

ORIGINAL

Decision No. 71274

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)

LTL DELIVERY, a corporation, to purchase, and of TRYGVE B. LODRUP, GARRY M. WHITE and HAROLD R. HALL, doing business under the fictitious firm name of LTL DELIVERY SERVICE, a partnership, to sell, a certificate of public convenience and necessity for the transportation of general commodities between points in the Los Angeles Basin Territory, pursuant to Sections 851-853 of the California Public Utilities Code; and for said corporation to issue stock, pursuant to the Public Utilities Code, 816 et seq.)

Application No. 48592
Filed July 1, 1966
and Amendment
Filed August 22, 1966

O P I N I O N

This is an application for an order of the Commission (1) authorizing Trygve B. Lodrup, Garry M. White and Harold R. Hall, copartners doing business as LTL Delivery Service, to sell and transfer a highway common carrier certificate of public convenience and necessity, together with certain assets, to LTL Delivery, a corporation, and (2) authorizing the latter to assume certain obligations and to issue \$25,000 par value of its capital stock.

Under authority granted by Decision No. 68578, dated February 9, 1965, in Application No. 47211, Trygve B. Lodrup, Garry M. White and Harold R. Hall, copartners doing business

as LTL Delivery Service, acquired a highway common carrier certificate of public convenience and necessity which authorizes the transportation of general commodities, with certain exceptions, between various points and places within the Los Angeles Basin Region. In the present proceeding they propose to sell and transfer said certificate, together with certain related assets, for the sum of \$49,000 to LTL Delivery, a California corporation organized on or about April 26, 1966. A copy of the Agreement of Sale and Purchase is attached to the application as Exhibit No. 4.

According to the application, as amended, \$25,000 of said purchase price is allocated to intangible property and the \$24,000 balance is segregated in various amounts to other assets, namely, \$1,000 to furniture and fixtures, \$3,000 to accounts receivable and \$20,000 to trucking equipment based on the net book value of said equipment. The transferee proposes to capitalize a total sum of not more than \$1,000 in connection with the intrastate certificate of public convenience and necessity.

In acquiring said operative rights and assets, LTL Delivery seeks authority to assume certain equipment obligations and notes payable amounting to \$7,200 and \$16,800, respectively, and to issue \$25,000 aggregate par value of its capital stock.

The Commission has considered this matter and finds that: (1) the proposed sale and transfer of assets and assumption of liabilities 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, as amended, should be granted. A public hearing is not necessary.

The action taken herein shall not be construed as 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. Any 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 before December 31, 1966, Trygve B. Lodrup, Garry M. White and Harold R. Hall, copartners doing business as LTL Delivery Service, may sell and transfer, and LTL Delivery, a corporation, may purchase and acquire, the highway common carrier certificate of public convenience and necessity and other assets referred to in this proceeding.

2. LTL Delivery, a corporation, on or before December 31, 1966, in acquiring said certificate and other assets, may assume the liabilities referred to in this proceeding and may issue not to exceed 2,500 shares of its capital stock at their par value of \$10 per share.

3. LTL Delivery, 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.

4. Within thirty days after the consummation of the transfer herein authorized, LTL Delivery, a corporation, 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. LTL Delivery, a corporation, 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 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, LTL Delivery, a corporation, 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.

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

Dated at San Francisco, California,
this 13th day of SEPTEMBER, 1966.

George J. Grover
President

Frederick B. Holboff

William W. Beine

Avigata
Commissioners

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