

ORIGINAL

Decision No. 70867

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of TESI DRAYAGE COMPANY, a)
California Corporation, For)
Authority to Purchase and Retire)
a Portion of its Outstanding)
Shares of Stock and to Issue)
Promissory Notes under Sections)
817, et seq, P. U. C., for a)
Portion of the Purchase Price)
thereof, and for Authority to)
Transfer Outstanding Shares of)
Stock from One Shareholder to)
Another Shareholder.)

Application No. 48309
Filed March 15, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Tesi Drayage Company to issue promissory notes in the aggregate principal amount of not to exceed \$10,000 and authorizing the sale and transfer of certain shares of its outstanding stock.

Applicant is a California corporation engaged in business as a highway common carrier operating between certain points and places in the Counties of Alameda, Santa Cruz, San Francisco and San Mateo. The corporation's balance sheet as of December 31, 1965, attached to the application as part of Exhibit C, discloses total assets of \$85,890 offset by current liabilities and equipment obligations of \$42,622 and \$4,050, respectively, and by common stock equity amounting to \$39,218.

The application shows that the company has 160 shares of \$100 par value common stock presently outstanding and that it has agreed to purchase and retire 53-1/3 shares of said stock for a total price of \$20,000. In connection with the purchase, applicant proposes to pay \$10,000 cash and requests permission to issue two promissory notes in the amount of \$5,000 each, maturing 25 months after their date and bearing interest at the rate of 6-1/2% per annum, payable quarterly. Applicant also seeks authorization for certain sales and transfers of its stock between individual shareholders.

The Commission has considered this matter and finds that: (1) the proposed note issues are for a proper purpose; (2) transfers of applicant's stock do not require authorization from this Commission; (3) the money, property or labor to be procured or paid for by the issue of the notes 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 the foregoing findings we conclude that the application should be (a) dismissed with respect to the proposed transfers of stock, and (b) granted in all other respects. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Tesi Drayage Company, on or after the effective date hereof and on or before September 30, 1966, may issue and deliver promissory notes in the aggregate principal amount of not to exceed \$10,000 for the purpose specified in this proceeding. Said notes shall be in the same form, or in substantially the same form, as those attached to the application as Exhibits D and E.

2. Tesi Drayage Company 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.

3. This application is dismissed insofar as it seeks authority for sales and transfers of stock.

4. This order shall become effective when Tesi Drayage Company has paid the minimum fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 21st day of JUNE, 1966.

Frederick B. Holdrege
President
George J. Glover
Augustus
William W. Bennett
Commissioners

