

Decision No. 44879

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
M & M LIVESTOCK TRANSPORTATION, INC. :
OF CALIFORNIA, for authority to :
issue shares of its capital stock.)
-----)

Application
No. 31756

OPINION AND ORDER

This is an application for an order authorizing M & M Livestock Transportation, Inc. of California to issue 900 shares of its capital stock of the aggregate par value of \$90,000.

Applicant is a corporation organized under the laws of the State of California on or about August 15, 1950. By Decision No. 44837, dated September 26, 1950, in Application No. 31444, it was granted a certificate of public convenience and necessity to establish and operate a service as a highway common carrier for the transportation of livestock only, upon an "on call" basis, upon and along the routes and between the points set forth below, including all intermediate points, with the right to serve off-route points within 50 miles:

1. U.S. 101, 101 By-Pass and 101A between Oregon and Mexico;
2. U.S. 99, 99E and 99W between Oregon and Mexico;
3. U.S. 299 between Redding and Alturas;
4. U.S. 395 between Oregon and Nevada;
5. State Highway 36 between Red Bluff and Johnstonville;
6. State Highway 20 between Marysville and Junction U.S. 40;
7. U.S. 40 between San Francisco and Nevada;
8. U.S. 50 between Sacramento and Nevada;
9. U.S. 395 between Nevada and Junction U.S. 66;
10. U.S. 66 between Los Angeles and Needles;
11. U.S. 60 between Los Angeles and Arizona;
12. U.S. 80 between San Diego and Arizona;
13. U.S. 466 between Paso Robles and Nevada;
14. State Highway 127 between Baker and Nevada.

The application shows that applicant has made arrangements to acquire, subject to outstanding liabilities, the assets of M & M Livestock Transportation, Inc., a Nevada corporation which heretofore has operated in California as a highway contract carrier and a radial highway common carrier, and to issue \$90,000 of its common stock to said corporation. The balance sheet of the Nevada corporation showing its assets and liabilities as of June 30, 1950, is as follows:

Assets

Current assets -		
Cash	\$34,437.20	
Accounts receivable	20,504.83	
Materials and supplies	<u>3,250.00</u>	
Total current assets		\$ 58,192.03
Property and equipment		179,161.10
Deferred debits		<u>9,172.23</u>
	Total	<u>\$246,525.36</u>

Liabilities

Current liabilities -		
Accounts payable	\$25,232.21	
Other current liabilities	<u>6,264.23</u>	
Total current liabilities		\$ 31,496.44
Reserve for depreciation		115,703.47
Other reserves		7,596.53
Equity capital -		
Capital stock	25,000.00	
Surplus	<u>66,728.92</u>	
Total equity		<u>91,728.92</u>
	Total	<u>\$246,525.36</u>

For the six months ended June 30, 1950, the revenues of the Nevada corporation amounted to \$204,174.55. The application indicates that those in control of the corporation concluded that the operations had increased in volume to a point where they should be conducted by a highway common carrier, rather than by a permitted carrier, and that in order to comply with the provisions of Section 26 of the Public Utilities Act they caused applicant to be

organized as a domestic corporation to take over the business and properties and thereafter to continue the operations as a highway common carrier under a certificate of public convenience and necessity granted by this Commission. It is intended that upon conclusion of the transaction, the Nevada corporation will be dissolved.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required by applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. M & M Livestock Transportation, Inc. of California, after the effective date hereof and on or before December 31, 1950, may issue not exceeding 900 shares of its capital stock, of the aggregate par value of \$90,000, for the purpose of acquiring, subject to outstanding indebtedness, the assets of M & M Livestock Transportation, Inc., a Nevada corporation.

2. The action taken herein shall not be construed to be a finding of the value of said assets.

3. M & M Livestock Transportation, Inc. of California shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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

Dated at San Francisco, California, this 10th day of October, 1950.

R. Z. [Signature]
Justice F. Casner
David F. [Signature]
Harold Kula
Kenneth Potter
Commissioners