

Decision No. 52259**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
 PACIFIC INTERMOUNTAIN EXPRESS CO., a)
 corporation, for authority to acquire)
 from KEYSTONE PROPERTIES CORPORATION,)
 all of the issued and outstanding)
 capital stock of: (a) PUBLIC FREIGHT) Application No. 37472
 SYSTEM, a highway common carrier, and)
 (b) PUBLIC FREIGHT SERVICE, an express)
 corporation, pursuant to the provisions)
 of Section 852 of the Public Utilities)
 Code.)

O P I N I O N

An order is sought in this proceeding authorizing Pacific Intermountain Express Co., hereinafter called P.I.E., to acquire from Keystone Properties Corporation all of the issued and outstanding capital stock of Public Freight System, a highway common carrier, and Public Freight Service, an express corporation.

The allegations of the application disclose,

1. That P.I.E. possesses a certificate of public convenience and necessity issued by the Interstate Commerce Commission authorizing the transportation of general commodities in Illinois, Missouri, Kansas, Colorado, Wyoming, Idaho, Utah, Arizona, Nevada and California.
2. That Public Freight System possesses certificates of public convenience and necessity issued by this Commission authorizing the transportation of property as a highway common carrier generally in the southern California area (Decisions Numbers 39188, 45247 and 48042).
3. That Public Freight Service is an express corporation, authorized to conduct operations generally in the southern California area (Decision No. 39188).

4. That P.I.E. is the lessee of Public Freight System and Public Freight Service pursuant to authority granted by Decision No. 51842 in Application No. 36843:

5. That Keystone Properties Corporation owns and holds all of the issued and outstanding capital stock of Public Freight System and Public Freight Service.

6. That the consideration for the transfer is the sum of \$91,000 cash, payable within 30 days after approval by regulatory bodies having jurisdiction.

7. That \$75,000 of said purchase price represents intangibles of which \$41,000 is allocated to the purchase price of Public Freight System intangibles and \$34,000 is allocated to the purchase price of Public Freight Service intangibles.

8. That \$24,000 has been assigned to represent the value of the interstate portion of the intangibles of Public Freight System and \$17,000 has been assigned to represent its intrastate intangibles.

9. That Public Freight Service does not possess interstate rights and the sum of \$34,000 represents the value of its intrastate intangibles.

10. That substantially all of the purchase price covering the intangibles of Public Freight System and Public Freight Service is deemed to represent value of good will and going concern rather than value of operative rights in intrastate commerce.

11. That P.I.E. has filed with the Interstate Commerce Commission an application under which it seeks authority to acquire control of Public Freight System and Public Freight Service.

12. That P.I.E. is qualified to transact intrastate business in California and maintains a principal place of business at Oakland, California.

13. That the assets, liabilities and net worth of Public Freight System as of June 30, 1955, are as follows:

Assets

Current Assets,		
Cash and Deposits	\$ 1,534.47	
Accounts Receivable and Prepayments	<u>28,534.25</u>	
Total Current Assets		\$30,068.72
Tangible Property		
Revenue and Miscellaneous Equipment and Improvements to Property	\$206,694.95	
Less-depreciation reserve	<u>143,901.78</u>	
Net Tangible Property		62,793.17
Intangible Property		12,527.67
Investment Securities and Advances		9,980.55
Deferred Debits		<u>5,622.26</u>
Total Assets		\$120,992.37

Liabilities and Net Worth

Current liabilities -		
Accounts payable	\$66,512.86	
Accrued taxes	570.65	
Other current liabilities	<u>13,670.13</u>	
Total Current Liabilities		\$ 80,753.74
Equipment and other long term obligations		38,915.16
Reserves		6,010.08
<u>Net Worth -</u>		
Capital Stock	\$17,500.00	
Unearned surplus	8,600.00	
Earned deficit	<u>30,786.51</u>	
Total Net Worth (deficit)		<u>4,686.51</u>
Total Liabilities		\$120,992.37

14. That the assets, liabilities and net worth of Public Freight Service, as of June 30, 1955, are as follows:

Current Assets

Accounts receivable		\$ 3,560.78
Tangible Property -		
Furniture and Office Equip-		
ment	\$16,255.96	
Less-depreciation reserve	<u>7,392.05</u>	
Net Tangible Property		<u>8,863.91</u>
Total Assets		\$12,424.69

Liabilities and Net Worth

Current liabilities -		
Federal Transportation Tax	\$100.00	
Total Current Liabilities		\$100.00

Net Worth -

Capital Stock	\$3,600.00	
Surplus	<u>8,724.69</u>	
Total Net Worth		<u>\$12,324.69</u>
Total Liabilities and		
Net Worth		\$12,424.69

The Commission finds that the public interest will not be affected adversely by approval of the transfer of capital stock involved herein. The application will, therefore, be granted. In so doing, no finding is made as to the value of the stock 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 Pacific Intermountain Express Co., a corporation, after the effective date hereof, and on or before July 2, 1956, may purchase and hold all of the issued and outstanding capital stock of Public Freight System and Public Freight Service.

(2) That such sale and transfers shall be made in accordance with the terms of the agreements contained in Exhibit A attached to the application.

(3) That within thirty days after completion of the transfer herein authorized Pacific Intermountain Express Co., and Keystone Properties Corporation shall so notify the Commission in writing and within said period shall file with it true copies of the instruments executed to effect said transfers.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 12th day of December, 1955.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners