



State of Utah  
Department of Commerce  
Division of Public Utilities

FRANCINE GIANI  
*Executive Director*

THOMAS BRADY  
*Deputy Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

GARY HERBERT.  
*Governor*  
SPENCER J. COX  
*Lieutenant Governor*

**MEMORANDUM**

**To:** Public Service Commission

**From:** Division of Public Utilities  
Chris Parker, Director  
Bill Duncan, Telecommunications / Water Manager  
Ron Slusher, Utility Technical Consultant

**Date:** January 08, 2018

**Re:** In the Matter of the Notice of Transfer of Indirect Control of YMax Communications Corp. to B. Riley, Docket No. 17-2468-01.

---

**RECOMMENDATION (Allow):**

The Division of Public Utilities (“Division”) has reviewed the joint application between YMax Communications Corp. and B. Riley and believes that the public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow the this Transfer of Indirect Control. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

The Division expects that based on history that a filing of this type and with the information submitted by the company there will be no objections or opposition to this recommendation. Therefore, the Division request that this docket be adjudicated informally in accordance with R746-110-1.

**EXPLANATION:**

On or about December 13, 2017, YMax Communications Corp. (“YMax”) and B. Riley notified the Commission of a transaction, which will result in a transfer of control of YMax to B. Riley.

YMax Communications Corp. is a Delaware corporation headquartered at 560 Village Blvd., Suite 120, West Palm Beach, Florida 33409. They are a wholly-owned direct subsidiary of YMax Corporation and MJVT. YMax is authorized to provide public telecommunications services in the State of Utah by the Commission on August 14, 2006, Docket No. 06-2468-01.

MJVT is incorporated under the laws of Israel and is headquartered at 12 Haomanut Street, 2nd Floor, Poleg Industrial Zone, Netanya, Israel 4250445. MJVT and its subsidiaries offer Voice-over-Internet-Protocol ("VoIP") services and related equipment. MJVT is the inventor of the magicJack device.

B. Riley is a Delaware corporation, headquartered at 21255 Burbank Boulevard, Suite 400, Woodland Hills, California 91367. B. Riley operates through several wholly-owned subsidiaries, including B. Riley Principal Investments, LLC, which engages in proprietary investments in other businesses. B. Riley 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.

On or about November 09, 2017 MJVT and B. Riley entered into an agreement pursuant to which B. Riley will acquire MJVT and its subsidiaries. As a result of the Transaction, MJVT will become a wholly-owned, direct subsidiary of B. Riley and YMax will become a wholly-owned, indirect subsidiary of B. Riley.

The Applicants submit that the transaction described herein will serve the public interest. The change in ultimate control of YMax will occur at the parent level and will not involve the assignment of operating authority, assets, or customers. Further, the Transaction does not involve the merger or consolidation of YMax with any public utility. The operational and customer-facing teams of YMax will continue to manage the day-to-day operations and business of YMax following completion of the Transaction. YMax thus will continue to be operated by highly experienced, well-qualified personnel. MJVT and YMax also will benefit from improved access to capital, enhancing their competitive position in the communications services space.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers. The transaction will not result in a 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.

cc. William J. Evans, Parsons Behle & Latimer  
Thomas Fuller, Executive Vice President & CFO, magicJack VocalTec Ltd.  
Alan N. Forman, Executive Vice President & General Counsel, B. Riley Financial, Inc.  
Justin Jetter, Assistant Attorney General, State of Utah  
Office of Consumer Services, State of Utah