

WILEY, REIN & FIELDING

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable Reed E. Hundt
The Honorable James H. Quello
The Honorable Rachelle B. Chong
The Honorable Susan Ness
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: MobileMedia Corporation *et al.* (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

On August 6, 1997, we filed a facsimile copy of the monthly status report of MobileMedia Corporation, filed pursuant to the Commission's stay order in the above-referenced proceeding. Enclosed please find the original copy of that report.

Should any questions arise concerning this filing, please contact the undersigned counsel for MobileMedia Corporation.

Sincerely,

Nancy J. Victory



cc: William E. Kennard, Esq.
Daniel Phythyon, Esq.
David Solomon, Esq.
Rosalind K. Allen, Esq.
Gary Schonman, Esq.
John J. Riffer, Esq.
John Harwood, Esq.
Philip Spector, Esq.
Mr. William Caton (for inclusion with WT Docket No. 97-115)

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MOBILEMEDIA CORPORATION
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August 6, 1997

The Honorable Reed E. Hundt
The Honorable James H. Quello
The Honorable Rachelle B. Chong
The Honorable Susan Ness
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: MobileMedia Corporation et al. (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Pursuant to Paragraph 19 of the Stay Order entered by the Commission on June 6, 1997, MobileMedia submits this monthly report as to the progress of the bankruptcy proceedings:

I. PROCEEDINGS IN THE BANKRUPTCY COURT

Activity in the Bankruptcy Court in July related to several motions that were previously filed with the Bankruptcy Court and described in MobileMedia's July 7 monthly status report. These motions were:

1. Debtors' Motion for an Order Enjoining Certain Transfers of the Stock of MobileMedia Corporation (as described in the last monthly report)
 - The Court granted the Debtor's Motion on July 11, 1997 and entered an Order enjoining transfers of the stock of MobileMedia by its current officers, directors and senior managers. A copy of this Motion and the Court's Order, which was promptly served on all affected parties, are attached hereto as Exhibit A.

Chairman Reed E. Hundt

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2. Application for Order Authorizing Employment of The Blackstone Group L.P. as Financial Advisor by the Debtors
 - The Court approved the terms of Blackstone's engagement. A copy of the Application is attached hereto as Exhibit B.
3. Debtors' Motion for a Preliminary Injunction Staying or Enjoining the Continuation of Certain Securities Litigation Pending in the United States District Court for the District of New Jersey
 - The hearing on this motion was adjourned until September 12, 1997 to afford the parties an opportunity to discuss a possible settlement of the litigation.
4. Motion for an Order Authorizing the Debtors to Employ Mercer Management Consulting as Consultants
 - The Court approved the terms of Mercer's engagement.

In addition, the Debtors filed further motions with the Bankruptcy Court in July relating to leases of non-residential real property pursuant to which the Debtors lease certain office space and tower sites. Two orders relating to such motions were approved in July by the Bankruptcy Court.

II. PROGRESS TOWARDS A SALE OR STANDALONE PLAN OF REORGANIZATION

Progress continued in July towards a preliminary plan of reorganization - both as to a potential sale of the Company to a third party and as to a potential "stand-alone" plan pursuant to which the Company would be acquired by its creditors.

In July, lengthy meetings were held between MobileMedia management, The Blackstone Group and representatives of prospective purchasers. These prospective purchasers (as well as others) have begun conducting "due diligence", which includes reviewing operational and financial data concerning the Company.¹ Further discussions and due diligence meetings are scheduled in the

¹ In order to assist these and other potential purchasers, the Company has assembled voluminous financial and operational data in a "data room" and has provided multiple parties with access to this information.

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coming weeks. In addition, the Debtors are seeking to solicit interest from a broader array of companies that might be interested in a transaction. After this process is completed, the Company will formally solicit bids to purchase the company.²

Because a third-party purchaser may not be found, on a parallel track the Company has continued discussions with its Lenders and Creditors Committee regarding the possibility of a "stand-alone" plan of reorganization. In addition, the Company continues to keep its creditors informed as to the Company's progress in its efforts to stabilize and improve its business operations.³ To that end, a lengthy meeting was conducted at Company headquarters on July 9, 1997 at which representatives of the creditors and their financial advisors were given a detailed presentation on the Company's operations and current financial performance.

The Company is satisfied with its progress to date with these issues.

III. FINANCIAL PERFORMANCE

As previously indicated, the Debtors are required to file Monthly Operating Reports with the United States Trustee. The Monthly Operating Report provides information relating to the Company's financial performance for the prior month. A copy of the Debtors' Monthly Operating Report for June, 1997, which was filed on July 31, 1997 is attached hereto as Exhibit C.

IV. OTHER DEVELOPMENTS

The Debtors are continuing to evaluate the validity of the more than 2,000 filed pre-petition claims, with the goal of resolving as many claims as possible without litigation. Relative certainty as to the amount of the Debtor's pre-petition obligations is a necessary element to a plan of reorganization. As is typical, claims have been filed by all types of creditors, including, by way of

² Because The Blackstone Group and the Debtors believe it would be detrimental to the plan process to disclose the identities of the third-parties with whom the Debtors have met and the details of those discussions, the foregoing description is, by necessity, summary in nature. Moreover, these parties were required to execute strict confidentiality agreements prior to being given access to any non-public information relating to the Debtors.

³ Stabilizing the business is necessary to increase value, and to determine the contours of the business plan and the Debtor's debt capacity in relation to either a sale or standalone plan.

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example, taxing authorities, vendors, landlords, and litigation claimants. Significant progress has already been made in this process, as the Debtors have analyzed and in many cases reached an agreed upon amount as to several hundred of the filed claims. The Debtors anticipate filing the first of numerous motions relating to claims resolution in the next few weeks.

We hope that this information is helpful. If we can provide any additional information or if you have any questions with regard to the foregoing, please let me know.

Sincerely,



Joseph A. Bondi
Chairman-Restructuring

cc: William E. Kennard, Esq.
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