

Decision No. C20-0065

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 19A-0735T

IN THE MATTER OF THE LINGO COMMUNICATIONS NORTH, LLC AND MATRIX TELECOM, LLC REQUEST FOR APPROVAL OF PROPOSED CHANGES IN CONTROL OF LINGO COMMUNICATIONS NORTH, LLC AND MATRIX TELECOM TO GARRISON LM LLC.

**COMMISSION DECISION
APPROVING TRANSFER OF CONTROL**

Mailed Date: January 31, 2020

Adopted Date: January 29, 2020

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of a joint application filed by Lingo Communications, LLC (Lingo), Lingo Communications, North, LLC (Lingo North), Matrix Telecom, LLC (Matrix), and Garrison LM, LLC (Garrison) (collectively Joint Applicants) on December 23, 2019 (Joint Application). The Joint Applicants request Commission authorization for a change of control that involves Lingo North and Matrix, companies that hold Commission issued authorities, and are subsidiaries of Lingo Management, LLC (LM). Lingo currently possesses full voting interest in LM with Garrison holding a non-voting interest stake in LM. As part of an updated operating agreement, and the fulfillment of certain conditions, Garrison will obtain full control of LM.

2. We will construe this filing as an application for approval of the transfer of control of the two entities that hold Commission issued telecommunications authorities pursuant

to 4 *Code of Colorado Regulations* 723-2-2110 of the Commission's Rules Regulating Telecommunications Services and Providers of Telecommunications Services.

3. Lingo North acquired a Certificate of Public Convenience and Necessity (CPCN) for the provision of local exchange telecommunications services with Decision No. C98-1245 in Proceeding No. 98A-481T, issued December 15, 1998 and a CPCN to provide emerging competitive services in Decision No. C99-0062 in Proceeding No. 98A-540T, issued on January 19, 1999. The company is also a registered interexchange carrier.

4. Matrix possesses a CPCN to provide local exchange telecommunications services and a Letter of Registration (LOR) to provide emerging competitive services with Decision No. R05-0651 in Proceeding No. 05A-136T, issued on June 1, 2005. Matrix is also a registered interexchange carrier.

5. LM is a holding company that is also the entity that is the corporate parent of both Lingo North and Matrix. LM does not provide telecommunications services and does not hold any Commission issued telecommunications authority.

6. Lingo is a wholly owned direct subsidiary of GG Telecom Investors, LLC. It is a holding company that holds 100 percent voting interest in LM. Lingo does not hold any Commission issued telecommunications authorities.

7. Garrison is a holding company that is owned by funds managed by Garrison Investment Group. It currently is also a parent of LM, but with no voting interest of the company. Garrison does not hold any Commission issued telecommunications authorities.

8. The Joint Application states that as a part of an amended operating agreement, Lingo will relinquish its control of the board of LM in a board reset, to Garrison, with Garrison holding all voting interests in LM.

9. On December 26, 2019, notice of the Joint Application 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 January 27, 2020. No interventions were filed.

B. Discussion

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

11. The Joint Application contains all of the information required by the applicable Commission Rules and is therefore deemed complete.

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

13. Following the transaction, Lingo North and Matrix, will remain under LM that in turn will be wholly owned by Garrison. Customers of both Lingo North and Matrix will continue to receive services without interruption, at the same rates, terms, and conditions that exist prior to the transaction.

14. Lingo North and Matrix are competitive local exchange providers with Commission issued authorities. 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 LORs addressing advanced features, premium services, intraLATA toll, non-optional operator services, and private line services.

15. 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.

16. We remind the Joint 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.

17. We find that the proposed transfer of control of the telecommunications authorities held by Lingo North and Matrix is not contrary to the public interest and therefore grant the Joint Application for transfer of control to that extent. 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 Joint Application to transfer filed by Lingo Communications, LLC (Lingo), Lingo Communications North (Lingo North), Matrix Telecom, LLC (Matrix), and Garrison LM LLC (Garrison) is deemed complete. The request to transfer control of the Commission issued authorities held by Lingo North and Matrix as a part of a transaction where Garrison is acquiring 100 percent voting interest of Lingo Management LLC, is granted.

2. Lingo, Lingo North, Matrix, Garrison, or their authorized representatives shall jointly notify the Commission if the transfer has been terminated or is not completed within 60 days of the proposed effective date stated in the Joint 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
January 29, 2020.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

FRANCES A. KONCILJA

JOHN GAVAN

Commissioners