



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE APPLICATION FOR) ORDER
CONSENT TO THE TRANSFER OF CONTROL OF ALL)
OF THE SHARES OF VODA NETWORKS, INC. FROM)
MICHAEL BERG TO CHRISTINE RIZZUTO) DOCKET NO. TM13111078

Parties of Record:

Andrew B. Lustigman, Esq., Olshan Frome Wolosky LLP, on behalf of Petitioners
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On November 13, 2013, Voda Networks, Inc. ("Voda"), Michael Berg ("Berg"), and Christine Rizzuto ("Rizzuto") (collectively, "Petitioners") filed a verified application with the New Jersey Board of Public Utilities ("Board") requesting Board approval for the transfer of control of all of the shares of Voda from Berg to Rizzuto. Grant of the requested authority will permit consummation of a transaction whereby Rizzuto will acquire all of Berg's stock in Voda (which represents all of the shares of Voda) pursuant to a Stock Purchase Agreement. Following the transaction, Voda will continue to provide service to all of its customers at the same terms, rates, and conditions on which it currently offers such services to customers in the state.

BACKGROUND

Voda is a privately held New York corporation with principal offices located in Syosset, New York. Voda, which is authorized to provide services in four states, provides Broadband, Network Security, VoIP, Voice and Hosting Services. In New Jersey, Voda was authorized to provide facilities-based local and interexchange telecommunications service. See In the Matter of the Petition of Voda Networks, Inc. to Provide Local Exchange Telecommunications Services Within the State of New Jersey, Docket No. TE07120982, Order dated April, 9, 2008.

DISCUSSION

According to the petition, grant of the requested authority will permit consummation of a transaction whereby Rizzuto will acquire all of Berg's stock in Voda resulting in a transfer of control. According to Petitioners, there will be no transfer of assets and customers will continue to be serviced by Voda at the same terms, rates and conditions on which they currently offer such services to customers in the state. Petitioners also note that this filing does not involve any transfer of operating authority or customers.

In evaluating this petition, the Board must be satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14(c). Also, under N.J.S.A. 48:3-7 and N.J.S.A. 48:3-10, the Board is required to determine whether the public utility or a wholly owned subsidiary thereof may be unable to fulfill its pension obligations to any of its employees. Petitioners have indicated that employees in New Jersey will not be affected by this transfer of control.

The Petitioners state that consummation of the proposed transaction will result in net benefits to Voda's customers by strengthening the financial status of Voda. Petitioners claim that the new purchaser of Voda has the capital resources to invest in new products and services and therefore expand the types of services that Voda can offer not only to its current customers but also to potential new customers. Moreover, Petitioners assert that Voda will continue to provide services to its customers in the State using the same technical and managerial personnel following consummation of the proposed transaction.

By letter dated December 16, 2013, the Division of Rate Counsel ("Rate Counsel") advised that the Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. Rate Counsel, however, recommends that the Board deny the petition "for lack of legal representation by a licensed New Jersey attorney, as required under N.J.A.C. 1:1-5.1, and Court Rule 1:21-1(c), or in the alternative defer consideration of this matter until New Jersey counsel has been retained by the company in connection with this filing." Id. at 2. By letter dated January 9, 2014, an Entry of Appearance was filed by Andrew B. Lustigiman, (a licensed New Jersey attorney) of Olshan Frome Wolosky LLP on behalf of Voda Networks, Inc.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on rates or service quality since Petitioners' New Jersey customers will continue to receive the same services at the same rates and under the same terms and conditions. Also, the Board is satisfied that positive benefits will flow to customers based on the record presented by Petitioners as the transfer will strengthen Voda's competitive posture in the telecommunications market due to its access to additional resources. In addition, the Board is persuaded that Petitioners will make every effort to minimize any potential adverse impact to employees in New Jersey.

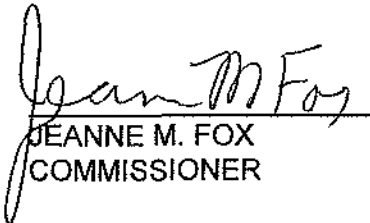
Accordingly, the Board **FINDS** that the proposed reorganization will have no material impact on the rates of current customers or on employees. The Board also **FINDS** that the transfer will have no negative impact on the provision of safe, adequate and proper service, but it will positively benefit competition. Therefore, having considered the record in this proceeding, the Board **FINDS** that the proposed transfer of control is in accordance with the law and in the public interest. The Board **HEREBY APPROVES** the request by Petitioners for the transfer of control and **HEREBY ORDERS** that Petitioners shall notify the Board of the closing of the proposed transaction within seven (7) days of consummation.


This Order shall become effective on February 7, 2014.

DATED: 1/29/14

BOARD OF PUBLIC UTILITIES
BY:

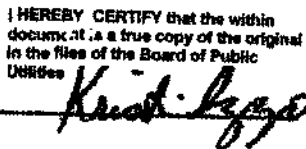

DIANNE SOLOMON
PRESIDENT


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COMMISSIONER

ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


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