

ORIGINAL

Decision 88 02 050 FEB 24 1988

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
COMVEN, INC., an Arizona Corporation )  
(Transferor), and FLEET CALL, INC., )  
a Delaware Corporation (Transferee), )  
for Authority to Transfer Control of )  
Radiotelephone Utility Assets. )

Application 88-01-008  
(Filed January 11, 1988)

U-2010 C )

OPINION

Comven, Inc. (Comven), an Arizona corporation, and Fleet Call, Inc. (Fleet Call), a Delaware corporation, seek authority to transfer the property, assets, and Comven's California common carrier paging authority to Fleet Call pursuant to Sections 816-857 of the Public Utilities Code and a merger agreement dated November 25, 1987, attached to the application as Exhibit C.

Comven is presently authorized to provide one-way paging service in the San Francisco, Los Angeles/Orange County, San Diego, San Bernardino, and Santa Paula areas. Comven also provides business paging service in the Dallas, Phoenix, San Diego, and Los Angeles areas and operates radio common carrier systems in the Phoenix and Los Angeles areas.

The application states that Fleet Call is engaged in the business of acquiring and operating seasoned specialized mobile radio business operating under Federal Communication Commission 800 MHz licenses and related operations such as paging and microwave systems in major mobile communications markets. The application states that Fleet Call is also acquiring rights to operate in markets under recently issued 900 MHz licenses. The application also states that the goal of Fleet Call is to consolidate, in selected markets, the currently fragmented ownership of specialized mobile radio businesses and related operations so as to enhance

values through utilization of marketing, technical, and regulatory opportunities that are only available when a large number of frequencies are under common control.

Under the terms of the merger agreement, FC-Arizona, a subsidiary of Fleet Call, will merge with and into Comven. Comven will continue as the surviving corporation and operate as a wholly owned subsidiary of Fleet Call. The present holders of the common stock of Comven will have no further interest in the surviving corporation and will be entitled to receive either, (1) \$3.68 in cash for each share of common held, or (2) any rights they may have as dissenting shareholders.

With consummation of the transfer, Comven will continue to operate pursuant to tariffs currently on file. There are no changes in rates, method of operation, or conditions of service contemplated.

The consolidated balance sheet of Comven and its subsidiary, attached to the application as Exhibit F, shows total assets of \$3,576,812 and net stockholder equity of \$684,734.

Since Fleet Call was incorporated in 1987, no financial statements were prepared for it. To finance this and future acquisitions, Fleet Call sold 905,000 shares of its Class A Common Stock at \$10 a share, an aggregate of \$9,050,000, subject to placement agent fees and offering expenses. It has also arranged for \$45,000,000 of subordinated debt and is now arranging an overall \$22,000,000 bank credit facility. A part of the acquisition costs is to be funded by the issuance of securities to the sellers of other mobile radio businesses, which will include, subject to consummation of certain acquisition agreements, an amount of approximately \$4,000,000 in subordinated debt and equity and \$2,000,000 of senior debt.

The application states that by having previously granted operating authority to Comven, the Commission has recognized the public interest served by the operation of the common carrier.

paging systems which are the subject of this application, and that high quality paging service to subscribers will continue to be provided. It states that the proposed transfer of control will make available additional resources to Comven which will enable it to provide even better service.

No protests to the application have been received.

Findings of Fact

1. Comven, an Arizona corporation, is presently authorized to provide one-way paging service in the San Francisco, Los Angeles/Orange County, San Diego, San Bernardino, and Santa Paula areas.

2. Fleet Call, a Delaware corporation, is engaged in the business of acquiring and operating seasoned mobile radio operations and paging and microwave systems in major mobile communications markets.

3. The application seeks authority to transfer the property, assets, and Comven's California one-way paging authority to Fleet Call pursuant to the terms of a merger agreement dated November 25, 1987.

4. Under the terms of the merger Comven will continue to provide one-way paging service as a wholly owned subsidiary of Fleet Call.

5. The transfer and control of Comven to Fleet Call will have no effect on the service now provided by Comven and is not adverse to the public interest.

Conclusion of Law

The proposed transfer is in the public interest and should be authorized. A public hearing is not necessary.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

ORDER

IT IS ORDERED that:

1. Fleet Call, Inc. may acquire the property, assets, and common carrier paging authority of Conven, Inc. as specified in the merger agreement attached to the application as Exhibit C.

2. Written notice of the consummation of the transaction authorized by this order shall be filed with the Commission Advisory and Compliance Division within 10 days after its completion.

This order is effective today.

Dated February 24, 1988, at San Francisco, California.

STANLEY W. HULETT  
President  
DONALD VIAL  
JOHN B. OGANIAN  
Commissioners

Commissioner Frederick R. Duda,  
being necessarily absent, did  
not participate.

Commissioner G. Mitchell Wilk,  
being necessarily absent, did  
not participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Victor Weisser, Executive Director

ORDER

IT IS ORDERED that:

1. Fleet Call, Inc. may acquire the property, assets, and common carrier paging authority of Comven, Inc. as specified in the merger agreement attached to the application as Exhibit C.

2. Written notice of the consummation of the transaction authorized by this order shall be filed with the Commission Advisory and Compliance Division within 10 days after its completion.

This order is effective today.

Dated FEB 24 1988 at San Francisco, California.

STANLEY W. HULETT  
President  
DONALD VIAL  
JOHN B. OHANIAN  
Commissioners

Commissioner Frederick R. Duda,  
being necessarily absent, did  
not participate.

Commissioner G. Mitchell Wilk,  
being necessarily absent, did  
not participate.