

ORIGINAL

Decision No. 68310

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Crandal Mackey, an individual)
doing business as "CALL MAC")
TRANSPORTATION COMPANY for)
))
authority to transfer assets, and)
"CALL MAC" TRANSPORTATION COMPANY,)
a corporation, for authority to)
acquire assets, assume liabilities,)
issue stock, and transfer certificate)
from DePue Drayage Corporation and)
remove suspension.)

Application No. 47077
Filed October 29, 1964

O P I N I O N

This is an application for an order of the Commission
(1) authorizing DePue Drayage Corporation to sell and transfer
a highway common carrier certificate of public convenience and
necessity to "Call Mac" Transportation Company, a corporation;
(2) authorizing said corporation to acquire the assets and
assume the liabilities of Crandal Mackey, an individual doing
business as "Call Mac" Transportation Company; and (3)
authorizing "Call Mac" Transportation Company, a corporation,
to issue \$25,000 par value of common stock and a promissory
note in the principal amount of not to exceed \$11,096.12.

By Decision No. 58299, dated April 21, 1959, in
Application No. 40711, the Commission granted DePue Drayage
Corporation a certificate of public convenience and necessity
authorizing it to operate as a highway common carrier of
general commodities, with certain exceptions, between all

points and places within the San Francisco-East Bay Cartage Zone and between various intermediate points in the general vicinity of such zone. Pursuant to the company's request, its certificate was suspended until May 1, 1965, unless otherwise authorized by the Commission, by Decision No. 67057, dated April 7, 1964, in Application No. 40711.

In this proceeding, DePue Drayage Corporation proposes to sell and transfer its highway common carrier certificate of public convenience and necessity for the sum of \$6,500 cash to "Call Mac" Transportation Company, a corporation, and contemporaneously therewith, applicants request removal of the voluntary suspension of such certificate. Applicants assert that the agreed sales price of \$6,500 represents less than the original cost of acquiring said certificate and the amendments and modifications thereto.

Crandal Mackey, an individual doing business as "Call Mac" Transportation Company, transports property as a motor carrier under permits issued by this Commission. The application indicates that the business has expanded over the past years and that the owner desires to carry on the enterprise under a corporate form of organization. To accomplish such objective, he seeks authority to sell and transfer his trucking business assets to "Call Mac" Transportation Company, a corporation. The balance sheet attached to the application as Exhibit D shows that, as of September 30, 1964, total assets to be transferred in the amount of \$94,993.86 were offset by

liabilities totaling \$58,897.74 and proprietary capital of \$36,096.12.

"Call Mac" Transportation Company is a California corporation organized on or about September 24, 1964. In this proceeding, it originally sought permission to issue 2,500 shares of its common stock having an aggregate par value of \$25,000, together with a promissory note in an amount of not to exceed \$11,096.12, to Crandal Mackey in exchange for the assets, subject to existing liabilities of the proprietorship. Subsequent to filing the application, the corporation reported that the seller had agreed to advance not to exceed \$11,096.12 to the corporation on an open account basis. The pro forma balance sheet, as of September 30, 1964, annexed to the application as Exhibit I indicates no capitalization of operative rights to be acquired from DePue Drayage Corporation.

The Commission has considered this matter and finds that: (1) the proposed sale and transfer of the certificate of public convenience and necessity would not be adverse to the public interest; (2) applicants will utilize an open account advance instead of the promissory note requested herein; (3) 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) 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 (a) dismissed with respect to the proposed note issue and (b) granted in all other respects. A public hearing is not necessary.

The action taken herein shall not be construed to be a finding of the value of the operative rights and other assets to be transferred. So far as the rights are concerned, the authorization herein granted is for the transfer of the highway common carrier certificate only. The transfer of permitted operative rights must be the subject of a separate application or applications.

O R D E R

IT IS ORDERED that:

1. The suspension of the highway common carrier certificate of public convenience and necessity ordered by Decision No. 67057, dated April 7, 1964, in Application No. 40711, pursuant to the request of DePue Drayage Corporation, is hereby vacated and set aside contemporaneously with the consummation of the transfer authorized in the next ordering paragraph.
2. On or before February 28, 1965, DePue Drayage Corporation may sell and transfer, and "Call Mac" Transportation Company, a corporation, may purchase and acquire said highway common carrier certificate of public convenience and necessity.
3. "Call Mac" Transportation Company, a corporation, on or before February 28, 1965, may acquire the assets and assume the liabilities of Crandal Mackey, an individual doing business as "Call Mac" Transportation Company, and for the purpose specified in the foregoing opinion, may issue not to

exceed 2,500 shares of its common stock at not less than their par value of \$10 per share.

4. "Call Mac" Transportation Company, a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

5. Within thirty days after the consummation of the transfer of the certificate of public convenience and necessity as herein authorized, "Call Mac" Transportation Company shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

6. "Call Mac" Transportation Company shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier operations herein to show that it has adopted or established as its own, said rates and rules. The tariff filings shall be made effective not earlier than ten days after the date of this order on not less than ten days' notice to the Commission and to the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. 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-A.

7. On or before the end of the third month after the consummation of the transfer of the highway common carrier certificate of public convenience and necessity herein authorized. "Call Mac" Transportation Company shall cause to be filed with the Commission, in such form as it may prescribe, an annual report covering the period commencing with the first day of the current year to and including the effective date of the transfer.

8. This application, insofar as it concerns the issuance of a note in the principal amount of not to exceed \$11,096.12, is dismissed.

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

Dated at San Francisco, California, this 9th day of DECEMBER, 1964.

Frederick B. Hallock
President

George H. Trover

William W. Beune

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.