

ORIGINAL

Decision No. 67631

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 VIRGINIA D. PAGE and GLEN D. PAGE,)
 dba PAGE'S TELEPHONE ANSWERING SERVICE,)
 to transfer Station KMA-219, Modesto,)
 California, to ANSWERING SERVICES, a)
 joint venture, composed of BERESFORD)
 PRODUCTIONS, LTD., CARMIL CORPORATION,)
 and ANDAMAN CORPORATION, and for the)
 issuance of a certificate of public)
 convenience and necessity to ANSWERING)
 SERVICES, a joint venture.)

Application No. 46056
 (Filed December 23, 1963)
 (Amended June 4, 1964)

OPINION AND ORDER

By this amended application, Virginia D. Page and Glen D. Page doing business as Page's Telephone Answering Service (hereinafter sometimes referred to as sellers): seek authorization to sell for \$2,500 cash to Carford Corporation (a California corporation hereinafter sometimes referred to as buyer) a radiotelephone utility operating under call letters KMA-219 together with certificate of public convenience and necessity covering the operations of such station. In addition, buyer seeks authorization to issue 100 shares of one-class, no-par capital stock at a sales price of \$5.00 per share to obtain initial working capital and, if required by law, further authorization to receive cash advances of \$2,500, from a business enterprise known as Answering Services, for use in the purchase of said property and operating rights of sellers.

Sellers are a radiotelephone utility operating in the Modesto area of the state of California under "grandfather rights" pursuant to this Commission's Decision No. 62156, dated June 20, 1961.

A copy of buyer's articles of incorporation is attached to the application as Exhibit A. Exhibit B is sellers' balance sheet as of December 31, 1962. Exhibit C is sellers' income statement for the year 1962. Exhibit D is the purchase and sales agreement covering the sale for which authorization is sought herein. Exhibit E is a management agreement covering the proposed management arrangements of buyer.

In connection with the cash advance to buyer, it contemplates that such funds will be in the nature of an advance which will be repayable without interest when and if the financial condition of buyer justifies such repayment. It represents that no stock will be issued in connection with the obtaining of funds for the purchase of the property herein referred. Such advances will be for the acquisition of property as set forth herein and for the improvement or maintenance of its service only. Since such advances would probably not be evidenced by notes or other evidence of indebtedness and are not payable at periods of more than 12 months after the date of such advances (or any other specific period), buyer represents that such advances do not fall within the operation of Sections 816 to 853 of the Public Utilities Code of the State of California. Buyer states that there will be no encumbrance of any of its property in connection with any such advances by Answering Services.

Findings and Conclusions

The Commission finds and concludes that:

1. The sale of the operating utility property herein is not adverse to the public interest and should be authorized.

2. A certificate of public convenience and necessity should be issued to buyer authorizing buyer to operate the radiotelephone system herein to the extent such operation was authorized by Decision No. 62156, dated June 20, 1961.

3. The certificate hereinafter granted shall be subject to the following provision of law:

The Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

4. The action taken herein is not to be considered as indicative of the amounts to be included in future proceedings for the purpose of determining just and reasonable rates.

5. The order herein should authorize buyer to issue one hundred shares of stock at a par value of \$5 per share to be used for the initial capital of the buyer. The Commission is of the opinion that the money, property or labor to be procured or paid for by the issuance of the securities herein authorized is reasonably required for the purposes specified herein and that such purposes are not in whole or in part, reasonably chargeable to operating expenses or to income.

6. The authorization herein granted shall not be construed to be a finding of the value of buyer's stock or property.

7. A public hearing is not necessary.

IT IS ORDERED that:

1. Virginia D. Page and Glen D. Page, doing business as Page's Telephone Answering Service, may, on or after the effective date hereof and on or before July 1, 1965, sell and transfer the herein

described public radiotelephone utility properties to Carford Corporation, a California corporation, substantially in accordance with the terms and conditions contained in the purchase and sale agreement, included in the application as Exhibit D.

2. Carford Corporation be and is granted a certificate that public convenience and necessity require it to operate the radiotelephone system herein authorized to be transferred to the extent such operation was authorized by Decision No. 62156, dated June 20, 1961.

3. The rates and rules of Page's Telephone Answering Service, now on file with this Commission, shall be refiled within thirty days from the date of actual transfer under the name of Carford Corporation in accordance with the procedure prescribed by General Order No. 96-A, or in lieu of such refileing Carford Corporation may file a notice of adoption of said presently filed rates and rules. No increases in the presently filed rates and rules shall be made unless otherwise authorized by this Commission.

4. On or before the date of actual transfer, sellers shall refund all customers' deposits and advances which are subject to refund. Any unrefunded advances and deposits shall be transferred to and become the obligation for refund of buyer.

5. If the authorization herein granted is exercised, buyer shall, within thirty days thereafter notify this Commission in writing of the date of completion of the property transfer herein authorized and of its compliance with the conditions hereof and shall file a copy of each journal entry used to record the purchase on its books.

6. On or before the date of actual transfer of the physical properties herein authorized, sellers shall transfer and deliver to buyer, and the latter shall receive and preserve, all records, memoranda, and papers pertaining to the construction and operation of the subject radiotelephone utility properties.

7. After the effective date hereof and on or before July 1, 1965, buyer may issue and sell at not less than \$5 per share, one hundred shares of its capital stock and use the proceeds for the purposes set forth in the foregoing opinion.

8. Buyer shall file with this Commission a report or reports as required by General Order No. 24-B which order, insofar as applicable, is hereby made a part of this order.

9. Upon due compliance with all of the conditions of this order, sellers shall stand relieved of all future public utility obligations and liabilities in connection with the operation of the radiotelephone utility properties herein authorized to be transferred.

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

Dated at San Francisco, California, this 4th day of AUGUST, 1964.

Frederick V. Hallock
President
George E. Trover

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

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Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.