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Decision No. 90504 JUL 3 1979

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
EDNA F. McCLURE; PACIFIC RADIOTELEPHONE,)	Application No. 58773
INC., a California corporation; and)	(Filed April 2, 1979)
ELECTROPAGE, INC., a California corpora-)	and
tion; for the Acquisition of Stock, and)	Amendment to Application
Control, of PACIFIC RADIOTELEPHONE, INC.)	(Filed May 17, 1979)
by ELECTROPAGE, INC.)	

O P I N I O N

Electropage, Inc. and Graphic Scanning Corp. (Graphic), a Delaware corporation, request authority, pursuant to Section 854 of the Public Utilities Code, to acquire control of Pacific Radiotelephone, Inc. (Pacific) from the present shareholder, Edna F. McClure (McClure).

Notices of the filing of the application and the amendment were published on the Commission's Daily Calendars of April 3 and May 21, 1979.

McClure, as sole shareholder of Pacific, has entered into a stock purchase agreement with Electropage, Inc. for the sale of all the issued and outstanding capital stock of Pacific. A copy of the stock purchase agreement is attached to the application as Exhibit 3.

Pacific is a radiotelephone utility certificated by this Commission to provide one-way paging service in an area encompassing the City of Lodi, and surrounding portions of Sacramento and San Joaquin Counties. Pacific's operating authority from this Commission emanates from Decision No. 62156,^{1/} whereby Pacific's

1/ Decision No. 62156, dated June 20, 1961, in Case No. 6945 and Application No. 42456 (finds radiotelephone common carriers to be public utilities).

predecessor in interest, Secretarial Answering Service, was certificated. Pacific's service area is in conformance with Decision No. 88513^{2/} and its paging service is provided on 35.22 MHz, pursuant to licenses issued by the Federal Communications Commission (F.C.C.). A copy of Pacific's duly filed service area tariff map is attached to the application as Exhibit 1.

McClure is the founder, president, and sole shareholder of Pacific. Pursuant to Decision No. 76012^{3/} this Commission authorized the issuance to McClure of 200 shares of \$10.00 par value stock of Pacific in exchange for the contribution by McClure to Pacific of the paging facilities previously owned and operated by her as a sole proprietor under the name Secretarial Answering Service. In the ten years since Decision No. 76012, she has continued to manage and direct the operations of Pacific in the public interest.

Recently, however, McClure has developed an extremely serious heart condition, and as a consequence has been ordered by her doctors to terminate her business activities and divest herself of Pacific. In response to those orders, she has agreed, subject to the approval of this Commission, and of the F.C.C., to sell the stock of Pacific to Electropage according to the terms of the Stock Purchase Agreement.

McClure has stated in the application that she feels that the acquisition of Pacific by Electropage will have a substantial public benefit, because of Electropage's history of innovative development of the industry and service to the community. It will also enable the injection into Pacific's operations of new vitality which she, because of her health problems, is no longer able to provide. Electropage's growth from 43 operating pagers five years ago to more than 2,500 at the time of the application's filing

^{2/} Decision No. 88513, dated February 22, 1978, in Case No. 10210 (OII into the deregulation of radiotelephone utilities).

^{3/} Decision No. 76012, dated August 12, 1969, in Application No. 51010 (authorizing issuance of stock of Pacific to McClure).

supports this proposition, as does Electropage's installation of numerous new transmitters and ancillary facilities during the same period.

Electropage is a California corporation certified by this Commission as a radiotelephone utility to provide one-way paging service in an area including and extending outward from the City of Sacramento, encompassing portions of El Dorado, Placer, Sacramento, and Yolo Counties. Electropage's service area is in conformance with Decision No. 88513, dated February 22, 1978, in Case No. 10210 and its paging facilities are provided on frequencies of 43.22 MHz and 43.58 MHz pursuant to licenses issued by the F.C.C. A copy of Electropage's service area tariff map is attached to the application as Exhibit 2.

Electropage is a wholly owned subsidiary of Digital Paging Systems, Inc., a Delaware corporation. Digital is in turn a subsidiary of Graphic, also a Delaware corporation. Thus, the proposed sale of McClure's stock in Pacific to Electropage will have the effect of transferring direct control of Pacific to Electropage, and will at the same time transfer indirect control of Pacific to Graphic since Graphic has ultimate control over Electropage. Graphic's background qualifications, and experience in the RTU industry are already a matter of record before this Commission in connection with Application No. 58259.^{4/}

The application indicates that the full purchase price for McClure's stock in Pacific is \$27,000, payable in cash. The application further indicates that Electropage has the financial ability to make this acquisition without impairing its ability to continue either its own or Pacific's operations in the public interest.

^{4/} Application No. 58259, filed July 31, 1978, for authority to transfer control of Radio Relay Corp.-California to Graphic, granted by Decision No. 89588, dated October 31, 1978.

The applicants' attorney has advised the Commission staff by letter that the F.C.C. has already granted its approval to the subject transaction, and that its rules require that the transaction be consummated not later than July 15, 1979. Accordingly, it is appropriate that this Commission's approval be made effective immediately, rather than in the customary thirty days, since the latter date would cause the F.C.C.'s approval to lapse.

The Finance Division and the Communications Division of the Commission staff have reviewed the proposals set forth in the application and consider the requests to be reasonable.

Findings of Fact

1. Pacific Radiotelephone, Inc. is a certificated radiotelephone utility in good standing before this Commission.
2. Edna F. McClure, who is the sole shareholder of Pacific, desires to sell and transfer all of the outstanding capital stock of Pacific to Electropage, Inc.
3. Electropage is also a certificated radiotelephone utility in good standing before this Commission.
4. Electropage is a subsidiary of Digital Paging Systems, Inc., which is in turn a subsidiary of Graphic Scanning Corp.; therefore, the sale of McClure's stock to Electropage will result in an indirect transfer of control of Pacific to Graphic.
5. The proposed sale and transfer is not adverse to ^{the} public interest~~s~~. *SS*

Conclusions of Law

1. The proposed sale and transfer of the stock of Pacific from McClure to Electropage, and the transfer of control of Pacific to Electropage and Graphic should be authorized by this Commission.
2. There is no known opposition and no reason to delay granting the authority requested.
3. A public hearing is not necessary.
4. The application should be granted to the extent set forth in the order which follows.
5. The sale and transfer of McClure's stock, and the resulting transfers of control to Electropage and Graphic, require Commission authorization under Sections 852 and 854 of the Public Utilities Code.

The authorization herein granted is for the purposes of this proceeding only and is not to be construed as a finding of the value of the assets or capital stock of Pacific.

O R D E R

IT IS ORDERED that:

1. Electropage, Inc. may acquire from Edna F. McClure all of the outstanding capital stock of Pacific Radiotelephone, Inc., pursuant to terms of the Stock Purchase Agreement which is Exhibit 3 to the application herein, and Electropage, Inc. and Graphic Scanning Corp. may thereby acquire and exercise control of Pacific.

2. Within sixty (60) days after the consummation of the subject sale and transfer of the Pacific stock, Electropage shall notify this Commission in writing of the date of such consummation.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 3rd day of JULY, 1979.

John E. Burns
President

Vernon L. Stinson

Richard D. Howell

Charles J. Phillips

Edward J. King
Commissioners