



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: July 1, 2021

Re: **Docket No. 21-2461-01**, In the Matter Notification of the Proposed Indirect Transfer of Control of Veracity Networks, LLC to FirstDigital Communications, LLC.

Recommendation (Acknowledge)

The Division of Public Utilities (“Division”) has reviewed the notification of the proposed indirect transfer of control of Veracity Networks, LLC (“Veracity”) to FirstDigital Communications, LLC (“FirstDigital”) (together the “Applicants”). The public interest will be promoted by the Public Service Commission (“Commission”) acknowledging 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.

Discussion

On or about June 14, 2021, Veracity and FirstDigital notified the Commission of a transaction, which will result in a transfer of control of Veracity to FirstDigital.

Veracity is a Delaware limited liability company with its principal place of business located at 357 South 670 West, Suite 300, Lindon, Utah 84042. It is authorized to provide public telecommunications services in the State of Utah by the Commission on November 18, 2009, Docket No. 09-2461-01.

Veracity is owned by Broadweave Networks, Inc. (“Broadweave”) and Veracity Communications, Inc. (“Veracity Comm”). Each holding 50% of ownership interest of Veracity. Broadweave and Veracity Comm are both holding companies and do not provide telecommunication services.

FirstDigital is a Utah limited liability company with its principal place of business located at 90 South West, Suite M-100, Salt Lake City, Utah 84101. It is authorized to provide public telecommunications services in the State of Utah by the Commission on June 07, 2001, Docket No. 01-2367-01.

On May 03, 2021, the Applicants entered into a securities purchase agreement. The agreement states that FirstDigital will acquire from Broadweave and Veracity Comm 100 percent of the stock in Veracity. As a result of the transaction, Veracity will become a wholly owned direct subsidiary of FirstDigital.

The Applicants submit that the transaction described herein will serve the public interest and that it will be conducted in a manner that will be largely transparent to their customers. That the transaction, structured as a stock purchase arrangement, ensures the continued operations of Veracity Networks, and does not involve the assignment of operating authority, assets, or customers. The transaction will result in a more financially sound company, providing Veracity Networks with increased flexibility and greater resources to invest in providing competitive services to new and existing customers, thereby enhancing its competitive position in the communications marketplace and delivering the cutting-edge, high-capacity services that the marketplace demands.

Conclusion

The Division has reviewed the notice filed by the Applicants for the transfer of control and concludes that the Applicants are in compliance with Commission Rule R746-349-7, and have provided reasonable documentation of the following:

1. The CLEC shall submit an application which includes but is not limited to:
 - a. Identification that it is not an ILEC,
 - b. Identification that it seeks approval of the application pursuant to this rule,
 - c. A reasonably detailed description of the transaction for which approval is sought,
 - 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,
 - 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.

The Division recommends the Commission acknowledge this notice.

Cc: K.C. Halm, Counsel to Broadweave Networks, Inc. and Veracity Communications, Inc.
Philip R. Marchesiello, Counsel to FirstDigital Communications, LLC
Justin Jetter, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah