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**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Joint Application of

**Lingo Communications, LLC,
Ionex Communications North, LLC,
TNCI Impact LLC,
and
Matrix Telecom, LLC**

for Approval of the Proposed Transfer of
Indirect Control of Matrix Telecom, LLC to
Lingo Communications, LLC

**JOINT APPLICATION FOR APPROVAL
TO TRANSFER CONTROL**

Docket No. 18-2452-01 _____
Docket No. 18-2563-02

JOINT APPLICATION FOR APPROVAL TO TRANSFER CONTROL

Lingo Communications, LLC (“Transferee” or “Lingo”), Ionex Communications North, LLC dba Birch Communications (“Ionex-North”), TNCI Impact LLC (“Transferor”) and Matrix Telecom, LLC (“Matrix”) (collectively, “Applicants”), through their undersigned counsel, submit this Application pursuant to Utah Code Ann. § 54-4-29 and 54-8b-3(1)(b) and the rules of the Public Service Commission of Utah (the “Commission”), including R746-349-7 and R746-110. Applicants request Commission approval for the proposed transfer of indirect control of Matrix to Transferee (the “Transaction”). In support of this Application, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

A. Lingo Communications, LLC and Ionex Communications North, LLC

Transferee is a Georgia limited liability company, with a principal office at 3060 Peachtree Road, NW, Suite 1065, Atlanta, Georgia 30305. Transferee 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. (66.5%) and R. Kirby Godsey (33.5%).

Lingo is a holding company and does not provide telecommunications services or hold any Commission authorizations. Ionex-North, a Delaware limited liability company, is an indirect, wholly-owned subsidiary of Lingo and is authorized in Utah as a competitive local exchange carrier pursuant to a Certificate of Convenience and Necessity granted by the Commission in Docket No. 13-2563-01 on April 5, 2013. Ionex-North also holds authority from the Federal Communications Commission (“FCC”) to provide domestic interstate and international telecommunications services.

B. TNCI Impact LLC and Matrix Telecom, LLC

Matrix is a Texas limited liability company and wholly owned, indirect subsidiary of Transferor. Transferor is a Delaware limited liability company that is 90% owned by Garrison TNCI LLC and 10% owned by Impact Telecom Holdings, Inc. The corporate headquarters of Matrix and Transferor is located at 9000 E Nichols Ave., Suite 230, Englewood, Colorado 80112.

Matrix and its affiliates (collectively, “Impact Telecom”) provide intrastate, interstate and international telecommunications services to residential, business and carrier customers throughout the United States. In Utah, Matrix is authorized to provide local exchange telecommunications services pursuant to an order issued on November 18, 2005 in Docket No. 05-2452-01. Matrix also holds authority from the FCC to provide domestic interstate and international telecommunications services.

II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this Application should be directed to:

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III. DESCRIPTION OF THE TRANSACTION

Pursuant to the terms of a Securities Purchase Agreement (the “Agreement”) dated as of July 3, 2018, by and between Transferor and Lingo, Lingo will acquire all issued and outstanding membership interests of Impact Acquisition, LLC, a Delaware limited liability company and an

indirect parent of Matrix. Impact Acquisition, LLC and its subsidiaries, including Matrix, will be held by Lingo Management, LLC, which is a wholly owned subsidiary of Lingo. As a result, indirect ownership of Matrix will be transferred to Lingo.

Additionally, Applicants request authority for Lingo, only after the closing of the Transaction, to eliminate Impact Telecom, LLC from the chain of ownership of Matrix (the “Post-Transaction *Pro Forma* Change”) resulting in Matrix becoming a wholly owned, direct subsidiary of Impact Acquisition, LLC. Since Matrix is currently a wholly owned, indirect subsidiary of Impact Acquisition, LLC, the Post-Transaction *Pro Forma* Change will not change the ultimate post-Transaction ownership of Matrix and is pro forma in nature. This Post-Transaction *Pro Forma* Change will have no effect on Matrix, its customers or its operations, but eliminating the additional intermediate holding company will streamline recordkeeping and reporting among other benefits.

For the Commission’s reference, **Exhibit A** depicts the current, post-closing and Post-Transaction *Pro Forma* Change entity ownership structure of Applicants.

IV. INFORMATION REQUIRED BY R746-349-7

Pursuant to R746-349-7, Applicants provide the following information:

a. identification that it is not an ILEC,

Applicants confirm that none of the Applicants or their affiliates serve as an ILEC in Utah.

b. identification that it seeks approval of the Application pursuant to this rule,

Applicants confirm that they seek approval of the Application pursuant to the informal adjudication process set forth in this rule.

Applicants further request that the Commission issue a report and order granting this Application without a hearing consistent with Utah Code Ann. § 54-8b-3 and R746-110. If Applicants’ request for informal adjudication is uncontested, the Application in the present case

meets the conditions of Utah Code Ann. § 54-8b-3(1)(b) because this matter is not one of the proceedings described in Section 54-1-3(2)(a)¹ and the Applicants have requested that the Application be adjudicated informally. In that situation, the Commission should designate this Application as an informal adjudicative proceeding, presume that approval of the Transaction is in the public interest pursuant to R746-349-7(A)(3), and grant the Application without a hearing.

c. a reasonably detailed description of the transaction for which approval is sought,

A reasonably detailed description of the transaction is provided in Section III, above.

d. a copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction, and

Applicants have filed a Domestic and International Section 214 Application with the FCC. A copy of the Domestic Section 214 Application is provided as **Exhibit B**. In connection with this transaction, Applicants also expect to request approval from the utility regulatory agencies (“PUCs”) in the following jurisdictions: California, Colorado, the District of Columbia, Georgia, Hawaii, Indiana, Louisiana, Maryland, Minnesota, Mississippi, New Jersey, New York, Ohio, Pennsylvania, Texas, Virginia, and West Virginia. Due to the voluminous nature of the state filings, most of which contain the same information, Applicants have only attached as **Exhibit C** a copy of the filing requesting approval for the Transaction from the PUC in the District of Columbia. Applicants will also provide notice to certain other PUCs. Due to the voluminous and repetitive nature of the notices to be sent to the PUCs, Applicants have not included copies of the notice filings.

¹ Utah Code Ann. § 54-1-3(2)(a) provides:

The following proceedings shall be heard by at least a majority of the commissioners:

(i) general rate proceedings to establish rates for public utilities which have annual revenues generated from Utah utility service in excess of \$200,000,000; or

(ii) any proceeding which the commission determines involves an issue of significant public interest.

Utah Code Ann. § 54-1-3(2)(a) (2016).

Applicants will provide any additional filings or notices at the request of the Commission or the parties to this docket.

- e. **copies of any notices, correspondence or orders from any federal agency or any other state utility regulatory agency reviewing the transaction which is the subject of the Application.**

Applicants have not yet received any notices, correspondence or orders from any federal agency or PUC reviewing the transaction. To the extent requested by the Commission, Applicants will forward any orders or similar actions granting or denying the request for transfer of control.

V. PUBLIC INTEREST CONSIDERATIONS

Applicants submit that the Transaction is in the public interest. The Transaction will bring together two enterprises that have demonstrated a long-standing commitment to excellence in a highly competitive marketplace. Customers of the combined company will benefit from the extensive telecommunications experience and expertise of the combined company. The financial, technical, and managerial resources that Transferee and Ionex-North will bring to Matrix (and Matrix to Transferee and Ionex-North) are expected to enhance their ability to compete in the telecommunications market-place.

The proposed Transaction will have no adverse impact on customers of Matrix or Ionex-North and will not alter the manner of their service delivery or billing. The Transaction will not result in any immediate change of carrier for any Utah 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, Matrix and Ionex-North will continue to provide high-quality communications services to their customers in Utah without interruption and without immediate change in rates, terms or conditions. The only change immediately following closing of the transaction from a consumer's perspective is that Lingo will be the new ultimate owner of Matrix.

VI. CONCLUSION

For the foregoing reasons, Applicants submit that the public interest, convenience, and necessity would be furthered by the Transaction described above, and respectfully request that the Commission grant the relief requested in this Application. In order to consummate the Transaction in time to meet critical business objectives, Applicants request that the Commission issue an Order approving the Transaction at the earliest possible date.

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Respectfully submitted,

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Dated: July 25, 2018

LIST OF EXHIBITS

EXHIBIT A Current, Post-Closing and Post-Transaction *Pro Forma* Change Entity Structures

EXHIBIT B FCC Application

EXHIBIT C DC Application

VERIFICATIONS