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State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

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

Date: August 21, 2018

Re: 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, Docket Numbers 18-2452-01 and 18-2563-02.

RECOMMENDATION (Allow):

The Division of Public Utilities (“Division”) has reviewed the joint application between Lingo Communications, LLC and TNCI Impact, LLC. The public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow this Transfer of 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 requests that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

On or about July 25, 2018, Lingo Communications, LLC (“Lingo”) and TNCI Impact, LLC (“TNCI Impact”) (together the “Applicants”) notified the Commission of a transaction, which will result in a transfer of control of TNCI Impact and its subsidiaries to Lingo.

Lingo Communications, LLC is a Georgia limited liability company, headquartered at 3060 Peachtree Road, NW, Suite 1065, Atlanta, Georgia 30305. Lingo is a holding company and does not provide telecommunications services or hold any Commission authorizations. Lingo is the parent company of Ionex Communications North, LLC (“Ionex”). Ionex was authorized to provide public telecommunications services in the State of Utah by the Commission on April 05, 2013, Docket Number 13-2563-01.

TNCI Impact, LLC is a Delaware limited liability company that is 90% owned by Garrison TNCI LLC and 10% owned by Impact Telecom Holdings, Inc., headquartered at 9000 E Nichols Avenue, Suite 230, Englewood, Colorado 80112. TNCI Impact is the parent company of Matrix Telecom, LLC (“Matrix”). Matrix was authorized to provide public telecommunications services in the State of Utah by the Commission on December 15, 2005, Docket Number 05-2452-01.

On or about July 03, 2018, Lingo and TNCI Impact entered into an agreement pursuant to which, Lingo will acquire all issued and outstanding membership interests of Impact Acquisition, LLC and its subsidiaries, which includes Matrix. After the merger, Matrix will become an indirect subsidiary of Lingo.

The Applicants submit that the transaction described herein will serve the public interest. The Applicants expect that the merger will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization’s respective strengths. Operating as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

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
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