

ORIGINAL

Decision No. 41628

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of VALLEY MOTOR LINES, INC., for authority to sell its terminal properties located in Fresno, California, to its subsidiary UNITED MOTOR TRANSPORT LINES, INC., and to accept as partial payment certain operative equipment now owned by UNITED MOTOR TRANSPORT LINES, INC.

Application
No. 29307

O P I N I O N

This is an application by Valley Motor Lines, Inc. for authorization to sell certain properties, to purchase other properties and to assume indebtedness, all as hereinafter set forth.

Valley Motor Lines, Inc. is a California corporation engaged in the transportation of property as a highway common carrier between numerous points in California. Its properties, as of December 31, 1947, include certain land and structures, shop, garage and office equipment, and 113 trucks and tractors, 207 trailers and semi-trailers and 51 other units. Its tangible property is reported carried on its books, as of the close of 1947, as follows:

Land	\$ 16,436.03
Structures	72,037.77
Revenue equipment	857,494.60
Service cars and equipment	3,497.68
Shop and garage equipment	14,896.45
Furniture and office equipment	440.00
Improvements to leased property	12,914.05
Total	977,716.58
Less: Reserve for depreciation	552,798.14
Balance	<u><u>\$424,918.44</u></u>

The company also owns all the outstanding stock of United Motor Transport Lines, Inc., a corporation owning certain real

properties, improvements and equipment and the outstanding stock of Sacramento-Corning Freight Lines, Ltd., a corporation engaged in business as a highway common carrier. Applicant leases from United Motor Transport Lines, Inc. 38 units of equipment.

Among the properties owned by applicant is a parcel of real property located at 1107 "D" Street, Fresno, which is improved with a cement building used for office and terminal purposes. It acquired such properties, in 1941, from Terminal Warehouse Co., a partnership consisting of Harold Frasher and Hattie Harz, pursuant to authority granted by Decision No. 34699, dated October 23, 1941. It carries the properties on its books at \$41,286.21.

Applicant now desires to transfer the terminal properties at Fresno, to which reference has been made, to United Motor Transport Lines, Inc., its wholly owned subsidiary, for the sum of \$41,286.21 and to purchase from the subsidiary company the 38 units of equipment and one tow car together with miscellaneous assets including tires, prepaid insurance, furniture, fixtures, equipment and other items, for the sum of \$33,652.49 plus the assumption by applicant of indebtedness of \$14,148.87. The difference between the purchase and sales prices will be adjusted by a cash payment.

The indebtedness to be assumed by applicant includes a mortgage of chattels, covering certain of the units of property, dated August 30, 1947, originally in the amount of \$15,828.50, which is being repaid in monthly installments of \$440. At the close of April, 1948, \$9,870. remained unpaid. The remainder of the indebtedness to be assumed will be payable within one year and hence its assumption by applicant need not be authorized by the

Commission. A copy of the mortgage of chattels securing the aforesaid unpaid balance of \$9,870 has been filed as Exhibit "D" with the amended application in this proceeding. The order herein will authorize applicant to assume the payment of the \$9,870 indebtedness. No other authority is required by applicant, from this Commission, to purchase the property of United Motor Transport Lines, Inc.

Applicant proposes to lease from United Motor Transport Lines, Inc. the terminal properties it now proposes to sell to it, for a term of ten years at a monthly rental of \$570.00.

We are advised that the reason for these transactions is to facilitate the financing and construction of other terminal sites by United Motor Transport Lines, Inc. In addition, they will place in applicant title to the highway carrier equipment it now leases and which, so it reports, it needs in the operation of its service.

O R D E R

The Public Utilities Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided,

IT IS HEREBY ORDERED as follows:

1. Valley Motor Lines, Inc., after the effective date hereof and on or before July 31, 1948, may sell to United Motor Transport Lines, Inc. the terminal property located at 1107 "up" Street, Fresno, California, to which reference is made in this proceeding.

2. Valley Motor Lines, Inc., after the effective date hereof and on or before July 31, 1948, may assume the payment of

the indebtedness in the amount of \$9,870 as of April 30, 1948, represented by the mortgage of chattels dated August 30, 1947.

3. The action taken herein shall not be construed to be a finding of the value of the properties referred to herein.

4. Within sixty (60) days after the sale and acquisition of the properties referred to in this proceeding, Valley Motor Lines, Inc. shall file with the Commission a copy of each journal entry used to record on its books such sale and acquisition.

5. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 25th day of May, 1948.

R. J. Anderson
Justus J. Calver
Grant L. Kelley
Harold P. Kula
Bennett P. Potter
Commissioners