

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 21A-0073T

IN THE MATTER OF THE JOINT APPLICATION OF LINGO COMMUNICATIONS NORTH, LLC, AND MATRIX TELECOM, LLC AND B. RILEY PRINCIPAL INVESTMENTS, LLC TO EXECUTE A TRANSFER OF INDIRECT CONTROL FROM LINGO COMMUNICATIONS NORTH, LLC AND MATRIX TELECOM, LLC TO B. RILEY PRINCIPAL INVESTMENTS, LLC.

**COMMISSION DECISION
APPROVING TRANSFER**

Mailed Date: March 18, 2021
Adopted Date: March 17, 2021

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of a transfer application filed on February 10, 2021, by Lingo Communications, LLC (Lingo), Lingo Communications North, LLC (Lingo North), and Matrix Telecom, LLC (Lingo North and Matrix, respectively, and together, Licensees), and B. Riley Principal Investments, LLC (Transferee). For proposed changes in control of the Licensees, including the transfer of indirect control of Licensees to Transferee (Transaction).

2. The applicants request Commission authorization to complete the proposed change in control of Lingo North and Matrix to B. Riley Principal Investments, LLC. The transaction changes will all occur at the holding company level and will only result in a change in the indirect ownership of Licensees. No assignment of licenses, assets, or customers will occur because of the proposed Transaction.

3. Lingo is a Georgia limited liability company, wholly owned, a direct subsidiary of GG Telecom Investors, LLC. Lingo is a holding company and does not provide telecommunications services or hold any Commission authorizations.

4. Lingo North, is an indirect wholly owned subsidiary of Lingo and a direct subsidiary of Lingo Management. Lingo North is authorized to provide local exchange services pursuant to a Certificate of Public Convenience and Necessity (CPCN) granted by Decision No. C98-1245, Proceeding No. 98A-481T, issued December 15, 1998, and emerging competitive service pursuant to a Letter of Registration, granted in Decision No. C99-0062, Proceeding No. 98A-540T, issued January 19, 1999. Lingo North also is a registered toll reseller in Colorado. Lingo North holds authority from the Federal Communications Commission to provide domestic interstate and international telecommunications services.

5. 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 Colorado, Matrix is authorized to provide: (1) toll reseller services pursuant to its registration, and (2) local exchange and emerging competitive telecommunications services pursuant to the CPCN and Letter of Registration, granted by Decision R05-0651, issued in Proceeding No. 05A-136T. Matrix also holds authority from the FCC to provide domestic interstate and international telecommunications services. Matrix is also an interexchange provider registered with the Commission.

6. Lingo North and Matrix are undergoing an internal corporate reorganization pursuant to which the Colorado customers currently served by Lingo North will be transferred to Matrix. Once the customer transfer is complete, the Commission issued authorizations currently held by Lingo North will be cancelled.

7. B. Riley Principal Investments, LLC is a Delaware limited liability company, who owns 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.

8. In 2019, the Commission approved the proposed transfer of indirect control of Lingo North and Matrix to Garrison LM LLC in Proceeding No. 19A-0735T. On December 30, 2020, Lingo Communications North, LLC notified the Commission that the proposed transfer of indirect control to Garrison was not consummated.

9. The application requests Commission authorization to complete a transfer of indirect control of entities that hold Commission issued authorities, which will result in 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 change in the rates, terms, and conditions under which Licensees provide service to existing customers.

10. We will construe this filing as an application for approval of the transfer of control of the Commission issued telecommunications authorities held by Lingo North and Matrix, pursuant to 4 *Code of Colorado Regulations* (CCR) 723-2-2110 of the Commission's Rules Regulating Telecommunications Services and Providers of Telecommunications Services.

11. On February 10, 2021, a notice of Application to transfer was provided to all persons, firms, or corporations interested in or affected by the grant or denial of the requested relief. Interventions were due on or before March 12, 2021. No interventions were filed.

B. Discussion

12. The Commission has jurisdiction over this Joint Application pursuant to §§ 40-5-105, 40-15-204, and 40-15-303, C.R.S.

13. The application contains all the information required by the applicable Commission Rules and is therefore deemed complete.

14. The application is unopposed and therefore may be considered without a formal hearing, pursuant to § 40-6-109(5), C.R.S.

15. 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 high-quality communications services to customers without interruption.

16. Except for limited circumstances (such as for providers that are recipients of state high-cost support and for the provision of basic emergency services), certifications to provide basic local exchange services are no longer regulated by the Commission. *See* § 40-15-401(1)(b), C.R.S. Similarly, the provision of any other emerging competitive services such as advanced features, premium services, intraLATA toll, non-optional operator services, and private line services, except switched access services and basic emergency services, are no longer regulated by the Commission. *See* §§ 40-15-401(1)(e), (k), (n), (o), (s), (t), C.R.S. Consequently, the Commission does not have the authority to approve the transfers of the CPCNs or those parts of the Letters of Registration addressing advanced features, premium services, intraLATA toll, non-optional operator services, and private line services.

17. Switched access services and the provision of basic emergency services have not been deregulated. As a result, we have the authority to review and approve/deny the transfers and encumbrances of the part of authorities held by providers that address those services.

18. We remind applicants that public utilities remain subject to Commission oversight that includes, but is not limited to, reporting and payment obligations to the Colorado High Cost Support Mechanism and the Telecommunications Relay Services Program.

19. We find that the proposed intra-company transaction of any telecommunications authorities held by Licensees is not contrary to the public interest and therefore grants the transfer to that extent. The Application recognizes the Commission's jurisdiction as it now exists. Entities that hold Commission issued authorities remain obligated to comply with any applicable requirements or regulations as stated in Article 15 of Title 40.

II. ORDER

A. The Commission Orders That:

1. The Application to transfer filed by Lingo Communications, LLC., and B. Riley Principal Investments, LLC is deemed complete. The requested transfer of control of the Commission issued authorities held by Lingo Communications North, LLC and Matrix Telecom, LLC identified in the application above, is granted.

2. Lingo Communications, LLC and B. Riley Principal Investments, LLC, or their authorized representatives shall jointly notify the Commission if the transfer of control has been terminated or is not completed within 60 days of the proposed effective date stated in the application or if the proposed transfer terms are changed prior to the consummation date. The notice shall include the proceeding and decision numbers which granted the authority to execute the transfer.

3. The 20-day period provided for in § 40-6-114, C.R.S., within which to file applications for rehearing, reargument, or reconsideration begins on the first day following the effective date of this Decision.

4. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
March 17, 2021**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners