

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Matrix)	Case No. 21-0066-TP-CIO
Telecom, LLC to Notify the Commission of)	
Changes in Control)	

REVIEW AND RECOMMENDATION
SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO

On January 25, 2021, Matrix Telecom, LLC (Matrix), Lingo Communications, LLC (Lingo), and B. Riley Principal Investments, LLC (BRPI) filed notice of a transaction of proposed changes in the indirect control of Matrix. Matrix holds a Competitive Local Exchange Carrier (CLEC) certificate, 90-9309, under Case No. 05-443-TP-ACE. Lingo controls Matrix through Lingo Management, LLC (LM) which is a holding company. BRPI is also a holding company owned by B. Riley Financial, Inc.

In Case No. 19-2154-TP-CIO, through a series of transactions, indirect control of Matrix should have been transferred to Garrison LM LLC (Garrison) but due to circumstances beyond the parties' control the transaction was not consummated. Therefore, this current transaction with BRPI replaces the Garrison transaction.

On November 30, 2020, in a Credit Agreement with BRF Finance Co., LLC, BRPI acquired the outstanding debt of LM and its subsidiaries from Garrison. Additionally, in a Second Operating Agreement dated November 30, 2020, LM has the right to appoint two members to its operating board, one who will serve as an independent manager, to replace the two Garrison members for a total of four board members prior to consummation which includes two members from Lingo. In the final transaction, an Issuance Agreement, dated November 13, 2020, between BRPI, LM, and Lingo transferred a 40% interest in LM (indirect interest in Matrix) to BRPI. Included in this transaction is an irrevocable proxy to Lingo to vote shares held by BRPI more than 9.9% of the interests of LM until regulatory approvals are received which includes a stock acquisition resulting in a 20% or more voting interest in LM. Subsequently, BRPI's interest will increase to an 80% voting interest in LM and Lingo will have the remaining 20% after consummation with BRPI appointing a third member to the operating board of LM for a total of five members.

No certificate changes, assets, rates, terms or conditions will change as a result of the transactions as the changes are transparent to the customers occurring at the holding company level and do not affect the services provisioned by Matrix.

The notice is being filed pursuant to the Commission's 19-173-TP-ORD Telephone Company Procedures and Standards, as codified in Ohio Adm.Code 4901:1-6-29(C)(1)(a), which states the procedures of notifying the Commission of changes in operation by telephone companies which are transparent to customers must file a zero-day notice which is approved on the day of filing in accordance with Ohio Adm.Code 4901:1-6-05(B).

The Staff reviewed all documents and exhibits filed with this notice and has determined that the proposed notice appears to satisfy the Commission's requirements set forth in Ohio Adm.Code 4901:1-6-29 as filed on January 25, 2021.

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Summary: Staff Review and Recommendation electronically filed by Mrs. Tanika Hawkins on behalf of PUCO Staff