

ORIGINAL

Decision 93314 JUL 22 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In The Matter Of The Application)
of Riggs Radio Dispatch and)
Riggs Communications, Inc. For)
Authorization Under Section 854)
Of The Public Utilities Code To)
Transfer Control Of Riggs Radio)
Dispatch.)

Application 60327
(Filed March 5, 1981;
amended June 16, 1981)

O P I N I O N

Riggs Radio Dispatch (Riggs) and Riggs Communications, Inc. (Riggs, Inc.) seek an order of the Commission authorizing the transfer of the assets and control of Riggs to Riggs, Inc. Riggs, Inc. also seeks authority to issue a promissory note to Kenneth A. Riggs in an amount not to exceed \$120,000 bearing interest at 9% and amortized in monthly payments over ten years.

Riggs operates as a public utility radiotelephone company furnishing radiotelephone services in and around the city of Merced. Riggs is a sole proprietorship owned by Kenneth A. Riggs. Riggs, Inc. is a California corporation formed for the purpose of acquiring and continuing under family control the business of Riggs. The present officers and shareholders of Riggs, Inc. are Curtis A. Riggs, president and Kraig B. Riggs, secretary, who are the sons of the present owner Kenneth A. Riggs.

Riggs' balance sheet attached to the application shows as of August 31, 1980 total assets of \$159,438.40 offset by liabilities and proprietary capital of \$48,241.89 and \$111,196.51 respectively. Riggs, Inc.'s pro forma balance sheet attached to the application shows total assets of \$161,438.40 offset by liabilities of \$159,438.40 and capital stock of \$2,000.00.

By agreement dated September 1, 1980, Riggs is to transfer the assets of the business to Riggs, Inc. Riggs, Inc. will assume the liabilities as of the transfer date. The price is to be determined as of the transfer date and shall be equal to the amount of the assets in excess of the liabilities as shown on Riggs' books of account. The estimated price is \$111,196.51 as shown on Riggs' financial statement dated August 31, 1980. The purchase price is payable by the issuance of an unsecured note of the corporation bearing interest at 9% per annum and amortized in monthly payments over 10 years. The transfer is to occur within 30 days of approval by this Commission and the Federal Communications Commission.

By letter dated June 12, 1981, counsel for applicant indicates that the net worth of Riggs will not significantly change from the \$111,196.51 shown in the application as of August 30, 1980, but requests that authorization to issue a note in a principal amount not to exceed \$120,000 be granted.

The application states that the proposed transfer is in the public interest in that the corporate entity will be better able to provide continuity of management by Riggs' family members and to raise the capital necessary to keep abreast of the changing technology of the radiotelephone industry.

The application was served on each of Riggs' competitors. No protests have been received.

Findings of Fact

1. Riggs Radio Dispatch, a sole proprietorship, operates as a radiotelephone utility subject to the jurisdiction of this Commission.
2. The proposed transfer of assets and control of Riggs to Riggs, Inc. would not be adverse to the public interest.

3. The proposed security issue is for lawful purposes and the money, property, or labor to be obtained by it are required for these purposes. Proceeds from the security issue may not be charged to operating expenses or income.

4. There is no known opposition and no reason to delay granting the authority requested.

5. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

On the basis of the above findings we conclude that the application should be granted. A public hearing is not necessary. This authorization is not a finding of the value of rights and properties to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1981, Kenneth A. Riggs, may transfer all assets of a radiotelephone utility system known as Riggs Radio Dispatch to Riggs Communications, Inc., in accordance with the terms contained in the application.

2. Riggs Communications, Inc., may receive the utility assets, assume all the liabilities and shall undertake the public utility obligations of Riggs Radio Dispatch.

3. Within 10 days after transfer, Riggs Communications, Inc., shall write the Commission stating the date of transfer and that it assumes radiotelephone utility obligations.

4. Riggs Communications, Inc., shall either file a statement adopting Riggs Radio Dispatch's tariffs or refile those tariffs under its own name as prescribed in General Order Series 96. Rates shall not be increased unless authorized by this Commission.

5. Before the transfer occurs, Riggs Radio Dispatch shall deliver to Riggs Communications, Inc., and Riggs Communications, Inc., shall keep all records of the construction and operation of the radiotelephone utility system.

6. Riggs Communications, Inc., shall maintain its accounting records on a calendar year basis in conformance with the Uniform System of Accounts for Radiotelephone Utilities adopted by Commission Decision 76362, dated November 4, 1969, in Case 8968, and shall file with the Commission on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

7. Within sixty days after actual transfer, Riggs Communications, Inc., shall file with the Commission a copy of each journal entry to record the transfer on its books of account.

8. When this order has been complied with, Riggs Radio Dispatch shall have no further obligation in connection with this radiotelephone utility system.

9. On or after the effective date of this order and on or before December 31, 1981, Riggs Communications, Inc., may issue a Promissory Note in the aggregate principal amount of up to \$120,000 bearing the same terms and conditions as stated in the application.

10. Riggs Communications, Inc., shall file with the Commission a report, or reports, as required by General Order Series 24, which insofar as applicable, is made a part of this order.

This order shall be effective when Riggs Communications, Inc., has paid the \$240 fee prescribed by Public Utilities Code Section 1904(b). In all other respects this order becomes effective 30 days from today.

Dated ~~JUL 22 1981~~ at San Francisco, California.

John G. Snyco

President
Charles D. [unclear]

Edward W. [unclear]

Victor [unclear]

Francis O. [unclear]

Commissioners

