

ORIGINAL

64423

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Donald R. Cook dba Hanford Mobile Radio Service, an individual proprietorship, for authority to sell, assign and dispose of his Radiotelephone Utility Operations to Hanford Mobile Radio, Inc., a corporation, and

Application of Hanford Mobile Radio, Inc., for authority to acquire such Radiotelephone Utility facilities, and to issue shares of stock for the purchase thereof.

Application No. 44761
(Filed September 5, 1962)

First Amendment
(Filed October 2, 1962)

OPINION AND ORDERApplicants' Requests

By this joint application of Donald R. Cook doing business as Hanford Mobile Radio Service, ^{1/} and Hanford Mobile Radio, Inc., ^{2/} authority is sought under Section 851 of the Public Utilities Code by the seller to sell, assign and dispose of his mobile radiotelephone utility operating in the City of Hanford, Kings County, California, and vicinity to the buyer, Hanford Mobile Radio, Inc., and by the buyer, under Sections 816-830 to issue 404 shares of common stock at a stated value of \$10 each.

The radiotelephone utility authorized to the seller by the Federal Communications Commission is alleged to consist of: A two-way radio station, Call Letters KMD 988, base frequency 454.35 MC, located at Joaquin Ridge, Fresno County, California, together with necessary associated control and repeater facilities.

^{1/} Hereinafter called seller.

^{2/} Hereinafter called buyer.

The control facility is at 160 N. Broadway, Fresno, California. The repeater facility is located on Joaquin Ridge. The station is authorized to serve 70 mobile radiotelephone units on the frequency 459.35 MC. In addition to these facilities there is a fixed rural subscriber radio station, Call Letters KNG 51, associated with the main station and authorized to operate in any temporary fixed location within the territory of the seller. Two radio dispatch stations with Call Letters KMM 853 and KMM 857 are employed for direct dispatching services. The seller's area of operation is set forth in tariffs filed with the Commission by Advice Letter No. 1 on July 31, 1961, pursuant to Decision No. 62156, dated June 20, 1961.

Seller proposes to file with the Federal Communications Commission applications for authority to assign the authorizations for the above described radiotelephone equipment to buyer when this application is granted. The application states that buyer will continue to provide the same service in all respects as provided by the seller except that the radiotelephone utility will be operated by a corporation instead of an individual proprietorship.

Seller, in addition to operating the mobile radiotelephone system now alleged to be growing and becoming more complex, is engaged in other businesses with other assets, and has now determined that operation of Hanford radiotelephone utility through a corporate form rather than individual proprietorship, will offer greater protection to seller's interests and his family. Seller will retain control of the corporation by being its principal executive officer to insure that the public will continue to receive the same quality of service as it has been by seller as an individual.

A copy of letter dated July 25, 1962, which constitutes the agreement between the parties for the transfer of seller's utility to buyer, is marked as Exhibit 1 to the application, as amended, and the description of the property items, cost, accrued depreciation and book value involved in the proposed sale appears in Attachment A thereto.

Under the proposal seller will assign and transfer all operating rights to buyer along with his communications business and equipment consisting of 16 items listed in Attachment A to Exhibit 1 of this application, free and clear of liabilities except contracts payable of \$5,294.44, as of May 31, 1962, which the buyer will assume. In addition, the buyer will issue to the seller 404 shares of its common stock at a total stated value of \$4,040 which, assertedly, represents the net book value of the business.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

Findings

The Commission having considered the application, finds that the proposed sale will not be adverse to the public interest; that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; that a public hearing is not necessary; and that the application should be granted subject to the conditions contained herein; therefore,

IT IS HEREBY ORDERED that:

1. Donald R. Cook, doing business as Hanford Mobile Radio Service, 160 North Broadway, Fresno, California may on or after the effective date hereof and on or before December 31, 1963, sell and transfer his radiotelephone utility facilities with all operating rights as heretofore described, to Hanford Mobile Radio, Inc., in accordance with the terms and conditions contained in the Agreement and Terms of Payment, attached to the application as Exhibit 1.

2. As a condition of the authority herein granted, Hanford Mobile Radio, Inc., is directed to continue the public utility responsibilities of Donald R. Cook, doing business as Hanford Mobile Radio Service, with respect to the area served by the properties being transferred.

3. Hanford Mobile Radio, Inc., in acquiring said operating rights and facilities from Donald R. Cook, may issue not to exceed 404 shares of common stock, at a stated value of \$10 a share, and may assume contracts payable in the amount of not to exceed \$5,294.44.

4. The tariffs of Donald R. Cook, doing business as Hanford Mobile Radio Service, now on file with this Commission, shall be filed within thirty days from the date of actual transfer under the name of Hanford Mobile Radio, Inc., in accordance with the procedure prescribed in General Order No. 96-A, or, in lieu of such refiling, Hanford Mobile Radio, Inc., may file a notice of adoption of said presently filed tariffs. No increases in the presently filed tariffs shall be made unless authorized by this Commission.

5. On or before the date of actual transfer of the specific properties herein authorized, Donald R. Cook, doing business as Hanford Mobile Radio Service, shall transfer and deliver to Hanford

Mobile Radio, Inc., and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the radiotelephone utility authorized to be transferred.

6. If the authority herein granted is exercised, Hanford Mobile Radio, Inc., shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and of its compliance with the conditions hereof.

7. Hanford Mobile Radio, Inc., shall file a report, or reports, of the issue of the stock herein authorized as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

8. Donald R. Cook, doing business as Hanford Mobile Radio Service, is relieved of his public utility responsibilities with respect to the property being transferred coincident with the full assumption of such responsibilities by Hanford Mobile Radio, Inc.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 23rd
day of OCTOBER, 1962.

George G. Hoover
President
Walter J. Marshall
E. L. Fox
Everett A. Ray
Friedrich B. Hildehoff
Commissioners