

ORIGINAL

Decision No. 69830

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of MELVIN CRAIL and FRED BECKER,)
doing business as GEORGETOWN)
EXPRESS, and RICHARD J. LEE,)
JERRY A. SMITH, and RUSSELL O.)
BROWN, for authority for CRAIL)
and BECKER to sell and for LEE,)
SMITH, and BROWN to purchase)
the operating authority held by)
CRAIL and BECKER.)

Application No. 47326
Filed August 19, 1965

O P I N I O N

This is an application for an order of the Commission (1) authorizing Melvin Crail and Fred Becker, copartners doing business as Georgetown Express, to sell and transfer a highway common carrier certificate of public convenience and necessity, together with motor vehicle equipment and related assets, to Richard J. Lee, Jerry A. Smith and Russell O. Brown, and (2) authorizing Richard J. Lee, Jerry A. Smith and Russell O. Brown to assume long-term obligations and to issue a promissory note in the principal amount of \$15,000.

By Decision No. 63059, dated January 9, 1962, in Application No. 38505, the Commission granted to Melvin Crail, Fred Becker and Thomas Stevens, copartners, a certificate of public convenience and necessity authorizing them to operate as a highway common carrier of general commodities, with certain exceptions, in portions of El Dorado, Placer and Sacramento Counties. Pursuant to permission granted by

Decision No. 65532, dated June 12, 1963, in Application No. 45423, Thomas Stevens sold and transferred his interest in the business to Melvin Crail and Fred Becker.

The agreed purchase price for the properties and business known as Georgetown Express is \$35,000 and the assumption of liabilities. The \$35,000 is payable by \$20,000 in cash with the balance of \$15,000 to be represented by a note repayable in four equal annual installments of \$3,750, plus interest on unpaid principal at the rate of 6% per annum.

A pro forma balance sheet of Georgetown Express, as of January 1, 1965, giving effect to the proposed transfer and based upon information provided by applicants, is as follows:

Assets

Motor vehicle equipment	\$38,000
Office furniture and equipment	1,290
Operating rights	1,000
Good will and trade name	<u>5,000</u>
Total	<u>\$45,290</u>

Liabilities

Contracts assumed	\$10,290
Note payable	15,000
Partnership capital	<u>20,000</u>
Total	<u>\$45,290</u>

The Commission has considered this matter and finds that: (1) the proposed sale and transfer would not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the note 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. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. 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 of public convenience and necessity 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. On or after the effective date hereof and on or before December 31, 1965, Melvin Crail and Fred Becker, co-partners doing business as Georgetown Express, may sell and transfer, and Richard J. Lee, Jerry A. Smith and Russell O. Brown may purchase and acquire, the highway common carrier certificate of public convenience and necessity and other assets referred to in the application. Said sale and transfer may be made effective as of January 1, 1965 for accounting purposes.

2. Richard J. Lee, Jerry A. Smith and Russell O. Brown, on or after the effective date hereof and on or before December 31, 1965, may assume payment of outstanding obligations and may issue a promissory note in the principal amount of not to exceed \$15,000 for the purpose specified in the application. Said note shall be in the same form, or in substantially the same form, as that attached to the application.

3. Within thirty days after issuing the note herein authorized, Richard J. Lee, Jerry A. Smith and Russell O. Brown shall file with the Commission a copy thereof as actually issued.

4. Within thirty days after the consummation of the transfer herein authorized, Richard J. Lee, Jerry A. Smith and Russell O. Brown 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.

5. Richard J. Lee, Jerry A. Smith and Russell O. Brown shall amend or reissue the tariffs on file with the Commission naming rates and rules governing the common carrier operations herein to show that they have adopted or established, as their own, said rates and rules. The tariff filings shall be made effective not earlier than thirty days after the effective date of this order or not less than thirty days' notice to the Commission and 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.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, Richard J. Lee, Jerry A. Smith and Russell O. Brown shall cause to be

filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the sellers for the period commencing with the first day of the current year to and including the effective date of the transfer for accounting purposes, if such date is other than January 1, 1965.

7. This order shall become effective when Richard J. Lee, Jerry A. Smith and Russell O. Brown have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 26th day of OCTOBER, 1965.

Frederic B. Hallock President
Paul E. Mitchell
George J. Hoover
Augustine
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

