

January 7, 2020

Via Overnight Mail and Electronic Mail

2000001

Chairman, Tennessee Public Utility Commission
c/o Tory Lawless, Dockets and Records Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

RE: Notification of Proposed Changes in Indirect Control of Lingo Telecom of the South, LLC and Matrix Telecom, LLC

Dear Dockets and Records Manager:

Lingo Communications, LLC (“Transferor” or “Lingo”), Lingo Telecom of the South, LLC (“Lingo South”), Matrix Telecom, LLC (“Matrix”) (Lingo South and Matrix, collectively the “Licensees”), and Garrison LM LLC (“Transferee”) (collectively, the “Parties”) notify the Tennessee Public Utility Commission (“Commission”) of proposed changes in control of Licensees, including the transfer of indirect control of Licensees to Transferee upon the occurrence or non-occurrence of certain events relating to the repayment of debt (the “Transaction”). Lingo South and Matrix have elected to operate pursuant to market regulation in Tennessee, and thus prior action by the Commission is not required for the Transaction described herein. Accordingly, the Parties submit this letter for informational purposes.

Description of the Parties

A. Lingo Communications, LLC (Transferor)

Lingo is a Georgia limited liability company, with a principal office at 5607 Glenridge Drive, NE, Suite 300, Atlanta, GA 30342. Lingo is a wholly owned, direct subsidiary of GG Telecom Investors, LLC (“GG Telecom”), a Georgia limited liability company. GG Telecom is owned by Holcombe T. Green, Jr. (62.5%) and R. Kirby Godsey (37.5%). Lingo is a holding company and does not provide telecommunications services or hold any Commission authorizations.

Lingo controls the Licensees through Lingo Management, LLC (“Lingo Management”), in which Lingo holds all the voting interests.¹ Lingo Management is a Georgia limited liability company, with a principal office at 5607 Glenridge Drive, NE, Suite 300, Atlanta, GA 30342. Lingo Management is a holding company and does not provide any telecommunications services or hold any Commission authorizations.

¹ Lingo does not hold any of the non-voting interests in Lingo Management, which are held by Transferee.

**B. Lingo Telecom of the South, LLC (Licensee)
Matrix Telecom, LLC (Licensee)**

Lingo South, a Delaware limited liability company, is an indirect wholly owned subsidiary of Lingo and a direct subsidiary of Lingo Management. Lingo South is authorized in Tennessee to provide local exchange and interexchange telecommunications services pursuant to Docket No. 00-00341. Lingo South has elected to operate pursuant to market regulation in Tennessee. *See* Docket No. 18-00069. Lingo South also holds authority from the Federal Communications Commission (“FCC”) to provide domestic interstate and international telecommunications services,² and is authorized to provide intrastate telecommunications services in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, and South Carolina.

Matrix, a Texas limited liability company, is a direct subsidiary of Impact Telecom LLC and an indirect wholly owned subsidiary of Lingo and Lingo Management. In Kentucky, Matrix is authorized to provide resold local exchange service pursuant to Docket No. 05-00083 and resold interexchange service pursuant to Docket No. 95-03215. Matrix has elected to operate pursuant to market regulation in Tennessee. *See* Docket No. 18-00070. Matrix also holds authority from the FCC to provide domestic interstate and international telecommunications services,³ and is authorized to provide intrastate telecommunications services in the District of Columbia and all other states except Virginia, where its subsidiary is authorized to provide intrastate telecommunications services.

C. Garrison LM LLC (Transferee)

Transferee is a Delaware limited liability company with a principal office at 1290 Avenue of the Americas, Suite 914, New York, New York 10104. Transferee is a holding company owned by funds managed by the Garrison Investment Group, a leading middle market credit and asset based investor. Transferee provides no telecommunications services and does not own any other telecommunications companies. Transferee is an affiliate of Garrison TNCI, LLC, which previously owned Matrix before its sale to Lingo in 2018. As such, Transferee has demonstrated experience and qualifications to own telecommunications providers.

² Lingo South provides international telecommunications services pursuant to the authorization granted by the FCC to Lingo Management under IB File No. ITC-214-20160630-00180, and provides interstate telecommunications services pursuant to blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

³ Matrix provides international telecommunications services pursuant to IB File Nos. ITC-214-19900713-00004 (Old File No. ITC-90-152), ITC-214-19930330-00053 (Old File No. ITC-93-145), ITC-214-19940830-00266 (Old File No. 94-478), ITC-214-19970415-00212 (Old File No. ITC-97-227), ITC-214-19980507-00300 (Old File No. ITC-98-349), and ITC-214-19980915-00644. Matrix provides interstate telecommunications services pursuant to blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

Designated Contacts

Questions, correspondence, or other communications concerning this filing should be directed to:

For Transferor and Licensees to:

Chérie R. Kiser
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acollins@cahill.com

With a copy to:

Alex Valencia
Vice President
Government Affairs & Compliance
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For Transferee to:

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With a copy to:

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Description of the Transaction

Pursuant to the terms of the Amended and Restated Operating Agreement of Lingo Management, LLC dated as of December 9, 2019 (“A&R Operating Agreement”), Transferee acquired a non-voting interest in Lingo Management, with the voting interest (and control) remaining with the current holder, Lingo, which also retains the ability to appoint the sole member of the operating board.⁴ The A&R Operating Agreement sets forth certain changes in the operating board and ownership interests of Lingo Management that will result in (1) Lingo relinquishing control of the operating board, and (2) Transferee obtaining control of Lingo Management through the ability to appoint all members of the operating board and/or holding the sole voting interest in Lingo Management.

⁴ Prior to the execution of the A&R Operating Agreement, Lingo Management was a member managed limited liability company and Lingo was its sole member. Lingo Management converted to a manager managed limited liability company under the A&R Operating Agreement with voting and non-voting interests held by Lingo and Transferee, respectively.

The proposed changes in control will be accomplished in multiple steps. Lingo currently retains the ability to appoint the sole member of the operating board of Lingo Management. The A&R Operating Agreement gives Transferee the right to increase the size of the operating board of Lingo Management from one member selected by Lingo to five members with (x) Transferee designating two members, one of whom shall serve as an independent manager, (y) Lingo designating two members, one of whom shall serve as an independent manager, and (z) the Chief Executive Officer of Lingo Management serving as the fifth member (this step is referred to as the "Change in Board Composition"). Upon occurrence of the Change in Board Composition, Lingo will relinquish sole control over Lingo Management with the change from a single-member board to a five-member board.

In addition, upon the occurrence of certain triggering events as set forth in the A&R Operating Agreement, the operating board of Lingo Management shall automatically reset and, upon such automatic reset, Transferee shall gain the right to designate all five members of the operating board of Lingo Management, a majority of which shall be independent managers (this step is hereinafter referred to as the "Board Reset"). Upon the occurrence of the Board Reset, Lingo will have no right to designate any member of the operating board of Lingo Management.

Upon the occurrence or non-occurrence of certain events relating to the repayment of debt and as set forth in the A&R Operating Agreement, the existing voting interest of Lingo will be cancelled, and Transferee's non-voting interest will be converted automatically into the sole voting interest of Lingo Management (hereinafter referred to as the "Change in Voting Interest"). Upon the Change in Voting Interest, Transferee will hold all voting interests in Lingo Management.

Prior to the Change in Board Composition or the Board Reset, Lingo will continue to control Lingo Management through its ability to appoint the single member of the operating board of Lingo Management. After the completion of the Change in Board Composition or the Board Reset, the control of Lingo Management would be dictated by the composition of the operating board as described herein in accordance with the A&R Operating Agreement.

Accordingly, the Parties notify the Commission of the potential Change in Board Composition, the Board Reset, and the Change in Voting Interest to the extent any or all of those changes are triggered pursuant to the A&R Operating Agreement. For the Commission's reference, **Exhibit A** depicts the current control structure of Lingo Management and the control structure of Lingo Management in the event the Change in Board Composition, Board Reset and/or Change in Voting Interest occur.

No assignment of licenses, certificates of public convenience, assets, or customers will occur as a consequence of the proposed Transaction. Immediately following the consummation of the Transaction, the Licensees will continue to provide service to their existing customers pursuant to the same rates, terms, and conditions. The Transaction will be transparent to Licensees' customers.

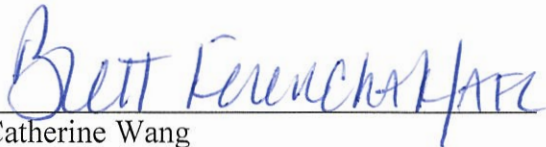
Public Interest Considerations

The Parties submit that the Transaction is in the public interest. The proposed Transaction will have no adverse impact on customers and will not alter the manner of service delivery or billing. The Transaction 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. Following consummation of the Transaction, Licensees will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms, or conditions.

Customers will benefit from the extensive telecommunications experience and expertise of Transferee, which previously has invested in the telecommunications market. The financial, technical, and managerial resources that Transferee will bring to Licensees are expected to enhance their ability to compete in the telecommunications marketplace. Further, the proposed Transaction will not adversely affect competition because it will not result in a reduction of competitors and customers will continue to have access to the same competitive alternatives they have today. The Transaction will not provide the Parties with any competitive advantage as the result of concentration of fiber assets and will not harm consumers or negatively impact the market for facilities-based service.

Please do not hesitate to contact us if you have any questions regarding this submission.

Respectfully submitted,



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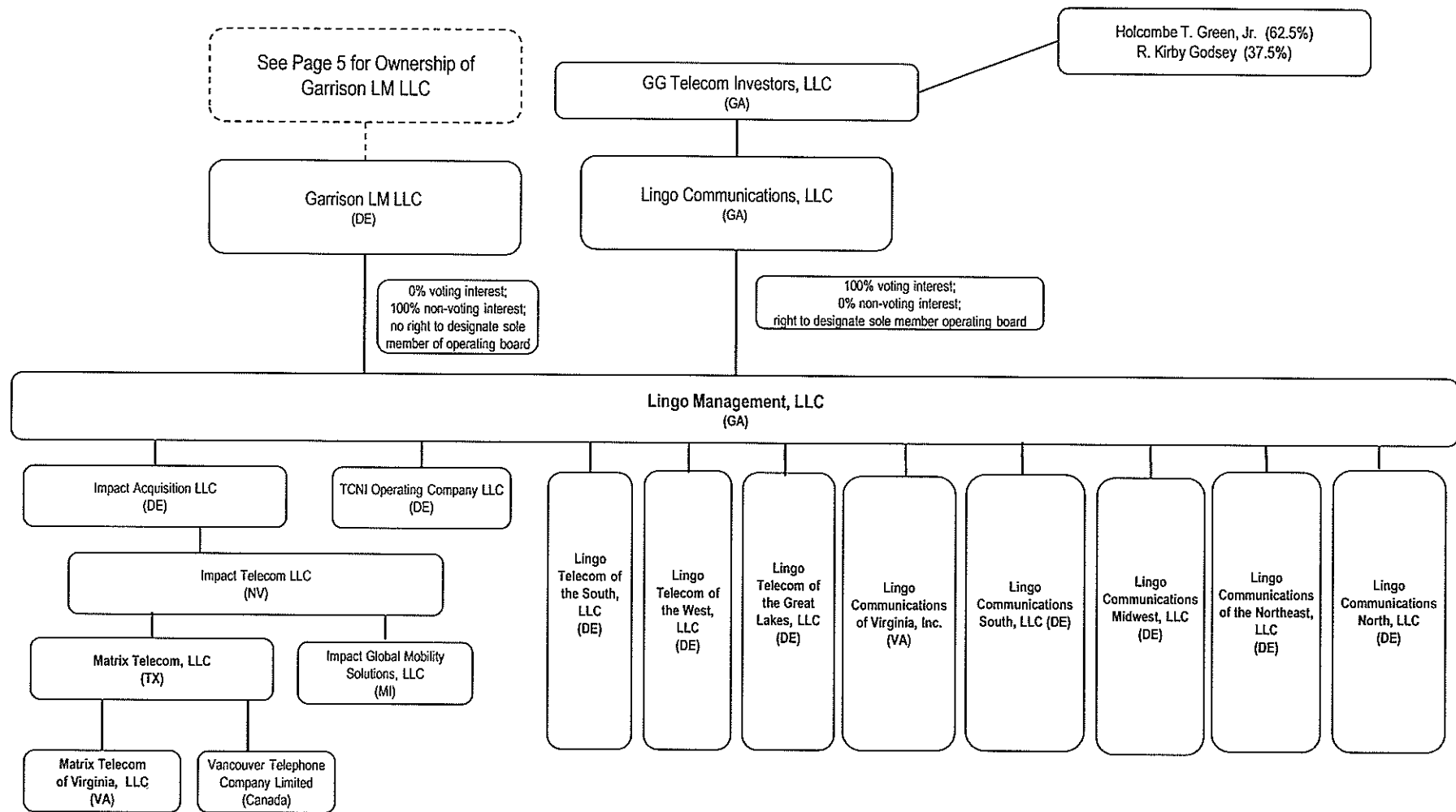
Counsel for Transferee



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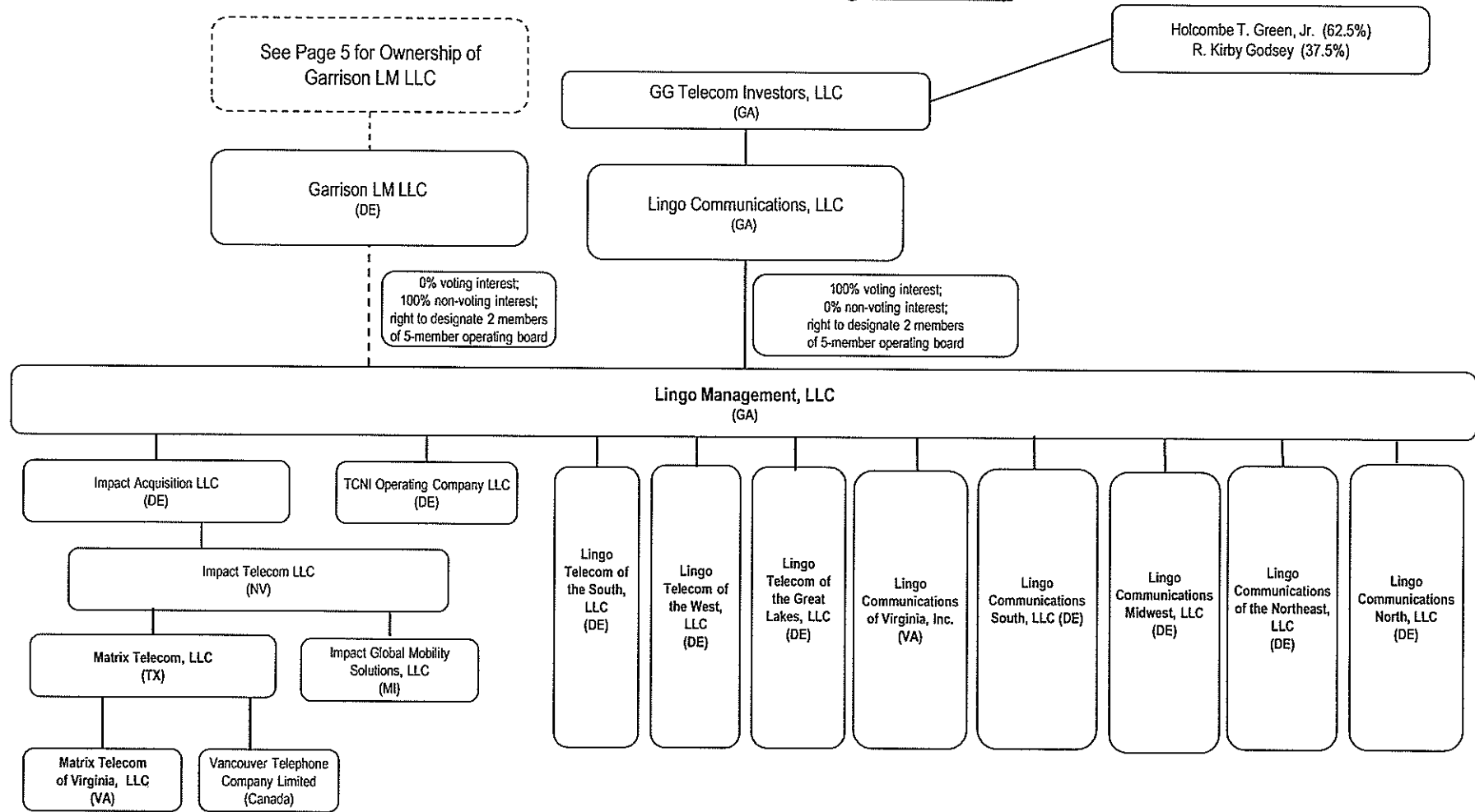
Counsel for Transferor and Licensees

Current Control Structure of Licensees



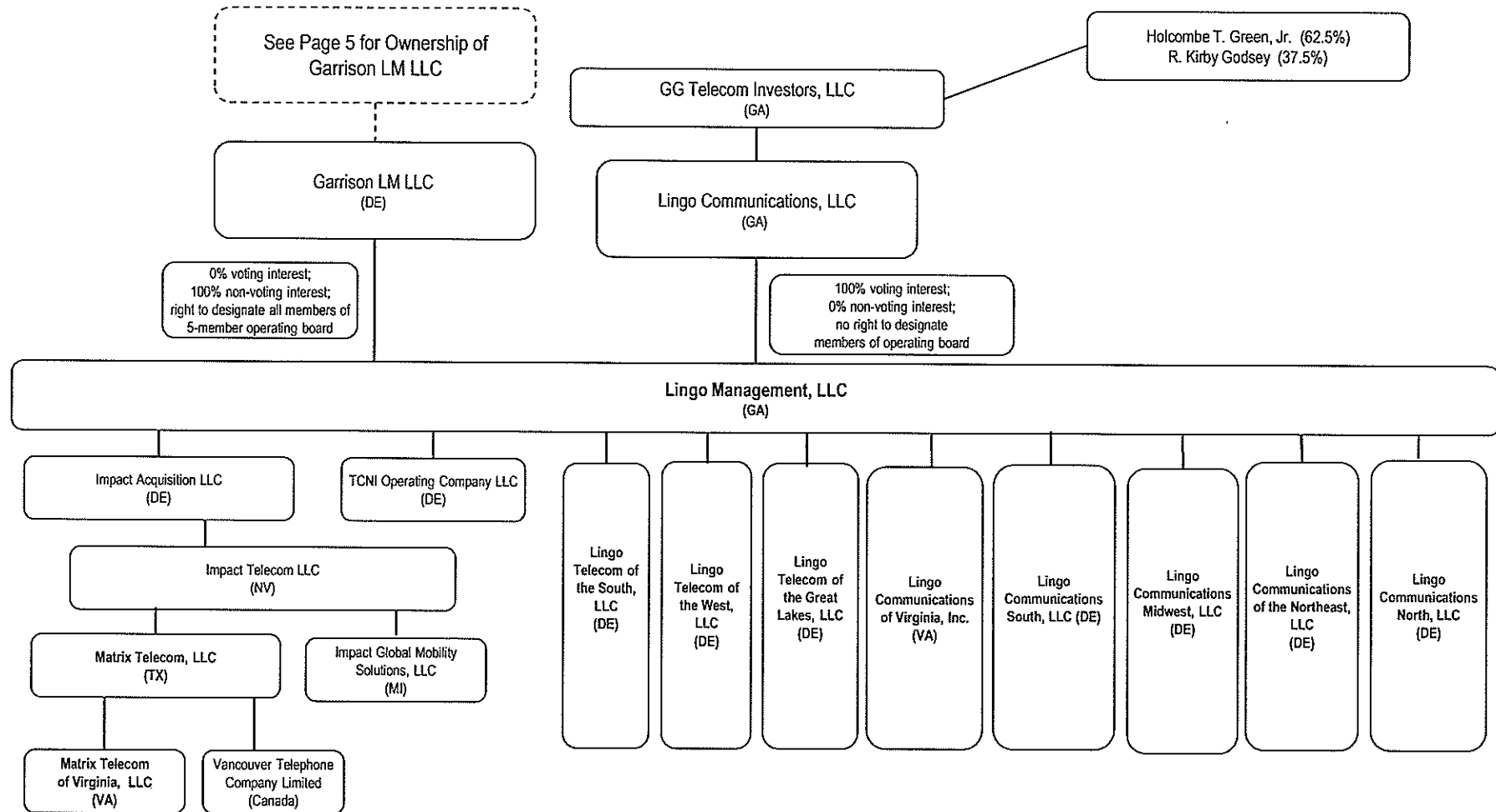
Unless otherwise indicated, all equity ownership and voting percentages are 100%.

Post-Change in Board Composition Control Structure of Licensees (without Change in Voting Interest)



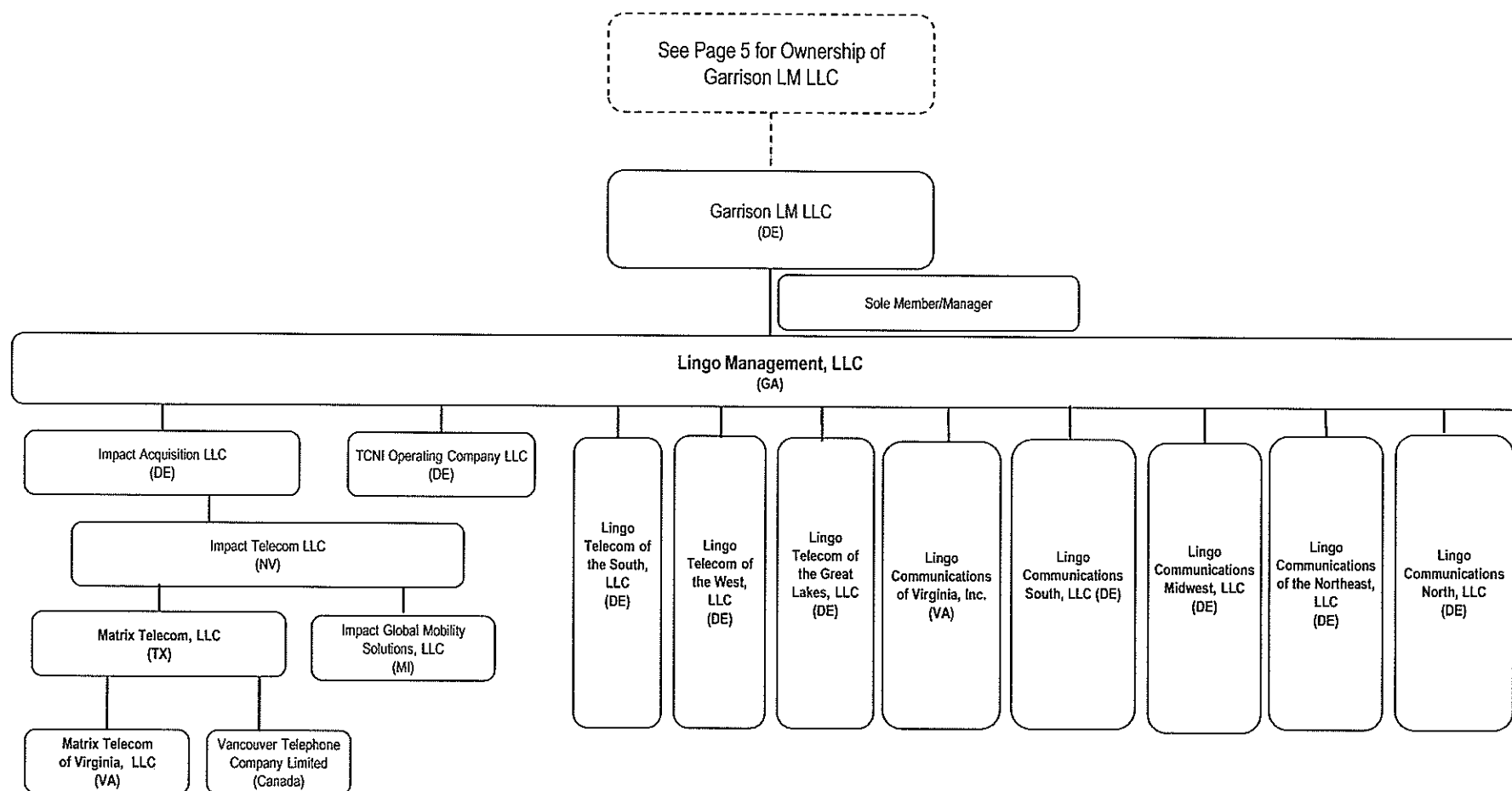
Unless otherwise indicated, all equity ownership and voting percentages are 100%.

Post-Board Reset Control Structure of Licensees (without Change in Voting Interest)



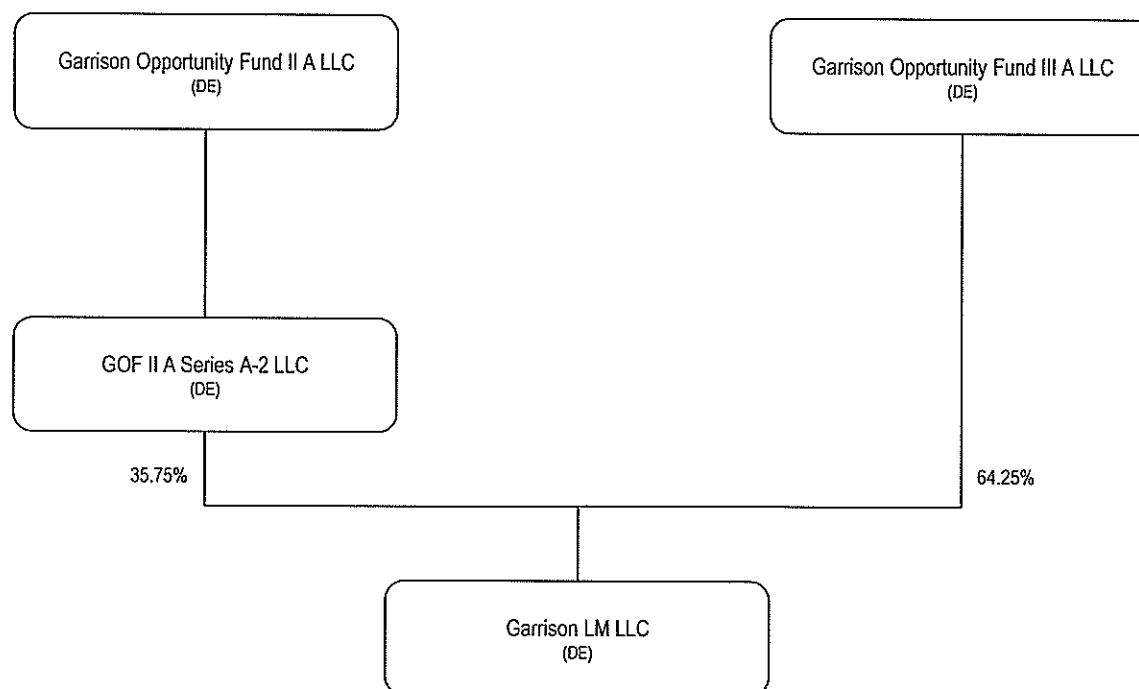
Unless otherwise indicated, all equity ownership and voting percentages are 100%.

Post-Transaction Control Structure of Licensees with Change in Voting Interest and Changes in Board Composition



Unless otherwise indicated, all equity ownership and voting percentages are 100%.

Ownership of Garrison LM LLC



Unless otherwise indicated, all equity ownership and voting percentages are 100%.

EXHIBIT A

Current and Post-Transaction Control Structure of Licensees

VERIFICATIONS

VERIFICATION

I, Matthew Lambert, state that I am the Vice President and Secretary of Garrison LM LLC (the "Company"); that I am authorized to make this Verification on behalf of the Company; that I am familiar with the contents of the foregoing document; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20 day of December, 2019.



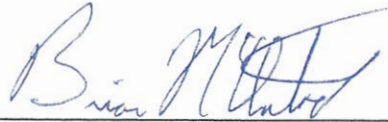
Matthew Lambert
Vice President and Secretary
Garrison LM LLC

STATE OF GEORGIA
COUNTY OF FULTON

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§ ss:
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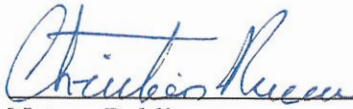
VERIFICATION

I, Brian McClintock, state that I am the Chief Financial Officer of Lingo Communications, LLC and of Lingo Management, LLC and its subsidiaries Lingo Telecom of the South, LLC and Matrix Telecom, LLC (collectively, the "Company"); that I am authorized to make this Verification on behalf of the Company; that I have read the foregoing document; and that any statements in the foregoing document with respect to the Company, except as otherwise specifically attributed, are true and correct to the best of my knowledge, information, and belief.



Brian McClintock
Chief Financial Officer
Lingo Communications, LLC

Sworn and subscribed before me this 12th day of December 2019.



Notary Public

My commission expires 03/02/2023

Please see CA
Jurat Attached

Verification

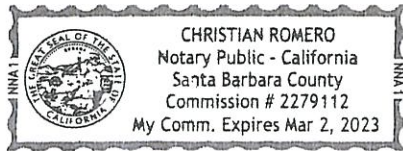
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Santa Barbara

Subscribed and sworn to (or affirmed) before me on this 12th
day of December, 2019, by Brian McClintock

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature

A handwritten signature in blue ink, appearing to read 'Christian Romero', written over a horizontal line.