

ORIGINAL

Decision No. 46425

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
UNITED TRANSFER COMPANY (United)
Transfer Company--Carley & Hamilton,)
Inc.) Under Sections 816 and 851 of)
the Public Utilities Code.)
-----)

Application
No. 32865

O P I N I O N

This is an application for an order of the Commission authorizing United Transfer Company, hereinafter referred to as United, and Carley & Hamilton, Inc., hereinafter referred to as Carley, to merge their properties and business, with United being designated as the surviving corporation, and authorizing the surviving corporation, hereafter to be named United Transfer Company-Carley & Hamilton, Inc., to issue 6,381 shares of stock, of the par value of \$1 each, to carry out the terms of the agreement of merger.

Each of the applicants is a corporation organized under the laws of the State of California, and each is engaged in operating trucks for the movement of general commodities, principally in the San Francisco Bay area. According to the application, United is a motor carrier operating under authorization granted by the Interstate Commerce Commission and a highway common carrier and a radial, contract and city carrier operating under authorization granted by the Public Utilities Commission. Carley is a motor carrier operating under authorization granted by the Interstate Commerce Commission and a radial, contract and city carrier operating under authorization granted by this Commission. In Exhibit D and Exhibit E filed in this proceeding, the operating revenues of United for the four months ended

April 30, 1951, are reported at \$141,084 and those of Carley for the same period at \$53,727.

The application shows that United has issued and outstanding 20,000 shares of stock of the par value of \$1 each, of which 10,050 shares are held by George D. Hart and 9,950 shares by Nettie H. Hart, and that Carley has issued and outstanding 400 shares of stock of the par value of \$100 each, of which 200 shares are held by said George D. Hart, 100 shares by E. L. Carley, Jr., and 100 shares by Edna E. Kalthoff. The assets and liabilities and net worth of each of the applicants as of August 31, 1950, are indicated in the following tabulation:

	<u>United</u>	<u>Carley</u>
<u>Assets</u>		
Current assets	\$ 75,385.79	\$49,382.94
Tangible property, less depreciation reserve	31,406.72	20,103.49
Other investments	50,924.58	-
Deferred debits	<u>11,078.49</u>	<u>4,604.59</u>
Total	<u>\$168,795.58</u>	<u>\$74,091.02</u>
<u>Liabilities and Net Worth</u>		
Current liabilities	\$ 15,130.45	\$26,676.62
Advances payable	5,000.00	-
Capital stock	20,000.00	40,000.00
Earned surplus	<u>128,665.13</u>	<u>7,414.40</u>
Total	<u>\$168,795.58</u>	<u>\$74,091.02</u>

It appears that United operates primarily in Oakland and Carley in San Francisco, although each is called upon to perform services in the other city and between the cities. Applicants are of the opinion that an integration of their operations will result in increased efficiency, greater economy and better service to the public in that equipment can be interchanged, purchasing and repairs can be coordinated, and duplication and over-lapping of services eliminated. Accordingly, they have entered into an agreement of

merger whereby Carley will be merged into United and its separate existence will cease, with United succeeding to and becoming the owner of all its rights and properties subject to all debts and liabilities. Under the terms of the merger agreement, the outstanding shares of stock of Carley will be converted into shares of stock of the surviving corporation, such new shares to be issued at the book value per share of the presently outstanding shares of stock of United as of August 31, 1950. This will call for the issue in the aggregate of 6,381 shares of stock against the aggregate book value of Carley of \$47,414.40 as of the close of August, 1950, or on the basis of approximately \$7.43 a share.

From a review of this application, the Commission is of the opinion that the proposed transaction will not be adverse to the public interest. The action taken herein shall not be construed to be a finding of the value of the properties or shares of stock of applicants.

ORDER

The Commission having considered the above entitled matter, and being 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 shares of stock herein authorized is reasonably required 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. United Transfer Company-Carley & Hamilton, Inc., after the effective date hereof and on or before February 29, 1952, may

issue not exceeding 6,381 shares of its common stock, for the purpose indicated in this proceeding, in accordance with the terms of the agreement of merger dated as of July 2, 1951, by and between United Transfer Company and Carley & Hamilton, Inc. Applicants may merge their properties and business and carry out the terms of said agreement.

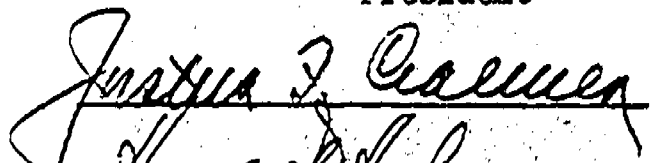
2. United Transfer Company-Carley & Hamilton, Inc. shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.


3. This order will become effective on November 30, 1951.

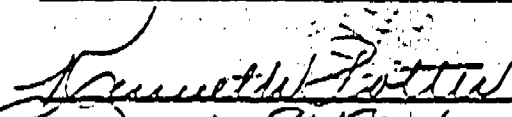
Dated at San Francisco, California, this 20th day of November, 1951.

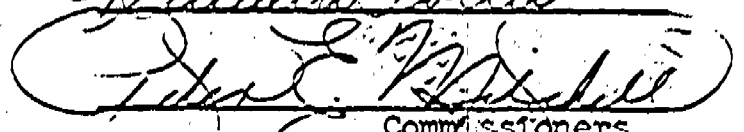


President









Commissioners