

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6795

Petition of HJN Telecom, Inc., for )  
Approval of a Transfer of Control )

Order entered: 2/12/2003

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**I. INTRODUCTION**

On January 8, 2003, HJN Telecom, Inc. ("HJN" or the "Petitioner"), filed a Telecommunications Merger and or Acquisition Request for Approval Form ("Petition") requesting authority from the Vermont Public Service Board ("Board"), pursuant to 30 V.S.A. § 107, for approval of a transfer of control of HJN pursuant to a stock transaction.

On February 3, 2003, the Vermont Department of Public Service ("Department") filed a letter with the Board recommending the Board approve the transfer of control because the proposed transaction would not detrimentally impact Vermont consumers or cause them inconvenience or confusion. The Department further recommended the Board approve the Petition without further investigation or hearing.

The Board has reviewed the Petition and the accompanying documents and agrees that approval should be granted without hearing.

**II. FINDINGS OF FACT**

Based upon the Petition and accompanying documents, we hereby make the following findings of fact.

1. HJN was issued a Certificate of Public Good (CPG No. 422) to provide intrastate telecommunications services, on September 29, 1998. Petition at 1.
2. Pursuant to a prior stock transaction, Lisa Rogers will purchase 100% of the outstanding and issued shares of HJN from Herb J. Newton. Petition at 1 and Attachment.
3. HJN will continue to operate under its current name and tariff.<sup>1</sup> The only change would be in the ultimate ownership of HJN. Accordingly, the transfer will not cause any

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1. The Petition indicates that HJN plans to change its name following the transaction. On February 10, 2003, HJN filed a request for Board approval of the name change.

inconvenience for Vermont consumers. Petition at 2-3.

4. The proposed transaction will promote the public interest in that it will allow HJN to begin to provide telecommunications services in Vermont, thereby enhancing telecommunications competition in Vermont. Petition at 3.

### **III. DISCUSSION**

The proposed transaction requires approval by the Board under 30 V.S.A § 107. This statute conditions approval of a proposed transfer of control upon findings that the transfer of control will promote the public good (30 V.S.A § 107). This standard is met in this case.

Under 30 V.S.A. § 107(a), "[n]o company shall directly or indirectly acquire a controlling interest in any company subject to the jurisdiction of the [Board] . . . without the approval of the [Board]." "Controlling interest" is defined as "ten percent or more of the outstanding voting securities of a company" or such other interest as the Board determines "to constitute the means to direct or cause the direction of the management or policies of a company." 30 V.S.A. § 107(c)(1).<sup>2</sup> In order to approve the acquisition of such a controlling interest, the Board must first find that it will "promote the public good." 30 V.S.A. § 107(b).

After reviewing the Petition, we conclude that 30 V.S.A. § 107 applies because the purchase of 100% of the outstanding and issued shares of HJN by Lisa Rogers will result in the transfer of controlling interest of HJN. The proposed transaction will allow HJN to begin operating in Vermont, which will in turn result in increased competition among providers of telecommunications services in Vermont. The resulting transfer of control, therefore, will promote the public good. For all of these reasons, we conclude that the proposed transaction meets the standards set forth in 30 V.S.A. § 107 and should be approved.

### **IV. CONCLUSIONS**

The transfer of control of HJN should be approved because the transaction will promote the public good of the State of Vermont and will not result in obstructing or preventing competition. 30 V.S.A. § 107(b).

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2. The statute also provides that "[t]he presumption that ten percent or more of the outstanding voting securities of a company constitutes a controlling interest may be rebutted by a company under procedures established by the board by rule." 30 V.S.A. § 107(c)(1).

**V. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The transfer of control of HJN Telecom, Inc., will promote the public good and, therefore, is approved.
2. Petitioner shall file a letter notifying the Board of the completion of the transaction within one week of such completion.

DATED at Montpelier, Vermont, this 12<sup>th</sup> day of February, 2003.

s/Michael H. Dworkin	)	PUBLIC SERVICE
	)	
	)	
s/David C. Coen	)	BOARD
	)	
	)	
s/John D. Burke	)	OF VERMONT

OFFICE OF THE CLERK

Filed: February 12, 2003

Attest: s/Susan M. Hudson

Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*