

ORIGINAL

Decision No. 66358

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 A) A. B. ALLEN, doing business as
 ALLEN TRANSPORTATION CO., for
 authority to sell and transfer to
 SUBURBAN TRANSIT LINES the assets
 and liabilities of the car-leasing
 business operated by ALLEN
 TRANSPORTATION CO.; and B) SUBURBAN
 TRANSIT LINES, a corporation, for
 authority 1) to purchase the assets
 and liabilities of the car-leasing
 business operated by ALLEN
 TRANSPORTATION CO., and 2) to
 issue stock.

Application No. 45920
Filed October 30, 1963

O P I N I O N

In this application Suburban Transit Lines, a public utility passenger stage corporation, hereinafter sometimes referred to as applicant, requests an order from this Commission authorizing it to assume outstanding indebtedness and to issue and sell \$5,000 par value of its capital stock, for the acquisition of the properties and business relating to car leasing operations of A. B. Allen, doing business as Allen Transportation Co. In addition, the application contains a request that A. B. Allen be granted authority to sell and transfer to Suburban Transit Lines the assets and liabilities of his car leasing business. The car leasing business is a nonutility operation and the transfer thereof by A. B. Allen does not require any action on the part of this Commission.

The application shows that applicant is a common carrier bus operator in the suburban area of Sacramento, that it also holds statewide charter authority from this Commission and that A. B. Allen is its controlling stockholder. A. B. Allen, as an individual, is reported as operating approximately fifteen charter buses pursuant to statewide charter authority from this Commission. According to the application, A. B. Allen, as an individual, also operates a car leasing business whereby he leases automobiles and trucks to individuals and business concerns on terms normally running from two to five years.

A. B. Allen, as an individual, proposes to sell and transfer the assets and liabilities of his car leasing business to applicant in return for \$5,000 par value of its capital stock. The application shows that applicant is better equipped to operate the car leasing business than is A. B. Allen, as an individual, and that, in addition, certain tax advantages would result from the proposed transfer.

The Commission has considered this matter and is of the opinion, and finds, that (1) the acquisition by applicant of the car leasing properties and business of A. B. Allen, as an individual, will not be adverse to the public interest; (2) 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 (3) such

purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings, we conclude that the application should be granted, insofar as this Commission has jurisdiction, and that otherwise it should be dismissed for want of jurisdiction. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Suburban Transit Lines, a corporation, on or after the date hereof and on or before March 31, 1964, may assume the payment of outstanding indebtedness relating to the car leasing properties of A. B. Allen, doing business as Allen Transportation Co., and may issue, at par, not to exceed \$5,000 par value of its capital stock for the purpose set forth in the application.
2. Except as otherwise granted, the application is dismissed for want of jurisdiction.
3. Suburban Transit Lines, a 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.

4. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 26th day of November, 1963.

William J. Bennett
President
John E. Blumenthal
Walter A. Hayes
George H. Hoover
Fredrick B. Halchoff
Commissioners