

Decision No. 59494

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:
(a) ALBERT S. HANDY, JR., an individual doing business as HANDY MOTOR LINES, to sell, a certificate of public convenience and necessity for transportation of general commodities between various points in Southern California, pursuant to Sections 851-853 of the California Public Utilities Code.
(b) HANDY MOTOR LINES, INC., a corporation, to issue shares of its common capital stock, pursuant to Sections 816-830 of the California Public Utilities Code.

Application
No. 41447

Heinly, Heinly & Tarr, by Dale H. Heinly, for applicant.
Alexander C. Salazar, for applicant.
Richard R. Entwistle, for the Commission's staff.

O P I N I O N

A public hearing in this matter was held on October 29, 1959, before Examiner Grant E. Syphers in Los Angeles, at which time evidence was adduced and the matter submitted subject to the filing of a late-filed exhibit. This now has been filed and the matter is ready for decision.

Albert S. Handy, Jr., an individual doing business as Handy Motor Lines, is engaged in operations as a highway common carrier under authority issued by this Commission in Decision No. 53155, dated May 28, 1956, on Application No. 36378, as amended by Decision No. 53851, dated October 1, 1956, on Application No. 36378. In this application he requests authority to sell his certificate

of public convenience and necessity, along with the assets and liabilities of his business, to Handy Motor Lines, Inc., a California corporation, and the corporation requests authority to issue stock.

Handy Motor Lines, Inc., is a corporation which has been formed by Albert S. Handy, Jr., and Alexander C. Salazar to take over the certificate and operations of Handy Motor Lines. It is proposed that this corporation issue 2,000 shares of common stock without par value, of which 1,020 shares will be issued to Salazar and 980 shares to Handy.

The evidence discloses that Albert S. Handy, Jr., some months ago became indebted to the City Transfer Company of Long Beach through the issuance of two notes totaling \$15,000. Salazar advanced to Handy sufficient funds to pay these notes, as well as additional monies which have been used in the operation of Handy Motor Lines.

The evidence discloses that Handy, as an individual, has determined that he cannot continue operations as such, and that, in recent months, his operations have been conducted at a loss. However, it is anticipated that under the corporation the operations will be conducted at a profit, that the company will be able to finance new equipment and, in general, operate on a more satisfactory basis. There is no proposed change in the operations, and this record does not disclose any reason why the proposed transfer and issuance of stock would not be in the public interest.

A balance sheet as of October 31, 1959, discloses that there are notes payable to Salazar in the total amount of \$21,461.62. Handy proposes to transfer to the corporation all of

the assets of Handy Motor Lines and, in exchange therefor, to receive 980 shares of the corporation stock. It is proposed that \$10,200 of the amount of the notes payable to Salazar be cancelled in exchange for 1,020 shares of the capital stock.

A consideration of all of the evidence adduced herein leads to the conclusion and we now find that Albert S. Handy, Jr., should be permitted to transfer the certificate of public convenience and necessity described herein to Handy Motor Lines, Inc., a California corporation. There was no opposition to this proposal at the hearing. We further find that it will not be adverse to the public interest to permit the issuance by Handy Motor Lines, Inc., of 2,000 shares of its common no par value stock, 1,020 shares to be issued to Alexander C. Salazar in payment for the discharge of notes in the amount of \$10,200, and 980 shares to be issued to Albert S. Handy, Jr., in exchange for the assets and certificates of Handy Motor Lines, and that the money, property or labor to be procured or paid for by the issuance of the 2,000 shares of stock herein authorized is reasonably required for the purposes specified herein, and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

The authorization herein granted shall not be construed as a finding of the value of the rights and equipment nor as a determination that the amounts referred to herein will be accepted as proper bases for an order authorizing the issue of securities.

C R D E R

Application as above entitled having been filed, a public hearing having been held thereon and the Commission being fully advised in the premises,

IT IS ORDERED:

(1) That Albert S. Handy, Jr., doing business as Handy Motor Lines, be and he hereby is authorized to sell and transfer to Handy Motor Lines, Inc., a corporation, a certificate of public convenience and necessity granted by Decision No. 53155, dated May 28, 1956, on Application No. 36378, and as amended by Decision No. 53851, dated October 1, 1956, on Application No. 36378, together with the assets and liabilities of Handy Motor Lines, and Handy Motor Lines, Inc., be and it hereby is authorized to purchase and acquire said operative rights, assets and liabilities.

(2) That Handy Motor Lines, Inc., after the effective date hereof, may issue, sell and deliver 2,000 shares of common no par value stock, 1,020 of such shares to be issued and delivered to Alexander C. Salazar, and 980 of such shares to be issued and delivered to Albert S. Handy, Jr.

(3) That on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of the above-authorized transfer, applicants shall supplement or re-issue the tariffs now on file with the Commission pertaining to Albert S. Handy, doing business as Handy Motor Lines, to show that he has withdrawn or cancelled, and that Handy Motor Lines, Inc., a corporation, concurrently has adopted or established as it own, said rates, rules and regulations.

The authority herein granted shall terminate if not exercised by the parties on or before March 31, 1960.

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

Dated at San Francisco, California, this 12th day of January, 1960.

[Signature]
President
[Signature]
[Signature]
[Signature]
Theodore Jenner
Commissioners