

Decision No. 70380**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CHAS. J. WORTH DRAYAGE CO., a
 corporation, to transfer a certificate
 of public convenience and necessity and
 other property to HARRY A. TULLEY, an
 individual, doing business as TULLEY
 TRUCKING CO., and of HARRY A. TULLEY to
 acquire such certificate and property.

Application No. 48077
 (Filed November 26, 1965)

O P I N I O N

Chas. J. Worth Drayage Co., transferor, seeks authority to transfer to Harry A. Tulley, transferee, the certificates and properties described in an exhibit (contract of sale) on the terms and conditions therein set forth. The property and certificates to be sold are alleged to represent the properties and certificates used in transferor's Southern Division and are not used or useful in the northern operation. The total purchase price is \$12,000.

According to the statement of applicants, transferor has operated the northern and southern segments of its business as separate divisions. Its northern operation centers in San Francisco and the southern operation in Los Angeles. The principal office of transferor and all of its principal officers and directors are located in San Francisco. It has become increasingly difficult for the executives of transferor to devote the time required to the southern operation. As the southern operation increases in volume, this problem will increase as well. Transferor believes that it will be to its best interest and to the best public interest for transferor to concentrate its efforts in the north and to dispose of the southern segment of the operation.

Transferee has been an employee of transferor for the past three and one-half years. He started with transferor as a driver in the Southern Division and later worked there for a year as dispatcher.

He was then promoted to Southern Division Manager, a position he has held for approximately a year. This experience has enabled him to gain sufficient knowledge of the customers and their transportation requirements.

It is stated that the proposed transfer will be in the public interest since its effect will be to concentrate management and financial responsibility in one individual.

In order to clarify the request, applicants, on January 10, 1966, amended the application to allege the following:

1. Net assets to be acquired over liabilities to be assumed, as shown by Exhibit 4	\$ 1,264.51
2. Book value of equipment as shown by Exhibit 4, \$8,832.24, increased to reflect difference between market value of \$11,600.00, as shown by Exhibit 7, over book value	2,767.76
3. Value of goodwill based upon estimated value of Southern Division as a going business	7,267.73
4. Value of intrastate certificate which is predicated upon the cost of acquisition together with the cost of developing a new tariff which transferee will acquire in this proceeding through adoption	350.00
5. Value of interstate operating authority which is predicated upon cost of acquisition and cost of tariff development	<u>350.00</u>
Total purchase price	\$12,000.00

The agreement, Exhibit 6, provides that the purchase price will be paid as follows: \$5,000 cash at closing, as defined in the agreement, and the balance of \$7,000 at the rate of \$100 per month on the first day of each and every month subsequent to closing until the whole balance is paid.

Transferee seeks authority to assume the liabilities reflected on Exhibit 4. One such liability is a long-term debt due for equipment on a conditional sales contract in the amount of \$3,016.00.

The Commission has considered this matter and finds that:
(1) the proposed sale, transfer and assumption of indebtedness will

not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the execution of the evidence of indebtedness 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, as amended, should be granted. The authorization herein given shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before April 1, 1966, Chas. J. Worth Drayage Co. may sell and transfer, and Harry A. Tulley may purchase and acquire, pursuant to the provisions of the Contract of Sale attached to the application, the operative rights and property, and may assume the liabilities, referred to therein.

2. On or after the effective date hereof and on or before April 1, 1966, Harry A. Tulley, for the purpose specified in the foregoing opinion, may execute an evidence of indebtedness providing for deferred payments of not to exceed \$7,000, in the same form, or in substantially the same form, as that attached to the application as Exhibit 6.

3. Within thirty days after the consummation of the transfer herein authorized, Harry A. Tulley 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.

4. Harry A. Tulley shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the common carrier operations herein to show that he has adopted or established, as his own, said rates, rules and regulations. The tariff filings shall be made effective not earlier than thirty days after the effective date of this order on 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.

5. The authority herein granted to execute an evidence of indebtedness will become effective when Harry A. Tulley has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00. In other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 23rd day of FEBRUARY, 1966.

Fredrick B. Holcomb
President
John S. Mitchell
George T. Crow
Augusta
William L. Bennett
Commissioners

