

Decision No. 45324

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
WILBUR LILLIE and EVERETT LILLIE to )  
sell their stock of LILLIE TRANS- )  
PORTATION COMPANY, INC., a corporation, )  
and WILBUR LILLIE and EVERETT LILLIE, )  
copartners, doing business as LILLIE )  
TRANSPORTATION COMPANY, to sell equip- )  
ment, and W. W. MILES and PAT L. NOLET, )  
to purchase such stock and equipment. )

Application No. 31968

O P I N I O N

An order is sought herein authorizing Wilbur Lillie and Everett Lillie to sell, and W. W. Miles and Pat L. Nolet, copartners, doing business as Miles & Sons Trucking Service to buy, all the issued and outstanding shares of the capital stock of Lillie Transportation Company, Inc., and further permitting Wilbur Lillie and Everett Lillie, copartners, doing business as Lillie Transportation Company, to sell, and the said W. W. Miles and Pat L. Nolet, to purchase the automotive equipment designated by an asterisk on Exhibit "A" attached to the application.

Applicants allege that Lillie Transportation Company, Inc., is a highway common carrier authorized to transport general commodities, with named exceptions, between Los Angeles Territory, on the one hand, and North Sacramento and Turlock and intermediate points located on U. S. Highway 99, on the other hand; that Miles & Sons Trucking Service is a highway common carrier authorized to transport petroleum and petroleum products in tank trucks and tank trailers between all points and places in the State of California; that W. W. Miles and Pat L. Nolet own a two-thirds interest in the Motor Transport System, now operating throughout California as a

permitted carrier; that Lillie Transportation Company, a copartnership consisting of Wilbur Lillie and Everett Lillie, holds no operating authority.

(1)  
A copy of the agreement of sale, dated September 28, 1950, attached to the application as Exhibit "B", provides in substance as follows:

1. W. W. Miles and Pat L. Nolet will pay to: (a) Wilbur Lillie and Everett Lillie the sum of \$198,000 for all the issued and outstanding stock of Lillie Transportation Company, Inc., consisting of 1,343 shares, common; (b) Wilbur Lillie and Everett Lillie, copartners, doing business as Lillie Transportation Company, the sum of \$102,000 for 14 trucks and tractors, 20 semi-trailers, 20 full tractors (more particularly described on Exhibit "A") free and clear of any and all encumbrances except that they will assume payment of \$148,000, the unpaid balance now owing by the Lillies for such equipment.

2. The total purchase price of \$300,000 is to be paid in the following manner: (a) \$37,000 within ten days of the effective date of approval by the Public Utilities Commission or by the

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(1) The contract contains the following provision:

IV

"It is understood that there is owing from the Corporation to Lillie the sum of \$28,901.50 as of August 31, 1950. This sum is to be paid by the Corporation transferring to Lillie the real property owned by the Corporation and situated in the City of Stockton, free and clear of an existing obligation of \$11,039.37 due to the Stockton Savings & Loan Bank. Lillie in turn agrees that they will reimburse the Corporation for any tax expense accruing to the Corporation as a result of the transfer by the Corporation to Lillie of such property in cancellation of such indebtedness." Approval of the above provision is not properly the subject of the instant proceeding and will not be considered herein.

Interstate Commerce Commission, whichever event occurs last; (b) the balance in five equal annual installments, each of such installments to be made on the anniversary of the date the sale is consummated. Interest upon unpaid balances at the rate of five per cent per annum shall be paid together with installments of principal. Such balances are to be secured by all of the stock in paragraph 1(a) above. The interest payment and each succeeding yearly installment will be paid first to Wilbur Lillie and Everett Lillie, and secondly to Lillie Transportation Company, the copartnership composed of Wilbur Lillie and Everett Lillie in the proportion that \$198,000 and \$102,000 bear to \$300,000, respectively.

The following tabulation, prepared from Exhibit "C", shows the assets, liabilities and net worth of Lillie Transportation Company, Inc., as of August 31, 1950:

<u>Assets</u>		
Current assets-		
Cash and deposits	\$ 8,776.12	
Notes and accounts receivable	<u>132,172.77</u>	
Total current assets		\$140,948.89
Tangible property-		
Carrier operating property	767,994.47	
Less- depreciation reserve	<u>378,345.22</u>	
Net tangible property		389,649.25
Intangible property		2,723.30
Deferred debits		<u>29,219.47</u>
Total Assets		\$562,540.91
<u>Liabilities and Net Worth</u>		
Current liabilities-		
Notes and accounts payable	\$158,749.72	
Accrued taxes	18,400.58	
Other current liabilities	<u>14,132.15</u>	
Total current liabilities		\$191,282.45
Equipment obligations		189,711.74
Net worth-		
Capital stock	134,300.00	
Surplus	<u>47,246.72</u>	
Total net worth		<u>181,546.72</u>
Total Liabilities		\$562,540.91

Applicants allege that at the present time Lillie Transportation Company, Inc., is undercapitalized and without sufficient resources to enable it to continue to adequately transport the increasing volume of traffic; that W. W. Miles and Pat Nolet have advanced \$50,000 to the above-named corporation and are prepared, if the authority herein sought is granted, to make additional advances to enable such corporation to fully discharge its obligations to the public; that the transaction as proposed herein will enable a consolidation of many of the facilities now operated by the carriers involved, will make for better use of the equipment, will eliminate duplication and effect numerous economies and increased operating efficiency.

Copies of the application were served upon such highway common carriers as may have had an interest therein. No protests to the granting of the application were received.

We find that the public interest will not be affected adversely by approval of the transfer of capital stock and property involved herein. The application will, therefore, be granted. In taking this action we are making no finding of the value of the stock and property concerned. A public hearing is not necessary.

O R D E R

An application having been filed and the Commission being of the opinion that the authority requested should be granted,

IT IS ORDERED:

(1) That W. W. Miles and Pat L. Nolet, copartners, doing business as Miles & Sons Trucking Service, after the effective date hereof, and on or before March 30, 1951, may purchase and hold 1,343 shares of capital stock of Lillie Transportation Company, Inc.

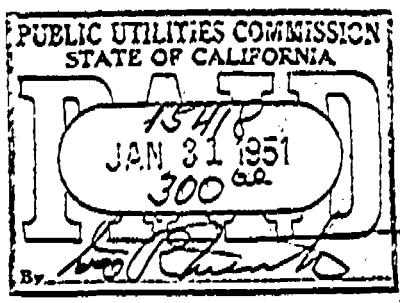
(2) That Wilbur Lillie and Everett Lillie, copartners, doing business as Lillie Transportation Company, after the effective date hereof, and on or before March 30, 1951, may sell and transfer to W. W. Miles and Pat L. Nolet, copartners, doing business as Miles & Sons Trucking Service, who may acquire, the automotive equipment referred to herein.

(3) The sale and transfer permitted by paragraph (1) and (2) hereof shall be made in accordance with the terms of the contract attached to the application as Exhibit "B"; provided, however, that nothing herein contained shall be construed as authorizing the transfer contemplated by paragraph IV of said contract.

(4) That within 30 days after completion of the transfers herein authorized W. W. Miles, Pat L. Nolet, Wilbur Lillie and Everett Lillie shall so notify the Commission in writing.

(5) That the authority herein granted shall become effective when W. W. Miles and Pat L. Nolet have paid the fee prescribed by Section 57 of the Public Utilities Act. Except as herein otherwise expressly provided, this order shall become effective 20 days after the date hereof.

Dated at San Francisco, California, this 30<sup>th</sup> day of January, 1951.



R. Z. [Signature]  
James J. [Signature]  
Harold P. [Signature]  
Kenneth [Signature]

COMMISSIONERS