

Decision 82 06 066

JUN 2 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Peninsula Communications, Inc., a)
California corporation; Beepercall,)
a California corporation; M. Jeffrey)
Levy and Gerald H. Levy, individuals)
and Paging Network of San Francisco,)
Inc., a Delaware corporation for)
Transfer of Control of Beepercall,)
a California corporation.)

Application 82-04-11
(Filed April 5, 1982)

O P I N I O N

This is a joint application of Peninsula Communications, Inc., (Peninsula), a California corporation; Beepercall, (Beeper), a California corporation; M. Jeffrey Levy and Gerald H. Levy, (shareholders), individuals; and Paging Network of San Francisco, Inc., (buyer), a Delaware corporation, seeking authority to transfer control of Beeper from Peninsula to buyer.

Beeper is a radiotelephone utility (RTU) which provides one-way paging and signaling and two-way mobile radio service generally in the Cities of San Francisco, Oakland, San Mateo, Millbrae, San Carlos, Redwood City, and San Leandro. Beeper's service area and rates for RTU services are set forth in tariffs on file with the Commission.

At present Beeper is wholly owned by Peninsula and 100% of the outstanding shares of common stock of Peninsula are owned by shareholders. It is proposed that buyer will purchase all of the outstanding common stock shares of Peninsula from shareholders. The purchase price to be paid to shareholders for all of the outstanding common stock shares of Peninsula is \$2,112,499, to be adjusted at closing of the sale to reflect the aggregate of loans between Peninsula and shareholders.

The president of buyer is stated to have extensive experience in the operation of RTU systems. Buyer states it does not intend to change operating staff, tariffs, or method of operation of Beeper. The current president of Peninsula and Beeper will continue to manage the daily operations of both companies to ensure continuation of high-quality RTU service. Buyer has been qualified by the California Secretary of State to transact intrastate business in the State of California.

Since buyer was formed for the purpose of this proposed transaction it has conducted no business to date and therefore has no income. A pro forma balance sheet for buyer reflecting its financial condition after closing of the sale shows: Assets: cash, \$936,780; investment in Peninsula, \$1,978,320 - Liabilities: a note, \$915,100; stockholders' equity, \$2,000,000.

The application indicates that the parties are filing contemporaneously with this application for the requisite approval of the Federal Communications Commission and the Commissioner of Corporations of California.

The application was served upon six RTUs serving areas from San Francisco to San Jose as well as upon The Pacific Telephone and Telegraph Company. Notice of the filing of the application appeared on the Commission's Daily Calendar of April 7, 1982. No protests have been received.

Beeper presently competes with a number of RTUs and/or The Pacific Telephone and Telegraph Company in the areas in which Beeper serves. However, the proposed transfer of indirect control of Beeper should not have any effect on the competitive relationships that currently exist.

Findings of Fact

1. Transfer of control of Beeper from Peninsula to buyer is proposed.
2. Buyer is a fit and proper entity to control Beeper.
3. Buyer has the technical and financial resources to ensure the continued effective operation of Beeper.
4. Granting the authority sought will not change competitive relationships between Beeper and competing utilities.
5. Granting the transfer of control of Beeper is not adverse to the public interest.
6. A public hearing is not necessary.

Conclusion of Law

The authority sought should be granted.

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.

O R D E R

IT IS ORDERED that:

1. Paging Network of San Francisco, Inc., is authorized to purchase the outstanding common shares of Peninsula Communications, Inc., owned by M. Jeffrey Levy and Gerald H. Levy and to acquire control of Peninsula Communications, Inc. and its subsidiary Beepercall. This authority shall expire if not exercised prior to December 31, 1982.

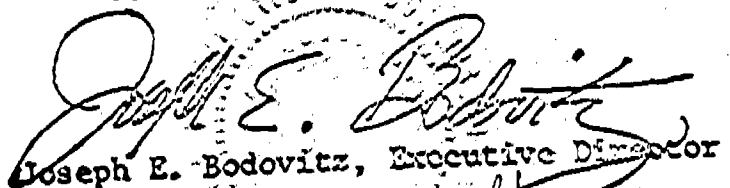
2. Paging Network of San Francisco, Inc., shall notify the Commission in writing upon completion of the sale of stock and transfer of control of Peninsula Communications, Inc., and its subsidiary Beepercall.

This order becomes effective 30 days from today.

Dated JUN 2 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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


Joseph E. Bodovitz, Executive Director