

Decision No. 72944

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of ZUCKERMAN-MANDEVILLE  
 INC., doing business as R. C. Zuckerman  
 Telephone Company and THE PACIFIC TELEPHONE  
 AND TELEGRAPH COMPANY for an order of the  
 Commission (1) authorizing Zuckerman to  
 discontinue offering telephone service in  
 its authorized service area and to withdraw  
 from the public utility telephone business,  
 (2) authorizing Pacific to expand the  
 boundaries of its Stockton Exchange Area to  
 include said area and to provide telephone  
 service therein, and (3) authorizing  
 Zuckerman to sell and Pacific to purchase  
 certain facilities.

Application No. 49506  
(Filed June 30, 1967)

OPINION AND ORDER

Zuckerman-Mandeville, Inc. (Zuckerman) and The Pacific Telephone and Telegraph Company (Pacific) request authorization for Zuckerman to sell and Pacific to buy certain outside plant facilities located on Mandeville and Bacon Islands in San Joaquin County. A copy of the Purchase and Sales Agreement and a copy of the sample Bill of Sale are attached to the application as Exhibit C. The estimated original book cost of the facilities is \$3,077, the estimated depreciation reserve is \$2,100 and the estimated net book cost is \$977.

The agreed consideration is \$630 plus applicable sales tax adjusted at the request of either party to reflect any substantial change occurring in said facilities between the date of the agreement and the date of the sale. Should any dispute arise with respect to the adjusted price, each of the parties will appoint an appraiser to determine the purchase price. Should they fail to agree, then the

appraisers will select an umpire, whose written decision and award, if agreed to by one of the appraisers, shall be binding upon the parties. Personal property taxes for the fiscal year in which the sale is consummated shall be paid by Zuckerman and prorated as of the date of sale, provided that if the sale is consummated before the amount of said taxes is ascertainable, prorating shall be deferred until the amount is determinable.

The agreement provides that it will have no further force or effect if the application is denied; however, if an order authorizing the sale of said facilities is obtained, the sale shall be consummated within 90 days after the effective date of said order.

On May 7, 1947, R. C. Zuckerman caused to be incorporated Zuckerman-Mandeville, Inc., and thereafter transferred all of his telephone assets to Zuckerman-Mandeville, Inc. All of the capital stock of Zuckerman-Mandeville, Inc., was owned by R. C. Zuckerman until the time of his death on February 6, 1959, and thereafter has been owned by Alfred R. Zuckerman and Florence S. Zuckerman, executors of the estate of R. C. Zuckerman, deceased. The circumstances of the transfer from R. C. Zuckerman to Zuckerman-Mandeville, Inc., are fully set forth in the "Petition by Executors for Leave to Execute Quitclaim" and the "Order for Quitclaim" in the matter of the estate of Roscoe C. Zuckerman, deceased, attached to the application marked Exhibit D.

R. C. Zuckerman did not obtain authority from this Commission pursuant to Section 851 of the Public Utilities Code to transfer his telephone assets to Zuckerman-Mandeville, Inc. Presumably failure to obtain this Commission's authorization for the transfer was attributable to: R. C. Zuckerman's unfamiliarity with the requirements of the Public Utilities Code and of this Commission; to the fact that the telephone system was of very limited size; and

to the fact that Zuckerman-Mandeville, Inc., was a corporation wholly owned by R. C. Zuckerman. Accordingly, Zuckerman-Mandeville, Inc., doing business as R. C. Zuckerman Telephone Company, and Florence S. Zuckerman and Alfred R. Zuckerman, executors of the estate of R. C. Zuckerman, deceased, request that this Commission now authorize the transfer of the telephone assets of R. C. Zuckerman to Zuckerman-Mandeville, Inc.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

The Commission finds that the transfer from Zuckerman to Zuckerman-Mandeville, Inc. was void, that the latter presently operates a public utility telephone system; that the proposed sale thereof will not be adverse to the public interest; that a public hearing is not necessary; and concludes that the application should be granted, as herein provided.

IT IS ORDERED that:

1. Zuckerman-Mandeville, Inc. is authorized to discontinue telephone service in the area shown in Exhibit B of the application and to withdraw from the public utility telephone business.

2. The Pacific Telephone and Telegraph Company is authorized to expand the boundaries of its Stockton exchange to include the area now served by Zuckerman-Mandeville, Inc. and to provide exchange telephone service therein. The Pacific Telephone and Telegraph Company shall within 60 days after the effective date of this order refile with this Commission in conformity with the provisions set forth in General Order No. 96-A a revised map of the Stockton exchange including therein the area now served by Zuckerman-Mandeville, Inc.

3. Zuckerman-Mandeville, Inc. is authorized to sell and The Pacific Telephone and Telegraph Company is authorized to purchase

telephone facilities pursuant to the terms of the Purchase and Sales Agreement attached to the application marked as Exhibit C.

4. This transaction shall be accounted for in accordance with Section 31.2-21 (a) and (b), Part 31, Uniform System of Accounts for Class A and B Telephone Companies.

5. Zuckerman-Mandeville, Inc. shall, upon consummation of this sale, transfer to The Pacific Telephone and Telegraph Company its pertinent records, memoranda, and documents pertaining to the property sold.

6. Upon consummation of the sale, The Pacific Telephone and Telegraph Company shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and of its compliance with the conditions hereof, and shall file a copy of each journal entry used to record the purchase on its books.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 22nd day of AUGUST, 1967.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners