

ORIGINAL

Decision No. 74257

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE ESTATE OF)
GEORGE CHUCK, by his Adminis-)
tratrix, BETTY B. CHUCK; and)
EDWARD PAPAZIAN, CO-PARTNERS,)
Doing Business As DESERT BELT)
TRANSPORTATION COMPANY, For)
Authority to sell Property and)
to Transfer Highway Common)
Carrier Certificate to DESERT)
BELT TRANSPORTATION CO., a)
California Corporation, and)
for the latter to issue stock.)

Application No. 50250
Filed May 17, 1968

O P I N I O N

This is an application for an order of the Commission (1) authorizing The Estate of George Chuck, deceased, by his Administratrix, Betty B. Chuck, and Edward Papazian, copartners, doing business as Desert Belt Transportation Company, to sell and transfer a highway common carrier certificate of public convenience and necessity, together with related assets, to Desert Belt Transportation Co., a corporation, and (2) authorizing the latter, in acquiring said assets, to assume liabilities and to issue 7,800 shares of its \$10 par value capital stock.

By Decision No. 55251, dated July 9, 1957, in Application No. 36465, the Commission granted a highway common carrier certificate of public convenience and necessity to George Chuck and Edward Papazian authorizing the transportation of agricultural products and articles used by farmers and

processors between the Los Angeles Territory, on the one hand, and the Coachella Valley Territory, on the other hand. The carrier also holds permits issued by this Commission and engages in activities which are subject to the jurisdiction of the Interstate Commerce Commission.

In the present application The Estate of George Chuck, deceased, by his Administratrix, Betty B. Chuck, and Edward Papazian, copartners, doing business as Desert Belt Transportation Company, request authority to sell and transfer said highway common carrier certificate of public convenience and necessity, together with related assets, to Desert Belt Transportation Co., a California corporation organized on or about March 5, 1968. The corporation proposes to acquire said assets, subject to liabilities, in exchange for 7,800 shares of its \$10 par value capital stock.

A pro forma balance sheet of the copartnership, as of December 31, 1967, giving effect to the proposed transactions is attached to the application as Exhibit F, and is summarized as follows:

<u>Assets</u>	
Current assets	\$ 27,355
Net tangible property	95,017
Deferred charges	<u>4,269</u>
Total	<u>\$126,641</u>
<u>Liabilities</u>	
Current liabilities	\$ 11,011
Equipment obligations	36,851
Capital stock	78,000
Paid-in surplus	<u>779</u>
Total	<u>\$126,641</u>

After consideration the Commission finds that:

(1) the proposed transactions 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 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 intrastate 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 after the date hereof and on or before November 30, 1968, The Estate of George Chuck, deceased, by his Administratrix, Betty B. Chuck, and Edward Papazian, copartners, doing business as Desert Belt Transportation Company, may sell and transfer, and Desert Belt Transportation Co., a corporation, may purchase and acquire, the highway common carrier certificate of public convenience and necessity and other assets referred to in the application.

2. Desert Belt Transportation Co., on or after the date hereof and on or before November 30, 1968, for the purpose specified in this proceeding, may assume liabilities and may issue not exceeding 7,800 shares of its \$10 par value capital stock.

3. Desert Belt Transportation Co. 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, Desert Belt Transportation Co. 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.


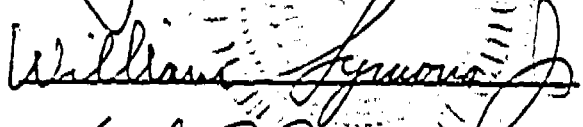

5. Desert Belt Transportation Co. shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the highway common carrier operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not 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. 30-A. Failure to comply with and observe the provisions of General Order No. 30-A may result in a cancellation of the operating authority acquired pursuant to this decision.

6. On or before the end of the third month after the consummation of the transfer herein authorized, Desert Belt Transportation Co. 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 18th day of JUNE, 1968.


President




Commissioners

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