

THE MARSHALL COMPANY
EX PARTE OR LATE FILED

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October 5, 1994

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FOG MAIL ROOM

William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W. 20554

RE: Notification of Permitted Written Ex Parte Presentation
in PP Docket No. 93-253 and GN Docket No. 93-252

Dear Mr. Caton:

The Marshall Company, pursuant to Section 1.1206(a)(1)-(a)(2) of the Commission's rules, hereby submits an original and one copy of this memorandum regarding a permitted ex parte presentation to Commission officials regarding PP Docket No. 93-253 and GN Docket No. 93-252.

Today, Sherrie Marshall, President and CEO of the Marshall Company, met with Commissioner Rachelle Chong and Legal Advisor Jill Lockett. The discussion related to the written material attached hereto regarding PCS.

Kindly direct any questions regarding this matter to the undersigned.

Respectfully submitted,

Sherrie Marshall / BR

Sherrie Marshall

Attachments

cc: Commissioner Rachelle Chong
Jill Lockett

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DESIGNATED ENTITY ISSUES

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1. Rights of First Refusal for Equity Investors

- Should be allowed
 - without them DE's are unlikely to attract deep-pocketed strategic partners.
 - without strategic partners, other potential financiers (Wall Street, institutional investors and lenders) are unlikely to provide capital to DE's.
- "Puts" (i.e., DE has the right to sell its stock for a fixed exercise price) to strategic partners should be allowed at DE's option within an agreed upon price range at FMV.
- Puts are necessary to provide DE's with cash and liquidity.

NOTE: "Puts" are options that can only be exercised by the DE, not the outside investors and should not be counted as attributable interests (until actually exercised).

2. Size of DE's equity stake

3. Control Issues

- super-majority votes on initial business plans
- corporate vs. partnership form:
 - management committee participation by limited partners

4. Management Contracts with Strategic Partners

- Need to Reconfirm when they are permissible and non-attributable
- DE's cannot secure vital capital until this issue is resolved

Submitted by Sherrie Marshall,
Chairman & CEO
New Communications Services, Inc. -
a Designated Entity