

ORIGINALDecision No. 50154

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 H. E. Wentz, doing business as Auto-)
 mobile Transport Company of California)
 for authority to sell, and Edward L.)
 McCook, Charles A. Arrasmith, and John)
 C. Wentz, copartners doing business as)
 Automobile Transport Company of)
 California, to purchase a certificate)
 of public convenience and necessity for)
 the transportation of motor vehicles,)
 trailers, certain component parts)
 thereof, and various other commodities,)
 pursuant to Sections 851-853 of the)
 California Public Utilities Code.)

Application No. 35397

O P I N I O N

By this application, H. E. Wentz, an individual, seeks authority to sell the highway common carrier authority granted to him by Decision No. 45990 on Application No. 30741 to a partnership consisting of Edward L. McCook, Charles A. Arrasmith, and John C. Wentz, both firms having the same fictitious firm name of Automobile Transport Company of California. H. E. Wentz has heretofore transferred to said partnership his radial highway common carrier, contract carrier, and city carrier authority with the consent of this Commission, and his interstate operating rights, motor vehicle equipment, and goodwill pursuant to Interstate Commerce Commission Docket No. MC-FC-56416, dated March 31, 1954.

In support of this application it is alleged that Wentz is the owner and holder of a certificate of public convenience and necessity issued by this Commission in Decision No. 45990, dated July 24, 1951 (50 P.U.C. 816) on Application No. 30741, that said certificate authorizes the transportation of motor vehicles, trailers, certain component parts thereof, and various other specified

commodities, that from time to time this Commission has issued its orders extending time for the filing of tariffs and inauguration of service by Wentz and other carriers of motor vehicles enumerated in said Decision No. 45990, that the last order issued by this Commission extends time to June 30, 1954, for filing of tariffs and inauguration of service, that said orders extending time have been issued by this Commission by virtue of the fact that there is still pending before this Commission, in Case No. 4808, an application for establishment of minimum rates for the transportation of motor vehicles and trailers, and that, as a result, Wentz has not inaugurated service pursuant to the certificate issued in Decision No. 45990 and said certificate is still inoperative.

The consideration for the sale and transfer of all the operating authority, equipment, and goodwill (State and Interstate) was \$100,000, of which sum \$5,500 was the value placed by the parties on the California certificates, permits, and the goodwill applicable to the intrastate business. Said purchase price of \$100,000 is payable \$500 down, \$28,500 within 30 days after the approval of the transfer by the Interstate Commerce Commission or the Public Utilities Commission, whichever may be the later in point of time (referred to in the agreement of sale as the consummation date), and the balance of \$71,000 payable in monthly installments of \$1,000 or more, beginning one month after the consummation date, with interest on the unpaid balance at the rate of 5 per cent per annum.

Financial statements filed with this application show the condition of the purchaser as of April 17, 1954, to be as follows: tangible assets \$139,801.62; liabilities \$101,701.62; net worth (capital) \$38,100. The liabilities consist of accounts payable \$1,701.62 and long term obligations of \$100,000, of which \$58,000 are due and payable after one year. The partnership has been operating the business for about one month, and for that reason has not

filed a profit and loss statement. The seller, H. E. Wentz, operated at a net profit of \$57,601.38 in the year ending December 31, 1953.

The Commission having considered the matter finds that the proposed sale and transfer is not adverse to the public interest and therefore will grant applicant's request. A public hearing is not deemed necessary.

The action taken herein shall not be construed to be a finding of value of the property herein authorized to be transferred.

O R D E R

Application having been made, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED:

(1) That H. E. Wentz, an individual, may sell and transfer, on or before August 31, 1954, to Edward L. McCook, Charles A. Arrasmith, and John C. Wentz, a copartnership, the operating rights and property referred to in the foregoing opinion, said sale to be made substantially upon the terms and conditions of the agreement of sale filed as Exhibit "A" with this application, and the latter, as copartners, may acquire said rights and property and continue to operate said transportation services as heretofore authorized by this Commission, and may incur the long term indebtedness referred to in this opinion, it being the opinion of the Commission that the money, property, or labor to be procured or paid for through such indebtedness is reasonably required by said copartnership for the purpose of acquiring said operating rights and property, and that such purpose is not in whole or in part reasonably chargeable to operating expenses or to income.

(2) That applicants shall file in triplicate, and concurrently make effective, appropriate tariffs within sixty days after the effective date hereof and upon not less than five days' notice to the Commission and to the public.

(3) That in the event the authority hereinabove granted is exercised, Edward L. McCook, Charles A. Arrasmith, and John C. Wentz, copartners, shall notify the Commission in writing of the fact within thirty days after the date of transfer.

(4) That the authority herein granted will become effective when Edward L. McCook, Charles A. Arrasmith, and John C. Wentz, copartners, have paid the minimum fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$58.

Dated at San Francisco California, this 18 day of June, 1954.

Edward L. Mitchell
President

Bennett Potter

Verne Higgins

Commissioners

PUBLIC UTILITIES COMMISSION
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