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FEDERAL COMMUNICATIONS COMMISSION

FCC 98-109

DISPATCHED BY Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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|--|---|----------------------|
| In the Matter of   | ) |                      |
|  | ) |                      |
| MOBILEMEDIA CORPORATION, et al.  | ) | WT DOCKET NO. 97-115 |
|  | ) |                      |
| Applicant for Authorizations and Licensee<br>of Certain Stations in Various Services | ) |                      |

**ORDER**

Adopted: June 4, 1998 ; Released: June 11, 1998

By the Commission:

1. This order grants a Request for Extension of Stay, filed March 27, 1998, by MobileMedia Corporation (MobileMedia), and further stays the hearing in this proceeding until October 6, 1998. It thus extends for an additional six months the stay originally issued in MobileMedia Corp., 12 FCC Rcd 7927 (1997) ("June 6 Order").

**I. BACKGROUND**

2. The Commission designated this proceeding for hearing after MobileMedia disclosed the results of an internal investigation (the "October 15 Report" or the "Report"), which concluded that on numerous occasions MobileMedia had filed notifications that falsely reported the construction of facilities that had not in fact been built. MobileMedia Corp., 12 FCC Rcd 14896 (1977) ("HDO"). The October 15 Report also disclosed the identities of certain members of senior management who allegedly participated in the deception. The Wireless Telecommunications Bureau (Bureau) then conducted a further investigation. The HDO designated issues to determine the facts and circumstances surrounding the deceptive filings, including which officers, directors, and senior management officials of MobileMedia were involved in misconduct.

3. In its June 6 Order, the Commission stayed the hearing to permit MobileMedia to avail itself of relief under the Commission's Second Thursday doctrine. MobileMedia Corp., 12 FCC Rcd at 7932-33 ¶¶ 17, 19. Under Second Thursday, we may approve the license transfer application of a licensee designated for hearing on its character qualifications that also has filed for bankruptcy "if individuals charged with misconduct will have no part in the proposed operations and will either derive no benefit from favorable action on the

[assignment or transfer] application or will receive only a minor benefit which is outweighed by equitable considerations in favor of innocent creditors." Second Thursday Corp., 22 FCC 2d 515, 516 ¶ 5 (1970). MobileMedia has filed for reorganization under Chapter 11 of the Bankruptcy Code. As requested by MobileMedia, the stay was granted for a period of 10 months, *i.e.*, until April 6, 1998.<sup>1</sup>

4. MobileMedia now seeks an additional six months within which to file an application for transfer of control under the Second Thursday doctrine. It indicates that it has made substantial progress in the context of the bankruptcy proceeding toward formulating its Second Thursday showing. MobileMedia reports that on January 27, 1998, it filed with the Bankruptcy Court a Joint Plan of Reorganization (Plan) and, on February 2, 1998, filed a related Disclosure Statement. The Plan calls for a "standalone" reorganization of MobileMedia under which ownership of the company would be transferred to MobileMedia's creditors without compensation to existing equity holders. Secured creditors, unsecured bondholders, and other unsecured creditors would receive equity, warrants and rights, or cash in accordance with a formula set forth in the Plan. MobileMedia contends that the plan comports with the Second Thursday doctrine.

5. Despite this progress, MobileMedia asserts that it requires additional time to formulate its Second Thursday showing because additional proceedings before the Bankruptcy Court are required to finalize the Plan. Specifically, according to MobileMedia, three additional steps are required: (1) the Bankruptcy Court must rule on the adequacy of the Disclosure Statement; (2) once the Court approves the Disclosure Statement, the Plan must be submitted to the creditors for approval; and (3) at the end of the creditors' voting period, the Bankruptcy Court must hold a hearing to confirm the Plan. MobileMedia contends that several months will be required to effectuate these steps, especially since the Bankruptcy Court's docket is extraordinarily crowded and the unsecured creditors indicate that they object to certain aspects of the Plan. MobileMedia urges that granting a further stay will serve the public interest by allowing the efficient resolution of the proceeding consistent with Second Thursday. The secured creditors, the unsecured creditors, and the Wireless Telecommunications Bureau support MobileMedia's request. John M. Kealey, MobileMedia's former President and Chief Operating Officer, opposes the request.

## II. DISCUSSION

6. MobileMedia's pleading amply demonstrates that it has proceeded diligently consistent with the June 6 Order. In light of the progress made in formulating a

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<sup>1</sup> An administrative stay was issued on April 6, 1998 to maintain the status quo and permit the orderly consideration of MobileMedia's request for extension. See MobileMedia Corp., FCC 98I-17 (OGC Apr. 6, 1998).

Reorganization Plan and the steps that are still required for confirmation of the Plan, an additional six month stay is appropriate. With respect to Kealey, his objections to the extension are the same as arguments he raised in a separate petition for reconsideration, which the Commission recently denied. MobileMedia Corp., FCC 98-65 (Apr. 8, 1998). Because Kealey's arguments were fully considered in that context, we will not discuss them further here.

**IV. ORDERING CLAUSE**

10. ACCORDINGLY, IT IS ORDERED, That the Request for Extension of Stay, filed March 27, 1997, by MobileMedia Corporation IS GRANTED, and the hearing in this proceeding IS STAYED until October 6, 1998.

**FEDERAL COMMUNICATIONS COMMISSION**

Magalie Roman Salas  
Secretary