

Decision No. 28550

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
UNITED MOTOR TRANSPORT LINES, INC.,)
a corporation, for authority to issue) Application No. 20348
and sell 300 shares of its capital stock.)

Thomas O'Hara, for applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

United Motor Transport Lines, Inc. asks permission to issue 300 shares (\$30,000. par value) of common stock to acquire (1) all of the right, title and interest, subject to outstanding liabilities, of R. G. Colby in and to the business conducted under the fictitious name and style of United Motors, as a going concern; and (2) the motor truck service and equipment of R.G.Colby doing business as Colby Bros. used in the business of transporting freight between points within the State of California as a private carrier of property, for compensation.

United Motor Transport Lines, Inc. is engaged, among other things, in the operation of an auto truck line for the transportation of property as a common carrier between Sacramento and Auburn and intermediate points and between Sacramento and Wheatland, California, and intermediate points. It also operates auto truck lines as a highway contract carrier between points in Northern California other than the territory served by its common carrier operations. For the eleven months ending November 30, 1935 it reports operating

revenues of \$70,524.94 and a net profit of \$5,282.96. It has \$71,300.00 of common stock outstanding.

The business conducted by R.G.Colby under the fictitious name and style of United Motors consists exclusively of interstate common carrier operations between Sacramento and other points in California on the one hand, and Reno and other points in Nevada on the other hand. The cost of the equipment used by him in this business and which will be acquired by United Motor Transport Lines, Inc. is reported at \$39,882.89 and its present value at \$24,288.72. In addition, United Motor Transport Lines, Inc. will acquire current assets valued at \$2,591.28. For the eleven months ending November 30, 1935 he reported from his interstate operations, operating revenues of \$56,531.43, and a net profit of \$4,995.45.

In his business conducted under the name and style of Colby Bros., R. G. Colby has been using equipment, the cost of which is reported at \$9,052.00, and the present value at \$1,412.00.

United Motor Transport Lines, Inc. asks permission to issue to R.G.Colby \$30,000.00 of common stock in payment for his truck equipment used in the aforesaid operations; his current assets applicable to said operations, together with all his interest and goodwill in said operations. Though the agreement of sale, Exhibit "C", recites that applicant is acquiring said properties, subject to outstanding liabilities, it is of record that applicant, United Motor Transport Lines, Inc. will pay said liabilities. As of November 30, 1935 the current liabilities of R.G.Colby are reported in Exhibit "D" at \$6,606.41 and his current assets at \$8,471.18.

It is of record that United Motor Transport Lines, Inc. has been assisting R. G. Colby in the conduct of his interstate business. It has kept R. G. Colby's accounting records relative to such opera-

tion , has serviced his trucks and has rendered him other assistance, for all of which it has received compensation. Mr. A. L. Schneider, manager of United Motor Transport Lines, Inc. is familiar with the business conducted by R.G.Colby under the name and style of United Motors and feels that the acquisition of such business will be advantageous to the United Motor Transport Lines, Inc.

O R D E R

United Motor Transport Lines, Inc., having asked permission to issue \$30,000.00 par value of its common capital stock, a public hearing having been held before Examiner Fankhauser, and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required by applicant for the purposes herein stated and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income and that this application should be granted, therefore,

IT IS HEREBY ORDERED that United Motor Transport Lines, Inc. be, and it is hereby, authorized to issue and sell to R.G.Colby, on or before April 30, 1936, at not less than par, \$30,000.00 par value of its common capital stock for the purpose of acquiring the properties and business of R.G.Colby described in the agreement filed in this proceeding as Exhibit "C".

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof, and that within thirty (30) days after the issue of said \$30,000.00 par value of common capital stock, United Motor Transport Lines, Inc. shall file with the Commission a report such as is required by the Commission's General Order

No. 24, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 3rd day of February, 1936.

W B Harris
Leon Whitney

Frank P. Deady

Commissioners.