

Decision No: 33752

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of Valley Motor Lines, Inc. to issue thirty-seven (37) shares of Common stock.

Application No. 23817

Willard S. Johnson for Applicant

BY THE COMMISSION:

O P I N I O N

Valley Motor Lines, Inc. asks permission to issue thirty-seven shares (\$3,700 par value) of its common capital stock for the purpose of acquiring properties from E. A. DeRuchia.

The record shows that E. A. DeRuchia, doing business as Reno-Fallon Transportation Company, has been engaged in the operation of a motor truck common carrier service between Reno and Hawthorne, via Fernley, Fallon and Schurz, Nevada. He has served all intermediate points. Exhibit "A" filed in this proceeding shows that he has agreed to sell to Valley Motor Lines, Inc. all franchise rights, certificates of public convenience and necessity, licenses, permits and other rights in connection with said transportation business covered by certificates of public convenience and necessity Nos. 119, 216, and 305, issued by the Nevada Public Service Commission. He is also selling all his right, title, and interest in and to any and all leases and agreements in connection with said transportation business, five trucks and all office and terminal equipment used in connection with said business.

The agreement (Exhibit "A") fixes the purchase price of said properties, rights and interests at \$100 plus 37 shares of the common stock of Valley Motor Lines, Inc.

The Nevada Public Service Commission and the Interstate Commerce Commission have authorized E. A. DeRuchia to sell his operative rights and properties to Valley Motor Lines, Inc. The record further shows that Valley Motor Lines, Inc., through stock ownership, controls United Motor Transport Company which operates trucks between Sacramento and Reno. The properties which Valley Motor Lines, Inc. is acquiring through the issue of the 37 shares of stock will be operated as part of the Sacramento-Reno operations even though they are being acquired by the Valley Motor Lines, Inc. An application is now pending before the Interstate Commerce Commission to transfer the operative rights of United Motor Transport Company to Valley Motor Lines, Inc.

O R D E R

A public hearing having been held in this matter before Examiner Fankhauser, and the Commission having considered the testimony submitted at such hearing, and it being of the opinion that the money, property or labor to be procured or paid for by Valley Motor Lines, Inc. through the issue of 37 shares of its common capital stock is reasonably required for the purposes herein stated, and that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED that Valley Motor Lines, Inc. be, and it is hereby, authorized to issue at not less than par, 37 shares of its common capital stock for the purpose of acquiring

the operative rights, permits, trucks and other properties described in Exhibit "A" filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said 37 shares of common capital stock Valley Motor Lines, Inc. shall file with the Railroad Commission a report showing to whom said shares of stock were issued and the consideration received therefor.

Dated at San Francisco, California, this 21st day of December, 1940.

W. L. Reilly

[Signature]

Justus D. Casner
Commissioners