

Decision No. 53369

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
BRYAN BAYLY, doing business as HARBOR	:	
WATER TAXI CO., to sell, and CATALINA)	
ALL YEAR BOAT COMPANY to buy business,	:	Application
including assets and liabilities,)	No. 38188
formerly known as HARBOR WATER TAXI	:	
CO., including operative rights, and)	
for authorization to CATALINA ALL YEAR	:	
BOAT COMPANY to issue stock as considera-)	
tion therefor.	:	
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OPINION AND ORDER

This is an application for an order (1) authorizing Bryan Bayly, doing business as Harbor Water Taxi Co., to sell operative rights and equipment to Catalina All Year Boat Company, a corporation, and (2) authorizing said corporation to issue shares of stock.

The application shows that Bryan Bayly is engaged, as a common carrier by vessel, in transporting passengers and their hand baggage and freight between Wilmington and Avalon and between Long Beach and Avalon, under and pursuant to operating authority granted by the Commission, as follows:

- Decision No. 39668, dated Nov. 26, 1946, in Application No. 27623, authorizing establishment of service between Wilmington and Avalon.
- Decision No. 40082, dated Mar. 25, 1947, in Application No. 27623, authorizing seasonal service.
- Decision No. 42103, dated Oct. 5, 1948, in Application No. 27623, authorizing both on-call and scheduled service.
- Decision No. 48617, dated May 19, 1953, in Application No. 34106, authorizing on-call and scheduled service between Long Beach and Avalon.

In the conduct of his operations applicant Bayly has acquired three motor vessels, together with tools, engines and equipment, and terminals and office facilities. In his 1955 annual financial statement he reported operating revenues at \$99,538 and net income at \$7,637, before provision for income taxes.

It appears that applicant Bayly now desires to incorporate his business and that he has made arrangements to transfer his rights and properties to a corporation, Catalina All Year Boat Company, which has been organized for the express purpose of receiving such rights and properties and of continuing the operations. In consideration for the transfer the new corporation will assume the outstanding liabilities and will issue to applicant Bayly its shares of \$1.00 par value stock in an aggregate amount equivalent, to the nearest dollar, to the net worth of the business at the time of closing the transaction. As of June 1, 1956, said net worth, as shown by applicant Bayly's books, was \$19,806. According to the application, the books reflect the actual cost of the properties less the accrued depreciation.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the sale and transfer will not be adverse to the public interest, and that the money, property or labor to be procured or paid for by Catalina All Year Boat Company through the issue of not exceeding \$20,000 of stock is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Bryan Bayly, on or after the effective date hereof and on or before December 31, 1956, may sell and transfer to

Catalina All Year Boat Company, a corporation, the operative rights and properties referred to in the preceding opinion, and Catalina All Year Boat Company may acquire and operate the same, and in consideration assume the payment of outstanding obligations and issue not exceeding \$20,000 par value of its common stock.

2. Bryan Bayly, immediately upon the transfer of said rights and properties and on not less than one day's notice to the Commission and to the public, effective concurrently with the consummation of the transfer, shall supplement or reissue the tariff on file with the Commission insofar as it names rates, rules and regulations covering the common carrier operations now conducted by Bryan Bayly to show that said Bryan Bayly has withdrawn or canceled and Catalina All Year Boat Company concurrently has adopted or established as its own, said rates, rules and regulations. The tariff filing made pursuant to this order in all respects shall comply with the Commission's Tariff Circular No. 2.

3. Catalina All Year Boat Company shall enter in its books the assets, liabilities and reserves acquired from Bryan Bayly at the amounts reflected on the books of the transferor as of the date the transfer is consummated.

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

5. Catalina All Year Boat Company shall file a report of the issue of stock as required by General Order No. 24-A, which order insofar as applicable is made a part of this order.

6. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 10th day of July, 1956.

Peter E. Mitchell
President

Justus J. Casner
Ralph L. Lutz

W. M. L. Lutz

Ph. Hardy
Commissioners