



State of Utah

Department of Commerce
Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Ron Slusher, Utility Technical Consultant

Date: June 1, 2021

Re: **Docket No. 21-2452-02**, In the matter of the Notification of Proposed Changes in Indirect Control of Matrix Telecom, LLC to B. Riley Principal Investments, LLC.

Recommendation (Approve)

The Division of Public Utilities (“Division”) has reviewed the joint application between Lingo Communications, LLC. (“Lingo”), Matrix Telecom, LLC. (“Matrix”), and B. Riley Principal Investments, LLC (“B. Riley”) (together the “Applicants”) and recommends that the Public Service Commission (“Commission”) approve the application for the transfer of control. The public interest will be promoted by the Commission approving this transfer of control.

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

Background

On January 6, 2020, the Division filed an action request response, Docket No. 19-2452-01 where Lingo and Matrix, asked for approval of a transfer of control to Garrison LM, LLC (“Garrison”). The Applicants state in this new filing that due to circumstances beyond the parties’ control that transfer was never consummated. Lingo has since been working on a new agreement to restructure its outstanding debt.

Discussion

On or about May 11, 2021, Lingo, Matrix, and B. Riley notified the Commission of a transaction, which will result in an internal reorganization.

Lingo Communications, LLC. is a Delaware limited liability company headquartered at Prominence in Buckhead, 3475 Piedmont Road NE, 12th Floor, Suite 1260, Atlanta GA 30305. Lingo is a wholly owned, direct subsidiary of GG Telecom Investors, LLC. Lingo is a holding company and does not provide telecommunications services or hold any Commission authorizations. Lingo controls Matrix through Lingo Management, LLC.

Matrix Telecom, LLC d/b/a Matrix Business Technologies d/b/a Trinsic Communications d/b/a VarTec Telecom d/b/a Excel Telecommunications d/b/a Startec d/b/a Lingo is a Texas limited liability company headquartered at 400 East Las Colinas Blvd., Suite 500, Irving, TX 75039. Matrix is authorized to provide public telecommunications services in the State of Utah by the Commission on December 15, 2005, Docket No. 05-2452-01. Matrix is a direct subsidiary of Impact Telecom, LLC and a wholly owned indirect subsidiary of Lingo Management, LLC and Lingo Communications, LLC.

B. Riley Principal Investments, LLC. is a Delaware limited liability holding company headquartered at 30870 Russell Ranch Road, Suite 250, Westlake Village, CA 91362. B. Riley manages multiple telecommunication companies across the country. B. Riley is owned by B. Riley Financial, Inc.

The Applicants have entered into an agreement whereby B. Riley will acquire the outstanding debt of Lingo and its subsidiaries from Garrison. In exchange for B. Riley acquiring the outstanding debt from Garrison, Lingo will transfer 40% of its voting right to B. Riley. B. Riley is a current stockholder in Lingo and owns a 40% voting rights within the company. After the transaction, B. Riley will have 80% voting rights. No other changes will occur.

The Applicants assert that approval of its application will serve the public interest. There will be no assignment of licenses, certificates of public convenience, assets, or customers that will occur as a consequence of the proposed transaction. The reorganization will have no adverse impact on customers and will not alter the manner of service delivery or billing. The Applicants further state that the reorganization 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.

Conclusion

The Division has reviewed the notice filed by the Applicants for the transfer of control and concludes that it is in the public interest; therefore, the Division recommends the Commission approve this notice.

Cc: Angela F. Collins, Cahill Gordon & Reindel LLP for Lingo Communications, LLC
Vincent M. Oddo, CEO, Lingo Management, LLC
Bennett L. Ross, Wiley Rein LLP for B. Riley Principal Investments, LLC
Alan N. Forman, Executive Vice President & General Counsel for B. Riley Principal Investments, LLC
Justin Jetter, Assistant Attorney General, State of Utah
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