

Decision 92 05 076 MAY 26 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of )  
PageMart, Inc. to transfer ownership )  
and assign its certificate of public )  
convenience and necessity to )  
PageMart II, Inc. to provide )  
radiotelephone utility paging )  
services in Daly City, California. )

Application 92-03-021  
(Filed March 12, 1992)

O P I N I O N

By this application PageMart, Inc. seeks authority to transfer ownership of its certificate of public convenience and necessity (CPC&N) to its wholly owned subsidiary PageMart II, Inc. (PageMart II).

Notice of this application appeared in the Commission's Daily Calendar of March 16, 1992. No protests were received; therefore, a public hearing is not necessary.

PageMart, Inc. is a certificated radiotelephone utility with its principal place of business at 6688 N. Central Expressway, Suite 900, Dallas, Texas. PageMart, Inc. was authorized to provide 900 megahertz (MHz) paging service in the Daly City area pursuant to Decision (D.) 90-10-010, dated October 12, 1990.

PageMart II, a Delaware corporation, was formed on November 19, 1991 for the purpose of providing 900 MHz paging services in various cities throughout the country. PageMart II will assume PageMart, Inc.'s tariffs presently on file with the Commission. PageMart II has filed an application to qualify as a foreign corporation in California with the Secretary of State. Approval to transact business in California as a foreign corporation is expected shortly. Therefore, we will condition the approval of this application upon PageMart II demonstrating that it

has received the appropriate qualification from the Secretary of State.

PageMart, Inc. proposes to transfer its ownership and to assign its license to PageMart II, pursuant to a stock purchase agreement with Morgan Stanley Leveraged Equity Fund II, L.P. (MSLEF), a limited partnership. The funds from the stock purchase agreement will provide PageMart with the capital needed to fully develop its private carrier paging system by cash infusion.

Currently, PageMart, Inc. is owned by Roger Dennis Linguist (Linguist), Morgan Stanley Venture Partners, LP. (MSV), Accel Partners, LP and Affiliate Entities (Accel), and Richard Spalding (Spalding). Each of the parties, except for Spalding, owns 33.19% of Page Mart, Inc.'s outstanding shares. Spalding owns 0.19% of PageMart, Inc.'s outstanding shares.

Upon consummation of the stock purchase agreement MSLEF will own 43.32% of PageMart, Inc. The remaining 56.68% will be owned by MSV (22.02%), Accel (22.02%), Linguist (12.47%), and Spalding ( 0.17%).

The Federal Communications Commission (FCC) has granted PageMart, Inc. authority to transfer its FCC license to PageMart II, pursuant to FCC File No. 20469-CD-AL-1-91. No further FCC action is pending.

It can be seen with certainty that the grant of this application will not have any significant impact on the environment because PageMart, Inc. and PageMart II do not propose any new construction.

Pursuant to Ordering Paragraph 1 of D.87-10-035, this application should be approved by the Executive Director on an expedited basis because this application is noncontroversial and because PageMart, Inc. is a nondominant radiotelephone utility. The ordering paragraph provides in part that:

"...the Executive Director [may] grant noncontroversial applications by nondominant telecommunications carriers and radiotelephone

utilities for authority to transfer assets or control under §§ 851-855 of the PU Code."

Findings of Fact

1. PageMart, Inc. proposes to transfer ownership of its radiotelephone CPC&N to PageMart II.
2. PageMart II is a wholly owned subsidiary of PageMart, Inc.
3. No protests to the application have been filed.
4. It can be seen with certainty that the proposed transfer will not have an adverse impact on the environment.
5. Public convenience and necessity require the granting of this application to be effective on the date signed.
6. PageMart II has filed an application with the Secretary of State to qualify as a foreign corporation in California.
7. The Executive Director may grant noncontroversial applications by nondominant telecommunications carriers and radiotelephone utilities for authority to transfer assets or control under §§ 851-855 of the PU Code.

Conclusion of Law

The application should be granted to the extent provided in the following ordering paragraphs.

This authority is not a finding of the value of the rights and property to be transferred.

O R D E R

IT IS ORDERED that:

1. PageMart, Inc. may transfer ownership of its public utility one-way radiotelephone certificate of public convenience and necessity (CPC&N) U-2124-C to PageMart II, Inc. (PageMart II), a wholly owned subsidiary of PageMart, Inc.
2. The authority granted in Ordering Paragraph 1 is conditioned upon PageMart II filing with the Docket Office, for

inclusion in the formal file of Application 92-03-021, written notice that it is qualified to transact business in California as a foreign corporation.

3. PageMart II shall not begin operations as a public utility one-way radiotelephone utility in California until it has satisfied the requirement of Ordering Paragraph 2 and until it has filed an advice letter to adopt as its own the tariffs of PageMart, Inc. and which reflects the name change with the Commission Advisory and Compliance Division (CACD).

4. PageMart II shall file with the CACD Director written notice that the authorized transfer of CPC&N has been completed.

5. Within 90 days after transfer, PageMart, Inc. shall file with the Commission, in the prescribed form, an annual report on PageMart, Inc.'s operations from the first day of the current year through the effective date of the transfer.

6. PageMart II is subject to the user fee as a percentage of gross intrastate revenue pursuant to PU Code §§ 431-435.

7. Within 60 days of the effective date of this order, applicant shall comply with PU Code § 708, Employee Identification Cards, and notify, in writing, the Chief of the Telecommunications Branch of CACD.

8. PageMart II shall file an annual report, in compliance with General Order 104-A, on a calendar year basis using the CPUC annual report form for licensees and prepared in accordance with the instructions included with that form.

9. The corporate identification number assigned to PageMart II is U-2129-C which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

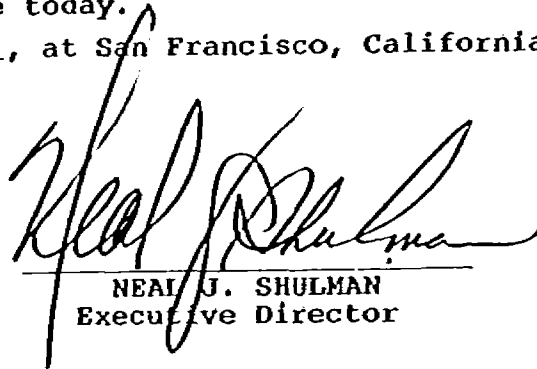
10. Upon compliance with all of the conditions of this order, including the payment of all fees due under PU Code § 431 to the date of transfer, PageMart, Inc. shall stand relieved of its public

utility obligation for the transferred telecommunications and its corporate identification No. U-2124-C shall be revoked.

11. The application is granted as set forth above and the authority granted shall expire if not exercised within one year of the effective date of this order.

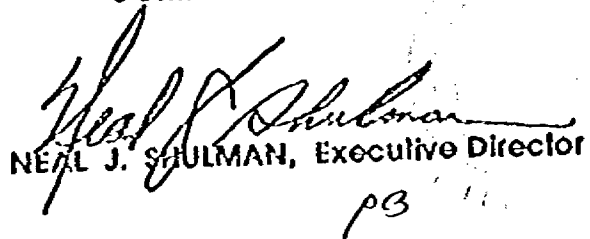
This order is effective today.

Dated MAY 26 1992, at San Francisco, California.



NEAL J. SHULMAN  
Executive Director

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



NEAL J. SHULMAN, Executive Director

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