

Decision 93792

DEC - 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of TADLOCK'S RADIO DISPATCH and )  
TADLOCK'S COMMUNICATIONS, INC., )  
for authorization under § 854 of )  
the Public Utilities Code to )  
transfer assets and control of )  
Tadlock's Radio Dispatch. )

Application 60753  
(Filed July 21, 1981)

O P I N I O N

Tadlock's Radio Dispatch (TAD) and Tadlock's Communications, Inc. (INC) seek an order of the Commission authorizing the transfer of the assets and control of TAD to INC. INC seeks authority to issue a promissory note to Terry D. Garcia in the amount of \$230,000 bearing interest at the rate of 10% per annum, principal and interest payable as follows: \$10,000 on December 1, 1981; thereafter equal amount in installments of \$25,000 beginning December 1, 1982, and continuing until the entire balance is paid in full.

TAD operates as a public utility radiotelephone company furnishing radiotelephone services in and around the Cities of Woodland and Davis, California. TAD's is and has at all relevant times been a sole proprietorship owned by Terry D. Garcia under Decision (D.) 92022 dated July 15, 1980.

INC is a California corporation formed primarily for the purpose of acquiring and continuing under family control the business of TAD's. The directors of INC and Terry D. Garcia agreed May 1, 1981 that the assets of TAD should be exchanged for stock and securities of INC. The value assigned to such assets, less the liabilities of the business which would be assumed by INC, was estimated to be \$333,414 in accordance with the balance sheet of

December 31, 1980, though the actual value will be determined as of the date of exchange. Such exchange should occur within 30 days of the approval by the Commission, with Federal Communications Commission approval having already been obtained. Following the exchange, Terry D. Garcia will be the sole shareholder of INC.

In exchange for TAD's assets, and the assumption by INC of TAD's liabilities, INC will deliver its promissory note in the amount of \$230,000 in favor of Terry D. Garcia. The note will be secured under the Security Agreement attached to the application. INC will also transfer to Terry D. Garcia that number of common shares, which, when valued at \$1 per share, would have a total value equivalent to the value of TAD's assets, less liabilities as of the date of exchange, minus the \$230,000 note.

TAD's balance sheet attached to the application shows as of December 31, 1980 total assets of \$353,937 offset by liabilities and proprietary capital of \$20,473 and \$333,464 respectively. INC's pro forma balance sheet attached to the application shows total assets of \$353,937 offset by liabilities of \$250,473 and capital stock of \$103,464.

TAD and INC allege that the proposed transfer is in the public interest because the corporate entity will be better able to provide continuity of management and family control, and to raise the capital necessary to keep abreast of the changing technology of the radiotelephone industry.

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

#### Findings of Fact

1. TAD, a sole proprietorship, operates as a radiotelephone utility subject to the jurisdiction of this Commission.
2. The proposed transfer of assets and control of TAD to 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 is 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. This order should become effective when the prescribed fee is paid and in all other respects the effective date of this order should be the date of signature in order to provide for orderly and expeditious transfer. 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, Terry D. Garcia may transfer all assets of a radiotelephone utility system known as Tadlock's Radio Dispatch (TAD) to Tadlock's Communications, Inc. (INC), in accordance with the terms contained in the application.

2. INC may receive the utility assets, assume all the liabilities, and shall undertake the public utility obligations of TAD.

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

4. INC shall either file a statement adopting TAD'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, TAD shall deliver to INC, and INC shall keep, all records of the construction and operation of the radiotelephone utility system.

6. INC shall maintain its accounting records on a calendar year basis in conformance with the Uniform System of Accounts for Radiotelephone Utilities adopted by D.76362 dated November 4, 1979 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 60 days after actual transfer, 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, TAD 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, INC may execute the Security Agreement and issue its promissory note in the aggregate principal amount of \$230,000 bearing the same terms and conditions as stated in the application.

10. 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 INC has paid the \$460 fee prescribed by Public Utilities Code Section 1904(b). In all other respects this order is effective today.

Dated DEC 1 1981, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
TRISCHILLA C. GREW  
Commissioners

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

*Joseph E. Bodovitz*  
Joseph E. Bodovitz, Executive Director  
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