

ORIGINAL

Decision No. 62937

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Frank C. Palazzotto, Joseph C. Cancilla and Edwin A. Benson, Co-Partners, doing business as DEPENDABLE TRUCK LINES, for permission to transfer highway common carrier certificate to C & P Corporation, a California corporation, doing business as DEPENDABLE TRUCK LINES, the latter to issue stock.

Application No. 43832
Filed October 13, 1961
and Amendment
Filed November 28, 1961

O P I N I O N

This is an application for an order of the Commission (1) authorizing Frank C. Palazzotto, Joseph C. Cancilla and Edwin A. Benson, copartners doing business as Dependable Truck Lines, to transfer highway common carrier operative rights, equipment and other assets to C & P Corporation, and (2) authorizing said corporation to issue 2,500 shares of its no par value capital stock at a stated value of \$1.00 per share.

The copartners are engaged in the transportation of general commodities as a highway common carrier in portions of the San Francisco Bay Area under the certificate of public convenience and necessity granted by Decision No. 61172, dated December 13, 1960, in Application No. 42513. For the first nine months of 1961 the copartners report revenues of \$72,274, expenses amounting to \$64,505, and a net profit before and after partners' salaries of \$7,769 and \$1,469, respectively.

As of September 30, 1961, they assign no value to their operative rights, and report no outstanding long-term indebtedness. A summary of the reported assets, liabilities and net worth is as follows:

<u>Assets</u>	
Current assets	\$24,882
Fixed assets	6,957
Other assets	<u>5,165</u>
Total	<u>\$37,004</u>
<u>Liabilities and Net Worth</u>	
Current liabilities	\$29,133
Net worth	<u>7,871</u>
Total	<u>\$37,004</u>

It appears that the copartners have concluded that the operations can be conducted more advantageously by means of a corporate form of organization, rather than by a copartnership, and that they propose to transfer their operative rights, equipment and other assets to C & P Corporation, a new California corporation organized on or about August 3, 1961, to take over such assets and to continue the operations. In acquiring said assets and assuming the current liabilities, C & P Corporation proposes to issue 2,500 shares of its no par value capital stock at a stated value of \$1.00 per share, to credit \$2,500.00 to its capital stock account, and to credit to surplus the balance of the net worth.

The application shows that there will be no change in the rates or service as a result of the transfer, that the same properties will be available to C & P Corporation as are utilized

now in the operation, and that said corporation will continue under the business name of Dependable Truck Lines, being the same as that presently used by the copartners.

Upon reviewing the verified application, as amended, we find and conclude (1) that the proposed transfer will not be adverse to the public interest; (2) that the proposed stock issue is for a proper purpose; (3) that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose specified herein; and (4) that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we will enter an order granting the application, as amended.

C & P Corporation is hereby placed on notice that operative rights, as such, do not constitute a class of business which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the state as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the state, which is not in any respect limited as to the number of rights which may be given.

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

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, and that the application, as amended, should be granted, therefore,

IT IS ORDERED that -

1. Frank C. Palazzotto, Joseph C. Cancilla and Edwin A. Benson, on or after the effective date hereof and on or before March 31, 1962, may assign, transfer, sell and convey to C & P Corporation, the certificate of public convenience and necessity granted by Decision No. 61172, dated December 13, 1960, in Application No. 42513, and the equipment and other assets, as set forth in this application, as amended.

2. C & P Corporation, on or after the effective date hereof and on or before March 31, 1962, in acquiring said certificate of public convenience and necessity, equipment and other assets, may issue not to exceed 2,500 shares of its no par value capital stock at a stated value of \$1.00 per share.

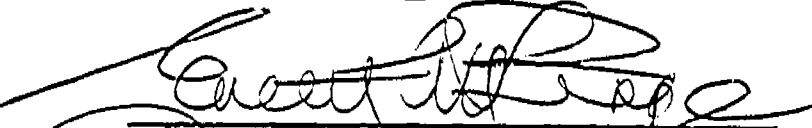
3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the operations here involved to show that Frank C. Palazzotto, Joseph C. Cancilla and Edwin A. Benson have withdrawn


or canceled and that C & P Corporation has adopted or established as its own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80.


4. C & P Corporation shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

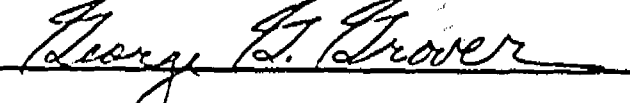
5. This order shall become effective 20 days after the date hereof.


Dated at San Francisco, California, this
19th day of DECEMBER, 1961.



President








Commissioners