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BOARD OF PUBLIC UTILITIES
TRENTON, NJ
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PHIL MURPHY
Governor

Handwritten signature and date: 2/6/18

SHEILA OLIVER
Lt. Governor

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CASE MANAGEMENT

January 30, 2018

FEB 02 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Via Electronic and Regular Mail

Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Fl., Ste. 314
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: I/M/O the Verified Joint Petition of MagicJack VocalTee, Ltd., Transferor and B. Riley Financial, Inc., Transferee for Approval of the Indirect Transfer of Control of YMax Communications Corp. **BPU Docket No.: TM17121283**

Dear Board Secretary:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has reviewed the above referenced Verified Joint Petition of MagicJack VocalTee, Ltd., (“MJVT” or “Transferor”) and B. Riley Financial, Inc., (“B. Riley” or “Transferee”) collectively (“Petitioners”) for approval by the New Jersey Board of Public Utilities (“Board”) of a transfer of indirect control of MJVT’s indirect wholly owned subsidiary YMax Communications Corp. (“YMax” the “Transaction”). Rate Counsel submits the within comments on this matter for the Board’s consideration. Enclosed with this original please find ten copies. Kindly return a date/stamped “Received” and/or “Filed” copy to Rate Counsel. For the reasons that follow, Rate Counsel does not object to Board approval of the Petitioners’ requests in this matter.

Petitioners and Transaction

MJVT is a publicly traded (NASDAQ:CALL) Israeli company headquartered in Netanya, Israel and provides Voice-over-Internet-Protocol (“VoIP”) telecommunications services including local exchange, exchange access and long distance services to approximately 59,000 customers in New Jersey through its wholly-owned indirect subsidiary YMax, a Delaware corporation headquartered in West Palm Beach, Florida.¹ B. Riley is a publicly traded (NASDAQ:RILY) financial services Delaware corporation headquartered in Woodland Hill, California and its wholly-owned subsidiaries including B. Riley Principal Investments, LLC (“BRPI”) a Delaware limited liability company engages in proprietary investments in other businesses.²

Under the Agreement and Plan of Merger dated November 9, 2017, MJVT will become a wholly-owned direct subsidiary of BRPI and YMax will become a wholly-owned indirect subsidiary of B. Riley.³ The transaction will occur at the Parent level and thus will be transparent to all YMax customers, who

¹/ Verified Petition at p. 2, citing to TE05121045 (Order dated March 31, 2006). See Petition Exhibit A for Certificate of Incorporation.

²/ Id., at p. 3. See Petition Exhibit B for Certificate of Incorporation.

³/ Id., at p. 5-6. See Petition Attachment C, Corporate Organizational Chart.

Handwritten note: Case mgmt list copied

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will continue to receive the same services at the same rates and conditions as prior to the transfer/acquisition.⁴

Public Interest Considerations

Board approval must be based on its satisfaction that the transaction is in the public interest and provide all of the information required by *N.J.S.A. 48:2-51.1 et seq.* Petitioners assert and have provided information in support that the purpose of the Transaction will increase the YMax footprint and enable their ability to continue to grow and compete in the telecommunications marketplace in New Jersey with enhanced service offerings to current and future customers and businesses and consumers in general and will not harm or reduce competition in the state. The Transaction will not negatively affect Petitioners' customers who will continue to receive the same services under the same terms, rates and conditions by Petitioners. In addition, the Transaction does not implicate nor will have a negative impact employment or pension obligations under *N.J.S.A. 48:2-51.1*, *N.J.S.A. 48:3-7*, and 3-10.⁵

Therefore, Rate Counsel supports the contemplated continued provision of innovative, high quality telecommunications services to the public for the benefit of both residential and business customers in this state. Accordingly, Rate Counsel would not oppose Board approval of the proposed acquisition.

Thank you for your attention to this matter.

Very truly yours,

STEFANIE A. BRAND, ESQ.
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NEW JERSEY DIVISION OF RATE COUNSEL



Maria T. Novas-Ruiz, Esq.
Assistant Deputy Rate Counsel

c: Service List
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⁴/ Verified Petition at p. 6.

⁵/ Id., at pp. 6-7.

**I/M/O the Verified Joint Petition
of MagicJack VocalTee, Ltd.,
Transferor and B. Riley Financial,
Inc., Transferee for Approval of
the Indirect Transfer of Control
of YMax Communications Corp.**

BPU Docket No. TM17121283

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