

**BEFORE THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS
OF THE STATE OF HAWAII**

In the Matter of the Application of)
)
HAWAIIAN CABLE VISION COMPANY)
)
For Approval of Redemption of Partnership)
Interests by the Partnership and Transfer)
of Capital Stock of General Partner to an)
Existing Shareholder)

DOCKET NO. 07-84-01

ORDER NO. 108

DECISION AND ORDER

On July 25, 1984, the duly appointed Hearings Officer submitted his Recommended Decision to the Director and the Recommended Decision was served on Hawaiian Cable Vision Company ("HAWAIIAN"). On July 27, 1984, HAWAIIAN submitted a Response to Recommended Decision.

Having reviewed the Recommended Decision, the Response to Recommended Decision, and other pertinent information in this case, the Director hereby adopts the Hearings Officer's Recommended Decision (attached hereto as Attachment 1) as the final Decision in this proceeding, with the following exceptions:

1. Maximum borrowings in 1984. In its Response to Recommended Decision, HAWAIIAN notes that it will need to draw \$2,650,000 of its loan from the Provident National Bank in 1984 in order to meet requirements of the redemption of the limited partners and corresponding distribution to the general partners. The \$2,650,000 ceiling requested by HAWAIIAN is derived by reducing the \$3,150,000 draw down originally proposed by HAWAIIAN by the additional \$500,000 in equity the Recommended Decision suggests be contributed by Perry Leff.

2. Equity contribution of \$1,000,000. HAWAIIAN's Response to Recommended Decision states that Perry Leff will contribute \$1,000,000 in equity rather than \$500,000; however, the Response states that Mr. Leff will require 120 days rather than 60 days to contribute the additional \$500,000, as these funds are maintained in certificates of deposit which will not mature until that time.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

The Application of Hawaiian Cable Vision Company for approval of redemption of limited partnership interests by the partnership and transfer of capital stock of the general partner to an existing shareholder is APPROVED, with the following conditions:

1. HAWAIIAN shall provide the Director with all legal documentation of the consummated transactions which have been applied for herein.

2. Any and all changes in the limited or general partners or in the operating and managerial entities of HAWAIIAN shall require the prior approval of the Director.

3. All of the acquisition costs associated with the transfer of the limited and general partnership interests described in the Decision and Order shall be the sole responsibility of Harold Lipton, Perry Leff or the individual limited partners, and shall not be paid by HAWAIIAN.

4. HAWAIIAN shall not draw loans in a sum greater than \$2,650,000 during 1984.

5. Any and all additional financing by HAWAIIAN in excess of \$100,000 shall be subject to approval of the Director.


6. Perry Leff, as a limited partner, shall pay to HAWAIIAN a total of \$1,000,000 as his capital contribution. The first \$500,000 of this amount shall be contributed within 60 days of service of this order; the second \$500,000 of this amount shall be contributed within 120 days of service of this order.

7. HAWAIIAN shall maintain accounts, ledgers and other documentation of its assets, liabilities, revenues and expenses which shall not reflect any "step-up" in basis as a result of this redemption of limited partnership interests and the additional interest expenses accruing thereunto.

8. All conditions and requirements contained in Cable Order No. 7, dated October 22, 1970, and Second Amended Order No. 64, dated August 30, 1978, unless modified herein, shall be applicable and binding on the limited partnership and its partners and/or other principals.

9. Any action taken by HAWAIIAN pursuant to the approval granted by this Order shall constitute agreement to all of the above conditions.

Dated: Honolulu, Hawaii, on July 31, 1984.

STATE OF HAWAII
By 

RUSSEL S. NAGATA
Director of Commerce and Consumer Affairs