

ORIGINAL

Decision No. 71723

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of G. I. TRUCKING COMPANY and)	
VETERAN TRUCK LINES, INC., for)	
authority to issue evidences of)	Application No. 48982
indebtedness; to merge; issue)	Filed November 25, 1966
stock; and to retire and)	
cancel certain capital stock.)	
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O P I N I O N

This is an application for an order of the Commission authorizing G. I. Trucking Company (a) to issue 20,000 shares of its \$1 par value capital stock and promissory notes aggregating \$188,240, and (b) to assume obligations as the surviving corporation of a proposed merger with Veteran Truck Lines, Inc.

G. I. Trucking Company, a California corporation, conducts business as a highway common carrier pursuant to the certificate of public convenience and necessity granted by Decision No. 62412, dated August 15, 1961, in Application No. 43232. Subject to certain exceptions, said certificate authorizes the transportation of general commodities between various points and places in southern California. The carrier also operates under permits issued by this Commission.

In this proceeding G. I. Trucking Company proposes to issue 20,000 shares of its \$1 par value capital stock in exchange for all the outstanding capital stock of Veteran Truck Lines, Inc., a California corporation engaged in trucking activities under permits issued by this Commission. Applicants seek to accomplish a merger whereby G. I. Trucking Company, as the surviving corporation, will acquire all assets and become subject to all liabilities of Veteran Truck Lines, Inc. It appears that an appropriate request will be made to revoke and cancel the latter's permits.

The application shows that G. I. Trucking Company purchased 12,546 shares of its capital stock from Jack D. Coulter in 1965 for a consideration of \$56,457 and that an unpaid balance of \$30,240 is outstanding in connection with such transaction. The company proposes to retire and cancel said shares and to issue a \$30,240 promissory note repayable in quarterly installments of \$840 each, plus interest at the rate of 6% per annum.

In addition, G. I. Trucking Company plans to purchase, retire and cancel 23,520 shares of its capital stock held by C. S. Hutchings. The reported consideration of \$183,000 will be evidenced, in part, by the proposed issue of a \$158,000 promissory note, repayable in monthly installments of \$1,754.19 each, including interest at the rate of 6% per annum.

A pro forma statement of assets and liabilities as of June 30, 1966, as summarized from Exhibit D filed in this proceeding, giving effect to the merger and proposed financing, is as follows:

Assets

Current assets	\$ 470,100
Net carrier operating property	1,328,496
Net non-carrier property	183,105
Organization, franchises and permits	11,491
Other assets and deferred debits	<u>91,636</u>
Total	<u>\$2,084,828</u>

Liabilities

Current liabilities	\$ 546,883
Long-term debt	1,006,936
Common stock equity	501,207
Other reserves	<u>29,802</u>
Total	<u>\$2,084,828</u>

The Commission has considered this matter and finds that: (1) the proposed merger 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 and notes herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are 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 granted. A public hearing is not necessary.

The authorization herein granted is not to be construed as a finding of the value of the properties herein authorized to be merged.

O R D E R

IT IS ORDERED that:

1. G. I. Trucking Company may issue not to exceed 20,000 shares of its \$1 par value capital stock in exchange for all of the outstanding capital stock of Veteran Truck Lines, Inc.
2. G. I. Trucking Company, after acquiring all the outstanding capital stock of Veteran Truck Lines, Inc., and on or before April 30, 1967, may cause the latter to merge with and into itself.
3. Upon consummation of the merger herein authorized, G. I. Trucking Company may assume all the liabilities, including outstanding long-term indebtedness, of Veteran Truck Lines, Inc.
4. G. I. Trucking Company, on or after the effective date hereof and on or before April 30, 1967, may issue promissory notes in the aggregate principal amount of not to exceed \$188,240 for the purposes specified in this proceeding. Said notes shall be in the same form, or in substantially the same form, as those attached to the application.

5. G. I. Trucking 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.

6. Within thirty days after the consummation of the merger herein authorized, G. I. Trucking Company shall notify the Commission, in writing, of that fact.

7. Within sixty days after consummation of such merger, G. I. Trucking Company shall file with the Commission a copy of each journal entry used to record the merger on its books of account.

8. On or before the end of the third month after the consummation of the merger as herein authorized, G. I. Trucking Company 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 Veteran Truck Lines, Inc. for the period commencing with the first day of the calendar year in which the merger occurs to and including the effective date of the merger.

9. This order shall become effective when
G. I. Trucking Company has paid the fee prescribed by
Section 1904(b) of the Public Utilities Code, which fee
is \$189.

Dated at San Francisco, California,
this 20th day of DECEMBER, 1966.

John E. Mitchell
President

Fredrick B. Hildebrand

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Commissioners

Commissioner George G. Grover, being
necessarily absent, did not participate
in the disposition of this proceeding.

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

