

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **1996-12-30**
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SUBJECT COMPANY

PHONETEL TECHNOLOGIES INC

CIK: **821511** | IRS No.: **341462198** | State of Incorporation: **OH** | Fiscal Year End: **1231**
Type: **4** | Act: **34** | File No.: **001-12453** | Film No.: **96687598**
SIC: **4899** Communications services, nec

Mailing Address
1127 EUCLID AVE
STE 650
CLEVELAND OH 44115

Business Address
1127 EUCLID AVE STE 650
STATLER OFFICE TOWER
CLEVELAND OH 44115-1601
2162412555

REPORTING OWNER

FEINBERG STEPHEN

CIK: **947822** | IRS No.: **841103135** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **4**

Mailing Address
950 THIRD AVENUE 20TH
FLOOR
NEW YORK NY 10022

Business Address
950 THIRD AVENUE
TWENTIETH FLOOR
NEW YORK NY 10022
2124216300

 OMB APPROVAL

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U.S. SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or
 Section 30(f) of the Investment Company Act of 1940

[] Check this box if no longer subject of Section 16. Form 4 or Form 5
 obligations may continue. See Instruction 1(b).

=====

1. Name and Address of Reporting Person

Feinberg Stephen

 (Last) (First) (Middle)

c/o Cerberus Partners, L.P.
 950 Third Avenue, 20th Floor

 (Street)

New York NY 10022

 (City) (State) (Zip)

=====

2. Issuer Name and Ticker or Trading Symbol

PhoneTel Technologies, Inc. (PHN)

=====

3. IRS or Social Security Number of Reporting Person (Voluntary)

=====

4. Statement for Month/Year

December/1996

=====

5. If Amendment, Date of Original (Month/Year)

=====

6. Relationship of Reporting Person to Issuer
 (Check all applicable)

[] Director [X***] 10% Owner
 [] Officer (give title below) [] Other (specify below)

Table I -- Non-Derivative Securities Acquired, Disposed of,
 or Beneficially Owned

=====

<TABLE>
 <CAPTION>

1. Title of Security (Instr. 3)	2. Transaction Date (mm/dd/yy)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Owner- ship Form: Direct Indirect (Instr.4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Amount or Price			
			(A) or (D)			

<S> <C> <C> <C> <C> <C> <C> <C> <C> <C>

</TABLE>
Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly

FORM 4 (continued)

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<TABLE>
<CAPTION>

1. Title of Derivative Security (Instr. 3)	2. Conver- sion of Exer- cise Price of Deriv- ative Secur- ity	3. Trans- action Date (Month/ Day/ Year)	4. Trans- action Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Deriv- ative Secur- ity (Instr. 5)	9. Number of Deriv- ative Secur- ities Bene- ficially Owned at End of Month (Instr. 4)	10. Owner- ship of Deriv- ative Secur- ity: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of In- direct Bene- ficial Owner- ship (Instr. 4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

Term Note	*	12/18/96	J*	*	imed.	due 6/30/99	Common Stock	2,398,462	*	-0-	I**	By partner- ship and corporations
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* On December 18, 1996, PhoneTel Technologies, Inc. ("PhoneTel") prepaid the entire principal amount of a term note (the "Note"), payable by PhoneTel in the principal amount of Fourteen Million Five Hundred Thousand Dollars (\$14,500,000), of which Cerberus Partners L.P., a Delaware limited partnership ("Cerberus"), was the record holder. While the Note was outstanding, the Note was convertible, at the option of the holder thereof, into either (i) 833,333 shares of PhoneTel Series B Special Preferred Stock (each of which was convertible by the holder thereof into twenty (20) shares of PhoneTel common stock) for each \$100,000 converted or (ii) 16,666.667 shares of PhoneTel common stock for each \$100,000 converted. Pursuant to participation agreements entered into with Cerberus, (a) Styx Partners, L.P., a Delaware limited partnership ("Styx"), was the beneficial owner of \$2,279,653 principal amount of the Note, (b) Long Horizons Fund, L.P., a Delaware limited partnership ("Horizons"), was the beneficial owner of \$2,374,639 principal amount of the Note, (c) Cerberus International, Ltd., a corporation organized under the laws of the Bahamas ("International"), was the beneficial owner of \$2,056,569 principal amount of the Note, (d) Ultra Cerberus Fund, Ltd., a corporation organized under the laws of the Bahamas ("Ultra"), was the beneficial owner of \$189,971 principal amount of the Note and (e) Styx International, Ltd., a corporation organized under the laws of the Bahamas ("Styx International"), was the beneficial owner of \$94,986 principal amount of the Note. Cerberus was the beneficial owner of \$2,818,199 principal amount of the Note.

** Stephen Feinberg possesses voting and investment control over all securities owned by Cerberus, Styx, Horizons, International, Ultra and Styx International. In addition, pursuant to participation agreements entered into with Cerberus, (i) \$4,576,750 principal amount of the Note was beneficially owned by various other persons and entities for which Stephen Feinberg possesses certain investment authority (the "Funds") and (ii) \$109,233 principal amount of the Note was beneficially owned by a partnership for which Stephen Feinberg possesses no voting or investment authority.

*** The reporting person's interest is limited to the extent of his pecuniary interest in Cerberus, Styx, Horizons, International, Ultra, Styx International and the Funds, if any.

/s/ Stephen Feinberg

December 31, 1996

**Signature of Reporting Person

Date

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedures.