division of Rate Counsel</b> 140 Front Street, 4<sup>th</sup> Floor Trenton, NJ 08625-0003</p> <p>Stefanie A. Brand, Esq., Director <a href="mailto:sbrand@rpa.state.nj.us">sbrand@rpa.state.nj.us</a></p> <p>Maria Novas-Ruiz, Esq <a href="mailto:mnovas-ruiz@rpa.state.nj.us">mnovas-ruiz@rpa.state.nj.us</a></p>	<p>Board of Public Utilities 44 South Clinton Avenue, 9<sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Lawanda R. Gilbert, Director <a href="mailto:lawanda.gilbert@bpu.nj.gov">lawanda.gilbert@bpu.nj.gov</a></p> <p>Rocco Della Serra <a href="mailto:rocco.della-serra@bpu.nj.gov">rocco.della-serra@bpu.nj.gov</a></p> <p>Carol Artale, Deputy General Counsel <a href="mailto:Carol.artale@bpu.nj.gov">Carol.artale@bpu.nj.gov</a></p> <p>Lanhi Saldana, Legal Specialist <a href="mailto:lanhi.saldana@bpu.nj.gov">lanhi.saldana@bpu.nj.gov</a></p> <p><b>NJ Department of Law and Public Safety</b> 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 <a href="mailto:Pamela.owen@law.njoag.gov">Pamela.owen@law.njoag.gov</a></p> <p>Terel Klein, Esq. Deputy Attorney General <a href="mailto:Terel.Klein@law.njoag.gov">Terel.Klein@law.njoag.gov</a></p>
--	---