**DA 21-95**

**January 29, 2021**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF THE SUBSIDIARIES OF LINGO COMMUNICATIONS, LLC TO**

**B. RILEY PRINCIPAL INVESTMENTS, LLC**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 21-21**

**Comments Due: February 12, 2021**

**Reply Comments Due: February 19, 2021**

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Lingo Communications, LLC (Lingo), including its direct and indirect wholly owned subsidiaries (the Lingo Subsidiaries),[[1]](#footnote-3) and B. Riley Principal Investments, LLC (BRPI) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission’s rules, requesting consent for the transfer of control of the Lingo Subsidiaries to BRPI.[[2]](#footnote-4)

Lingo, a Georgia limited liability and holding company, is a wholly owned direct subsidiary of GG Telecom Investors, LLC (GG Telecom), a Georgia limited liability company. [[3]](#footnote-5) GG Telecom, in turn, is owned by Holcombe T. Green, Jr. (62.5%) and R. Kirby Godsey (37.5%), both U.S. citizens. The Lingo Subsidiaries, all U.S.-based, are competitive local exchange carriers (LECs) that collectively offer, or are certified to offer, service to residential and small business customers in 50 states and the District of Columbia.

BRPI, a Delaware limited liability and holding company, is wholly owned by B. Riley Financial, Inc. (B. Riley), a publicly traded financial services company.[[4]](#footnote-6) Applicants state that Bryant R. Riley, a U.S. citizen, holds approximately 20% of B. Riley and that no other person or entity holds a 10% or greater direct or indirect equity or voting interest in B. Riley.[[5]](#footnote-7)

Pursuant to the terms of the proposed transaction and though a series of multiple steps, Lingo will hold a 20% voting interest in Lingo Management, and BRPI will hold an 80% voting interest in Lingo Management, with both holding corresponding indirect interests in the Lingo Subsidiaries.

Applicants assert that the proposed transaction is entitled to streamlined treatment under the Commission’s rules and that a grant of the application would serve the public interest, convenience, and necessity. We accept this application for filing under section 63.03(b)(2)(i) of the Commission’s rules.[[6]](#footnote-8)

Domestic Section 214 Application Filed for the Transfer of Control of the Subsidiaries of Lingo Communications, LLC to B. Riley Principal Investments, LLC,

WC Docket No. 21-21 (filed Jan. 10, 2020).

**GENERAL INFORMATION**

The application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules and policies.

Interested parties may file comments **on or before February 12, 2021**, and reply comments **on or before February 19, 2021**. Pursuant to section 63.52 of the Commission’s rules, 47 CFR § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

Pursuant to section 63.03 of the Commission’s rules, 47 CFR § 63.03, parties to this proceeding should file any documents using the Commission’s Electronic Comment Filing System (ECFS): http://apps.fcc.gov/ecfs/.

**In addition, e-mail one copy of each pleading to each of the following:**

1. Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, [tracey.wilson@fcc.gov](mailto:tracey.wilson@fcc.gov);
2. Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, [gregory.kwan@fcc.gov](mailto:gregory.kwan@fcc.gov);
3. David Krech, Telecommunications & Analysis Division, International Bureau, david.krech@fcc.gov; and
4. Jim Bird, Office of General Counsel, [jim.bird@fcc.gov](mailto:jim.bird@fcc.gov).

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The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.[[7]](#footnote-9) A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Tracey Wilson at (202) 418-1394 or Gregory Kwan at (202) 418-1191.

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1. Lingo controls the Lingo Subsidiaries through Lingo Management, LLC (Lingo Management). The Subsidiaries are: Lingo Telecom of the Great Lakes, LLC (Lingo Great Lakes), Lingo Telecom of the South, LLC (Lingo South), Lingo Telecom of the West, LLC (Lingo West), Lingo Communications South, LLC (Lingo CS), Lingo Communications North, LLC (Lingo North), Lingo Communications Midwest, LLC (Lingo Midwest), Lingo Communications of the Northeast, LLC (Lingo Northeast), Lingo Communications of Virginia, Inc. (Lingo Virginia), Lingo Communications of Kentucky, LLC (Lingo Kentucky), Matrix Telecom, LLC (Matrix), and Matrix Telecom of Virginia, LLC (Matrix Virginia). Applicants state that Tempo Telecom, LLC, also a subsidiary of Lingo, provides prepaid wireless services and prepaid wireless Lifeline service in 21 states and does not provide telecommunications services subject to the Commission’s domestic section 214 filing requirements.

   [↑](#footnote-ref-3)
2. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. This application is intended to replace a proposed transaction, between Lingo and Garrison LM LLC (Garrison), that was previously approved by the Commission but was never consummated by the parties. *See Domestic Section 214 Application Filed for the Transfer of Control of Lingo Communications, LLC to Garrison LM LLC*, WC Docket No. 19-383, Public Notice, DA 20-47 (WCB 2020); *Notice of Domestic Section 214 Authorizations Granted*, WC Docket No. 19-383, Public Notice, DA 20-142 (WCB 2020); Letter from Brett P. Ferenchak and Angela F. Collins, Counsel to Applicants to Marlene H. Dortch, Secretary, FCC (Dec. 23, 2020) (on file in WC Docket No. 19-383) (notifying the Commission that the proposed transaction in WC Docket No. 19-383 will not be consummated). On January 22, 2021 and January 28, 2021, Applicants filed supplements to their domestic section 214 application in WC Docket No. 21-21. Applicants also filed an application for the transfer of control of international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-4)
3. Lingo currently holds a 60% voting interest in Lingo Management and currently has the ability to designate two of a four member operating board of Lingo Management. Following the consummation of the proposed transaction, Lingo will hold 20% of the voting interest and the right to designate two of a five member operating board of Lingo Management. [↑](#footnote-ref-5)
4. BPRI currently holds a 40% voting interest in Lingo Management and has granted an irrevocable proxy to vote (or cause to be voted) the shares held by BRPI in excess of 9.9% of the interests of Lingo Management until the receipt of certain regulatory approvals, including Commission approval of the proposed transaction. BRPI also currently has the right to designate two of a four member operating board of Lingo Management and, following the consummation of the proposed transaction, BPRI will hold 80% of the voting interest and the right to designate three of a five member operating board of Lingo Management. [↑](#footnote-ref-6)
5. BPRI also wholly owns United Online, Inc., a Delaware corporation, that provides Internet access services to consumers under the NetZero and Juno brands, as well as other communications-related services in all 50 states and the District of Columbia; and YMax Communications Corp. (YMax), a Delaware corporation, that provides competitive LEC and interexchange services in the District of Columbia and all 50 states except Alaska and New Hampshire. YMax’s affiliate, Magic Jack SMB, Inc., a Florida corporation, provides Voice Over Internet Protocol in all 50 states with the exception of Alaska. [↑](#footnote-ref-7)
6. 47 CFR § 63.03(b)(2)(i). [↑](#footnote-ref-8)
7. *See* 47 CFR § 1.45(c). [↑](#footnote-ref-9)